

## RESOLUTION NO. 25-62

### A RESOLUTION OF KITSAP TRANSIT BOARD OF COMMISSIONERS APPROVING KITSAP TRANSIT TRAVEL AND MEALS POLICY

**WHEREAS**, Kitsap Transit has maintained a Travel and Meals Policy as part of its employee handbook; and

**WHEREAS**, the Travel and Meals Policy has been periodically reviewed and modified by staff in its review of the employee handbook; and

**WHEREAS**, staff has been informed by the Washington State Auditors that Kitsap Transit must have its Travel and Meals Policy authorized by its Board of Commissioners; and

**WHEREAS**, staff is removing the policy from its employee handbook as a stand-alone document for periodic review and modification by the Kitsap Transit Board of Commissioners; and

**WHEREAS**, staff proposes Kitsap Transit's travel and meals policy as incorporated by referenced herein as Exhibit A.

**NOW THEREFORE, BE IT RESOLVED** the Board of Commissioners hereby authorizes Kitsap Transit's travel and meals policy as incorporated and referenced herein as Exhibit A.

**ADOPTED** by the Kitsap Transit Board of Commissioners at a regular meeting held on the 2<sup>nd</sup> day of September, 2025.

Signed by:

*Rob Putaansuu*

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Rob Putaansuu, Chairperson

ATTEST:

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*Jackie Bidon*

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Jackie Bidon, Clerk of the Board

## **TRAVEL EXPENSES AND ALLOWANCES**

Kitsap Transit pays or reimburses employees and Board Commissioners for allowable expenses incurred while traveling on Kitsap Transit business. As public employees, we have a fiduciary responsibility to minimize our travel expenses and to travel as efficiently as possible. It's important to always request government discounts and shop for the best value. Employees may choose to make reservations with preferred airlines and hotels, provided the expense incurred does not exceed standard and reasonable costs of competing airlines and hotels. It is also important that employees attempt to make airline, hotel, and car rental reservations directly with the service provider rather than a travel aggregator website to provide greater flexibility for cancellations. It is important that airline or hotel credits received for cancelled reservations are reported to Finance for future Kitsap Transit travel needs. Travel must be authorized in advance by the employee's Director. The Executive Director must approve all out-of-state travel, or when the total travel expense is expected to exceed \$2,000, or when the cost of accommodations, excluding taxes and fees, is greater than 150% of the designated per diem rates for accommodations for the designated location (refer to Travel Authorization Section).

### **AIRFARE AND OTHER BUSINESS TRAVEL OPTIONS**

Kitsap Transit will pay or reimburse employees and Board Commissioners for economy class airfare and related baggage fee for authorized travel. The cost of pre-selecting standard or economy class seats is reimbursable provided the seat selected is not in premium class.. If an employee selects a premium class seat, the employee is responsible for the expense that is greater than the standard or economy class fare. Any deviation from a standard or economy class fare to be paid by KitsapTransit must be pre-approved by the Executive Director. The employee is responsible for expenses related to personal detours, airfare class or seat upgrades, flight entertainment or comfort amenities. The cost of Wi-Fi is an allowable expense if required for business purposes. When employees choose to use an alternative travel method or modify travel dates and times to accommodate other personal plans, the reimbursable expense will be limited to the cost of the most direct airfare and/or date and time of travel preceding the business purpose. Reservations should be made as early as possible, but not less than three weeks prior to travel, to facilitate reasonable travel expense and avoid unnecessary upgrade costs.

### **SHUTTLES, TAXIS, RENTAL CARS**

Employees should use local transit, airport shuttles, taxis, Uber-like services whenever possible. If a rental car is necessary or is more cost effective based on commuting needs, reimbursement is limited to the cost of a compact car. Employees may upgrade to a mid-size vehicle if three or more employees are traveling together. Employees should attempt to coordinate travel to accommodate sharing of travel expense when feasible. Employees should not purchase additional insurance for a car rental. Washington State Transit Insurance Pool (WSTIP) provides liability and property coverage for rental cars for business purposes. Bridge and road tolls, local transit, shuttles, taxis, and Uber-like services are reimbursable travel expenses.

## PARKING

Kitsap Transit will reimburse employees for business-related parking costs. Parking at the SeaTac terminal parking garage shall not exceed one day. SeaTac Airport off-premises parking lots (park and shuttle) must be used when parking for more than one day. In the event an employee chooses to park at the SeaTac terminal for more than one day, employee reimbursement will be limited to \$30 per day.

## ACCOMMODATION EXPENSES

Accommodation expenses, excluding taxes and fees, will be reimbursed at the designated federal per diem rates when it is feasible for travel requiring an overnight stay. In the event the nightly rate of accommodations, excluding taxes and fees, is greater than 150% of the designated per diem rates for accommodations for the designated location (refer to Travel Authorization Section), the deviation from travel policy must be separately designated on the Travel Authorization form for pre-approval by the Executive Director. Overnight accommodations are permitted in the Puget Sound region to accommodate meetings, conferences, or airline reservations that start before 10:00 am outside of Kitsap County. Federal per diem rates for accommodations are designated by geographic location and may be referenced in the Travel Authorization form (refer to Travel Authorization section). Any deviation from the federally designated per diem rates for accommodations must be pre-approved by the Executive Director. Overnight accommodations on the last business day of a trip is permitted when necessary to (1) accommodate **out of state business** that concludes after 3pm, (2) returning airline departure is not available before 3pm, or (3) if alternate flight or transportation schedule results in savings that exceed the additional cost of lodging and meal per diem. Reservations should be made directly with the hotel rather than consolidator website to facilitate potential need for cancellations. A Travel Expense Report must be submitted to the Finance Department with receipts within 10 business days of travel (refer to Expense Reporting and Reimbursement section).

## MEALS AND INCIDENTALS DURING TRAVEL

Employees will receive daily meals and incidental (M&I) per diem for travel with overnight accommodation at the designated federal per diem rate by geographic location. Employees qualify for M&I per diem as follows:

- If travel includes an overnight stay, the employee qualifies to receive M&I per diem for each day of travel and/or stay (except for overnight stays in the Puget Sound area that accommodate next-day airline travel or conference). Meals and incidentals are intended to include meals, beverages, tips, luggage handling services, phone calls, etc. Employees should refer to the M&I per diem for the applicable area of planned travel in the Travel Authorization form (available on the Kitsap Transit "Public Drive" in the "Forms" folder). The federal per diem rates are adjusted annually in October.
- If travel does not include an overnight stay, there is no per diem available for meals and incidentals. Travel-related expenses such as bridge and road tolls, shuttles, taxis, and Uber-like services are separately reimbursable with a receipt.

- Receipts for meals and incidentals **do not** need to be submitted to the Finance Department with the employees Travel Expense Report if daily M&I per diems are claimed.

### **TRAVEL AUTHORIZATION**

The department director and/or the Executive Director must approve all travel and related expenses in advance no less than a week prior to the employee travel. The Executive Director must approve all out-of-state travel, or when the total travel expense is expected to exceed \$2,000, or when the cost of accommodations, excluding taxes and fees, is greater than 150% of the designated per diem rates for accommodations for the designated location. To request approval, employees should complete the "Travel Authorization" (available on the Kitsap Transit Public Drive in the "FORMS" folder) before incurring any costs (seminar registrations, airline tickets, hotel deposits, or other travel-related costs). All costs (actual and estimated) must be listed on the travel authorization.

Reservations and/or payment of employee and Board Commissioner flights, rental cars, and accommodations must be made with a Kitsap Transit credit card (p-card) to maximize rebate benefits. If an employee has not been issued a Kitsap Transit p-card, an employee may be reimbursed for costs on their personal credit card for authorized travel and expense or request a travel p-card from the Finance Department. Reservations should be made directly with the airline, car rental, and hotel rather than a travel consolidator website to facilitate potential need for cancellations.

A travel advance check may be requested when completing the Travel Authorization form. It is intended to be a partial advance of out-of-pocket meals, incidentals, or other qualifying business-related costs.

### **EXPENSE REPORTING AND REIMBURSEMENT**

Employees must complete a "Travel Expense Report" within 10 business days of completion of travel, local accommodations, or employee/business meals (available on the Kitsap Transit Public Drive in the "FORMS" folder). If applicable, additional amounts due to or owed by the employee will be calculated from this report. Future travel advance requests will not be processed until prior Travel Expense Reports and receipts are submitted to the Finance Department. The Executive Director may retroactively approve unexpected travel expenses not initially authorized on the Travel Authorization form.

Meals or travel expense incurred locally (not included in overnight travel above) that qualify for reimbursement must separately be uploaded and processed for reimbursement in Financial Edge within 10 business days of the meal or incurred expense when charged to a Kitsap Transit p-card (refer to Local Reimbursable Meals and Travel section). In the event the meal is charged to a personal credit card, the itemized receipt and notes must be submitted to Payroll with a completed Travel Expense Report.

It is important to note that it is the employee's responsibility to submit receipts for

expenses not included within the daily M&I per diem. In the event an itemized receipt cannot be found, the employee must complete a separate Missing Receipt Affidavit (available on the Kitsap Transit Public Drive in the "FORMS" folder). All Missing Receipt Affidavits must be signed by the Executive Director. If the required itemized receipts or Missing Receipt Affidavits are not submitted, the processing of employee's travel or expense reimbursement will be delayed and/or the applicable travel advances paid to the employee or unauthorized expenses paid with a Kitsap Transit p-card could be reported with the employee's reportable income in accordance with IRS Revenue Ruling 2006-56.

## **LOCAL REIMBURSEABLE MEALS, TRAVEL, AND ACCOMMODATION EXPENSE (Business Related Circumstances without Overnight Travel)**

### **LOCAL MEAL REIMBURSEMENT FOR EMPLOYEES**

A Director may authorize reimbursement for meals if an employee is required to work outside of their normal business hours and does not meet the overnight accommodation requirements for M&I per diem. An **itemized receipt** must be submitted in Financial Edge within 10 business days of the meal when charged to a Kitsap Transit p-card. In the event the meal is charged to a personal credit card, the itemized receipt must be submitted to Payroll with a completed Travel Expense Report (refer to Expense Reporting and Reimbursement above). Meals are not reported with the employee's reportable taxable income, provided that the meal reimbursement is occasional and infrequent.

### **LOCAL MEAL REIMBURSEMENT FOR BUSINESS PURPOSES**

In limited circumstances, employee meals may be reimbursed, provided the meal serves a fundamental business purpose and is a reasonable expense. The business purpose may include, but is not limited to, the meeting of two or more Kitsap Transit employees to discuss Kitsap Transit interests, meetings with Commissioners of the Board, or to facilitate **occasional and infrequent** employee meetings that are expected to run long or accommodate a working lunch. An **itemized receipt** must be submitted in Financial Edge within 10 business days of the meal when charged to a Kitsap Transit p-card. The itemized receipt must include the nature of the meeting and employees in attendance in the description field. In the event the meal is charged to a personal credit card, the itemized receipt and related notes must be submitted to Payroll with a completed Travel Expense Report. Meal costs should be reasonable, and alcohol is prohibited. Server gratuity should not exceed customary and reasonable percentages. In the event a meal expense is missing an itemized receipt, the employee must complete a separate Missing Receipt Affidavit. All Missing Receipt Affidavits must be signed by the Executive Director.

### **LOCAL TRAVEL**

Employees should attempt to carpool when multiple employees are travelling to meetings or conferences. Employees are encouraged to use staff cars if travelling alone to meetings or conferences. In the event carpools or the use of a staff vehicle are not reasonable options, the employee will be reimbursed mileage for use of a personal vehicle according to the federal mileage rate. Mileage and applicable tolls must be submitted to the Finance Department on the Travel Expense Report within 10 business

days of travel. The federal mileage rate can be found with the Travel Expense Report. If using a personal vehicle, it is important to understand that Kitsap Transit insurance will not cover first party property damage and third party liability coverage may **not** extend to legs of travel that are not official business travel such as added travel at the end of a conference.

When travelling to Seattle, employees should prioritize commuting by ferry when it is feasible to minimize travel costs.

#### **LOCAL OVERNIGHT ACCOMODATIONS**

In the event of an extraordinary weather event or other extenuating circumstance, a Director may use reasonable discretion to authorize accommodations to facilitate employee shifts and/or rest between shifts. The department director must inform the Executive Director as early as feasible. The department director must subsequently submit a Travel Expense Report with applicable receipt, a note regarding the nature of the event, and the Executive Director's signature to the Finance Department within 10 business days of the extraordinary event.

#### **MISCELLANEOUS REIMBURSEABLE EMPLOYEE EXPENSE**

Other business-related expenses may be reimbursed with the approval of the department director or Executive Director. Examples of business-related expenses may include taxi fare or other transportation costs for business purposes. A Travel Expense Report must be submitted with applicable receipt within 10 business days.

#### **NON-REIMBURSABLE EXPENSES**

Employees will not be reimbursed for the cost of:

- Upgrades (first class flights, upgraded car rentals, larger hotel rooms, etc.)
- Movies, video rentals, and/or airplane amenities (Wi-Fi is acceptable if necessary for work purposes);
- Alcoholic Beverages;
- Childcare

#### **EMPLOYEE PAY FOR TRAVEL**

##### **NON-EXEMPT EMPLOYEES**

When employees travel to attend training or other work-related events, they are paid for all time spent for direct and reasonable travel, regardless whether they are the driver or passenger of the vehicle.

If the time spent traveling causes an employee to work more than 40 hours in a work week, the additional time will be paid as overtime. As with all overtime, the employee's director must approve this overtime in advance of travel.

##### **EXEMPT EMPLOYEES**

Exempt employees are paid a salary and are not eligible for overtime compensation.

Time spent traveling does not affect pay.

DRAFT