

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

☒ Action ☐ Information

MEAD Number:  
202022

Resolution:  
☐ Yes ☒ No

**TITLE:**

Approval of Revisions to Board Travel Policy

**PRESENTATION SUMMARY:**

To approve a revised Board of Directors' Travel and Expense Policy (Travel Policy)

**PURPOSE:**

To request Board approval to revise and update its Travel Policy to more closely align with current travel procedures and industry practices.

**DESCRIPTION:**

In 2013, as part of the Metro Board's comprehensive review of its governance policies, that included the development of Bylaws and a Code of Ethics, the Board of Directors approved a travel policy. The policy was developed to further the Board's goals of transparency, accountability and fiscal prudence, and governs official travel and reimbursement of expenses incurred by Board members.

In the approximately six years since the initial development of the policy, there have been significant changes within the travel industry with regard to how travel is arranged and booked. In addition, there have been updates to the Board's *Code of Ethics*, which is referenced in the Policy.

**Key Highlights:**

- Removes outdated language, such as references to travelers' checks and to "WMATA's travel agency" as Board member travel is arranged either through the Office of the Board Secretary or by individual Board members themselves.
- Specifically references the *Board Code of Ethics* as a resource for Board members, as it contains provisions relevant to travel.
- Clarifies conditions for booking airline tickets.

**Background and History:**

The Board adopted a travel policy in January 2013. Since then, the policy has provided guidance to Board members in making travel arrangements as well as to staff in processing and approving reimbursements for Board travel.

Changes to the process of booking travel, along with additional changes to Board governance documents, including the introduction of Board's *Code of Ethics*, necessitated a review of the policy. A proposed revised version of the policy is included as Attachment A.

**Discussion:**

Staff undertook a thorough review of the existing policy to remove outdated language and to refine certain aspects of the travel reimbursement guidelines to provide clearer guidance for Board members in planning travel and submitting expenses for reimbursement.

**FUNDING IMPACT:**

This action would constitute a revision to Board policy and would have no effect on funding.

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Jennifer Ellison
Project Department/Office:	SECT

**TIMELINE:**

<b>Previous Actions</b>	January 2013 – Board adoption of Board of Directors' Official Travel and Expense Reimbursement Policies for Board Members
<b>Anticipated actions after presentation</b>	No further actions anticipated

**RECOMMENDATION:**

Board approval of a revised Board of Directors' Travel and Expense Policy as outlined in Attachment A to the resolution.

SUBJECT: APPROVAL OF REVISED BOARD OF DIRECTORS' TRAVEL AND EXPENSE POLICY

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, In Resolution 2013-01, the Board of Directors adopted the Official Travel & Expense Reimbursement Policies for Board Members (Travel Policy) to further its goals of accountability, transparency and fiscal prudence; and

WHEREAS, Revisions to the Travel Policy in 2013 is necessary to reflect changes to the Board's governance documents referenced in the policy as well as changes in travel procedures; NOW, THEREFORE, be it

*RESOLVED*, That the Board of Directors adopts the revised and renamed Board of Directors' Travel and Expense Policy, attached as Attachment A to this Resolution; and be it finally

*RESOLVED*, That as this Resolution deals solely with internal management action, it shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee  
General Counsel

## BOARD OF DIRECTORS' TRAVEL AND EXPENSE POLICY

### CHAPTER 1- GENERAL PROVISIONS

#### 1-1 Policy

- a. Members of the WMATA Board of Directors have found that transit-related conferences provide valuable opportunities to learn about new developments and best practices in the industry and that such experiences bring significant benefit to WMATA. Board Members are encouraged to take advantage of these opportunities when their schedules permit.
- b. As stewards of the public trust, Board Members shall use prudent judgment regarding all expenses incurred during official travel.
- c. The Office of the Board Corporate Secretary, working with Board Members, is responsible for coordinating all official travel for Board Members and is charged with ensuring the best rates possible consistent with business requirements for all Board Member travel.

#### 1-2 Authorization of Travel

All travel shall be authorized in advance, except in unusual or extenuating circumstances such as emergencies. Travel authorization requests shall be submitted as soon as possible to ensure that the most cost-effective travel can be obtained. The Office of the Board Corporate Secretary shall obtain the required approvals from the appropriate authorizing official in writing.

#### 1-3 Authorizing Officials

The Chair of the Board shall approve all travel by Board Members except for his/her own travel. Travel requests for the Chair shall be approved by a Vice Chair of the Board.

#### 1-4 Funding of Travel Expense

Requests for travel must be funded from monies specifically designated in the annual budget of the Board Corporate Secretary's office and the availability of funds must be certified by the Office of the Board Corporate Secretary.

#### 1-5 Lodging and Transportation Reservations

- a. All lodging and transportation reservations, including those for rental vehicles, shall be arranged by Board Members or by the Office of the Board Corporate Secretary. WMATA does not qualify for GSA airfare pricing.



- b. Whenever possible and practical, reservations for lodging shall be made at hotels offering convention, government or corporate rates. If the stay is sufficiently long to justify a weekly or monthly rate, efforts should be made to secure such rates. Lodging reservations shall be made on a single room basis.

**1-6 Exceptions to Policy**

Exceptions to policy may be granted by the Chair of the Board (or a Vice Chair if the traveler is the Chair). All such exceptions require written justification and approval.

**1-7 Coordination with Code of Ethics**

The Code of Ethics for Members of the WMATA Board of Directors contains provisions relevant to travel regarding fiduciary duties, use of official position, conflicts of interest and gifts. Any questions regarding these provisions should be directed to the Ethics Officer.

## **CHAPTER 2 - REGISTRATION AND OTHER FEES**

**2-1 Registration Fees**

The Office of the Board Corporate Secretary shall arrange for the payment of conference registration fees once the travel is approved by the Chair or a Vice Chair, as appropriate.

**2-2 Requirement for Cancellation of Travel**

Board Members must inform the Office of the Board Corporate Secretary of all cancellations as early as possible, and shall endeavor to minimize any cancellation fees.

## **CHAPTER 3 - TRANSPORTATION**

**3-1 Cost-Effective Travel**

The amount of reimbursement is limited to the most cost-effective means available taking into consideration both the schedule and savings available, such as advance-purchase or non-refundable tickets and connecting flights. The reimbursement shall encompass only the days for the business travel. Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs.

**3-2 Additional Travel Expenses**

Any traveler incurring transportation expenses in excess of the most cost-effective means—such as using an indirect route or staying for additional days—shall be responsible for any extra expense incurred that is attributable to the indirect route or additional days.

### **3-3 Alternate Origin and Destination**

The cost of travel from an alternate originating city or to an alternate destination city in excess of the cost for the business travel using the most cost-effective route shall be the responsibility of the traveler.

### **3-4 Mileage Reimbursement for Use of Private Vehicle**

When travel by private vehicle has been authorized in advance, mileage reimbursement will be allowed at the prevailing rate for federal employees and shall reflect the round-trip miles between the WMATA Compact Transit Zone and the destination point. Where several Board Members travel together, only a single reimbursement for mileage will be made.

### **3-5 Local Transportation**

Local travel is all travel in connection with the conduct of official business within the WMATA Compact Transit Zone. Board Members will give preference for using the Metrobus/Metrorail system or WMATA vehicles for local transportation. Board Members may only be reimbursed for using other types of transportation for local travel only when such transportation is the most practical mode.

## **CHAPTER 4 - RENTAL VEHICLES**

The rental of a vehicle requires specific authorization from the Chair or a Vice Chair, as appropriate, and shall only be approved when necessitated by business needs and alternative means of transportation are unavailable or inappropriate. If use of the vehicle is of sufficiently long duration to warrant long-term rates, efforts should be made to secure such rates. Drop-off charges for one-way rentals shall be avoided, if possible, by obtaining a vehicle assigned to the destination city.

### **4-1 Insurance Coverage**

- a. Under the agreements of the GSA Travel Program, rental car rates include full comprehensive and Collision Damage Waiver (CDW) coverage and liability coverage in the amounts of \$100,000 per person, \$300,000 per accident, and \$25,000 property damage per occurrence; and CDW coverage for the amount offered in the lessor's rental agreement.
- b. Optional insurance Coverage. Except where due to unusual circumstances that have been justified and approved in advance, WMATA shall not reimburse expenses by Board Members for the following car rental insurance coverage:
  - Insurance coverage that duplicates those listed in Section 4-1a of this Policy, or those otherwise included in a given leasing company's basic rental car rates;
  - Personal Accident Insurance;



- Personal Effect Coverage; and
  - Liability Insurance Supplement.
- c. Travelers shall not request nor accept Liability Supplement or Personal Accident Insurance. WMATA already has the insurance coverage.
- d. The use of frequent flyer miles for car rentals is prohibited.

## **CHAPTER 5 - INTERNAL REVENUE SERVICE RULES**

### **5-1 Regarding Expense Reimbursements**

The IRS has issued rules that establish specific requirements regarding expense reimbursements. This Policy is designed to comply with those rules. Except as noted in Section 6.2 of this Policy, the rules require that any non-receipted expense reimbursement be reported as income to the traveler, subject to applicable federal, state, and Social Security (FICA) tax withholdings. **IRS Publication 463.**

### **5-2 Exceptions to the IRS Rules**

Exceptions to the IRS rules are as follows:

- a. Where the traveler substantiates an expense or a claimed reimbursement in accordance with existing IRS substantiation and documentation rules that provide that receipts are not required in instances where:
- the traveler can establish that, by the inherent nature of a given circumstance, the traveler was unable to obtain receipts;
  - receipts were lost due to circumstances beyond the traveler's control;
  - receipts are not readily available and the expense is less than \$25.00; or
  - the federal per diem amount is used.
- b. In all such instances except the use of the federal per diem amount, the traveler's request must be accompanied by documentation that cites the elements (amount, date, time, place, and business purpose) of the expense and provides an explanation for receipt unavailability
- c. Receipts are not required for reimbursement of expenses for mileage for use of a personal vehicle, tolls, or use of mass transit systems.

## CHAPTER 6 - EXPENSE REIMBURSEMENTS

### 6-1 System of Reimbursement

WMATA policy is based on the federal per diem for Meals and Incidental Expenses (which provides a daily allowance instead of actual expenses for meals, and incidental expenses related to subsistence) along with the actual cost of the lodging except as otherwise provided for in this chapter. The cost standards are determined by the Federal Government. See [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem). Board Members are not required to obtain receipts for meals or incidental expenses related to subsistence when covered completely by the per diem amount for meals and incidental expenses. Meals or other expenses shown on the lodging receipt will be treated as meals & incidental expenses and not part of the lodging reimbursement. Incidental expenses related to subsistence are:

- a. fees and tips related to meals or lodging; and
- b. costs of laundry and dry cleaning.

### 6-2 Conference Meals

Where a conference or event provides meals as part of the event, those meals are not eligible for either reimbursement or the receipt of per diem. Board Members may not accept travel or lodging expenses from Interested Parties, as defined in the Board Code of Ethics.

## CHAPTER 7 - EXPENSE ALLOWANCE AND REIMBURSEMENT

### 7-1 Lodging (including taxes and/or reasonable gratuities)

The traveler will be reimbursed for the actual costs for lodging subject to the exclusions listed in Section 7-8.

### 7-2 Meals (including taxes and/or reasonable gratuities)

- a. Where the traveler is entitled to less than three daily meals, reimbursement shall be limited to 25 percent of the per diem allowance for breakfast, 25 percent for lunch, and 50 percent for dinner. The limitations are cumulative; therefore, if a traveler is entitled to breakfast and lunch but eats only lunch, reimbursement shall not exceed 50 percent of the daily allowance.
- b. Meal expense for one day, out-of-area trips for periods lasting at least 12 hours shall be 75% of the applicable Meals & Incidental Expenses rate. (Out-of-area travel of less than 12 hours shall be limited to transportation costs).
- c. Meal expense for a period of 24 hours or more (day of departure 75% applicable Meals & Incidental Expenses rate; full day of travel 100%



applicable Meals & Incidental Expenses rate; and last day of travel 75% applicable Meals & Incidental Expenses rate.

**7-3 Transportation Expenses Incurred While on Local Travel**

- a. Reimbursement for transportation other than mass transit while on local travel is restricted to the actual fare plus gratuity or at the authorized rate for use of personal vehicles plus any expenses incurred for parking or tolls, as appropriate. Board members may be reimbursed for using other types of transportation for local travel only when such transportation is the most practical mode.
- b. For purposes of calculating reimbursement, the most direct route shall be considered as the origin point unless otherwise authorized by the appropriate official.

**7-4 Transportation Expenses Incurred While on Out-of-Town Travel**

The use of mass transit is strongly encouraged. Upon written approval of the authorizing official, the traveler may be reimbursed for the actual costs of expenses paid by the traveler for transportation other than mass transit.

**7-5 Miscellaneous Business-Related Expenses**

Board Members shall be reimbursed (in addition to reimbursements under Chapters 4 and 6 of this Policy) for the following additional expenses upon the presentation of receipts:

- a. costs of transportation other than mass transit;
- b. necessary and reasonable parking fees;
- c. gasoline expense for rental cars or for WMATA vehicles where out-of-town use has been authorized;
- d. checked baggage fees; and
- e. Internet (business related).

**7-6 Travel by Family Members or Companions**

WMATA will reimburse the traveler for those costs which would have normally incurred had the traveler traveled alone and will not reimburse expenses for persons traveling with the traveler unless required under the Americans with Disabilities Act.

### **7-7 International Travel**

Reimbursement for international travel shall be on an actual expense basis. All monies claimed must be shown in U.S. dollars using the conversion rate actually paid by the traveler. For example: if a hotel bill is paid in foreign currency, the conversion rate should be the rate paid by the traveler to secure the funds (at bank, airport, U.S. Embassy, etc.) and not at the conversion rate available at the hotel. If paid by credit card, the conversion rate would be that charged by the credit card company at the time of the billing. Miscellaneous costs necessarily incurred as a result of foreign travel are reimbursable.

### **7-8 Non-Reimbursable Expenses**

The following is an illustrative, but not exclusive, list of expenses which are not eligible for reimbursement:

- a. nonessential items such as liquor, gifts or amusements;
- b. car rentals not authorized in advance;
- c. expenses for other persons unless allowed under Section 7.6 or Chapter 9 of this Policy;
- d. travel life insurance premiums;
- e. tips and gratuities included as part of the per diem rate;
- f. hotel room service; and
- g. in-room entertainment such as pay-per-view movies, etc.

### **7-9 Special Circumstances**

It is recognized that under certain circumstances a rigid policy prohibiting reimbursement of certain types of travel expenses may create a hardship on travelers. Therefore, the following exceptions to normal policy may be granted by the authorizing official, under the circumstances stated, when fully documented. When the special circumstance is verified, the actual meal or lodging costs may be reimbursed when the expense is a result of peak season rates, non-availability of competitively priced lodging due to the location of the specific function or event, remote geographical locations or legislative sessions, and where, in accordance with the applicable receipt documentation requirements of this Policy, the traveler can demonstrate that financial loss resulted from official travel and that no reasonable alternative was available.

## **CHAPTER 8 - REPORTING OF TRAVEL EXPENSES**

See Chapter 5 of this Policy for information Internal Revenue Service rules that establish specific requirements regarding expense reporting and

reimbursement. All documentation shall be submitted to the Office of the Board Corporate Secretary.

**8-1 Supporting Documentation**

All required supporting documentation, including travel itinerary and copies lodging receipts must be submitted with any request for reimbursement must accompany the travel voucher.

**8-2 Receipts**

Except as provided by Section 5-2 a., 5-2 c., and 6-1 of this Policy, travelers shall submit original receipts for all expenses for reimbursements.

**CHAPTER 9 - NON-TRAVEL RELATED EXPENSES**

It is understood that Board Members may have to incur expenses in the furtherance of their duties as Board Members. WMATA shall reimburse those actual expenses that are both reasonable and in furtherance of WMATA's interests. However, it is expected that Board Members will use WMATA assets and equipment as much as possible and take all steps possible to minimize the expenditure of WMATA funds. Board Members shall also obtain the approval of the Chair or a Vice Chair before incurring such expenses and shall provide appropriate documentation of expenses in order to obtain reimbursement.

To the greatest extent possible, Board Members seeking reimbursement for representational activities, such as entertaining visiting Board Members from other transit properties, must obtain approval from the Chair or a Vice Chair. If prior approval is not obtained, approval shall be obtained before filing for reimbursement of expenses. There shall be no reimbursement for representational expenses related to Interested Parties or Prohibited Sources as defined in the Board Code of Ethics, or for any item that is not reimbursable under this Policy if incurred by a Board Member for himself/herself.