

Board approved date \_\_\_\_\_  
Commissioner \_\_\_\_\_  
Commissioner \_\_\_\_\_



## **Policy 10 - Reimbursement of Expenses**

**ADOPTION DATE: DECEMBER 7, 1994**

**EFFECTIVE DATE: DECEMBER 7, 1994**

**Revision #1 Dated January 3, 2004**

**Revision #2 Dated December 7, 2012**

**Revision #3 Dated: October 6, 2017**

### **RESPONSIBLE FOR ADMINISTERING POLICY:**

District Manager, Utility District Board of Commissioners

### **BACKGROUND AND PURPOSE**

This policy was developed in accordance with state law relating to utility districts and the requirement for the adoption of a policy. The policy does not become effective until the district files a copy of the adopted policy with the office of the Comptroller of the Treasury of the State of Tennessee, Division of Municipal Audit at:

State of Tennessee, Comptroller of Treasury, Department of

Audit, Division of Municipal Audit, Suite 1600, James K. Polk State

Office Building, Nashville, Tennessee 37243-0271

State law permits the board of commissioners of a utility district to elect to reimburse the following individuals for expenses incurred in the conduct of district business:

1. Any member of the board of commissioners;
2. Any committee member duly elected or appointed by the board of commissioners;

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*Webb Creek Utility District – 3625 Lindsey Mill Road – Gatlinburg, TN 37738*

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3. Any employee of the district.

The board of commissioners has the power to establish the terms and conditions of the reimbursement of expenses incurred by employees in the conduct of district business.

**LIMITATIONS**

The utility is subject to various state and federal regulations and has no discretion to provide travel reimbursement in a manner which would violate these regulations.

**POLICY STATEMENT**

1 ... The board of commissioners has elected to reimburse expenses incurred by the following individuals for the purpose of conducting district business:

- a) Members of the board of commissioners;
- b) Committee members elected or appointed by the board;
- c) District employees.

2 ... Expenses incurred by a spouse, children, other relatives, friends or companions are not eligible for reimbursement.

3... All expenses will be paid according to the per diem rate as set by the IRS publication 1542

4 ... All mileage shall be computed based on current mapping resources.

5 ... **District Vehicles.** The board of commissioners or district manager may require that an employee drive a district vehicle to conduct district business.

6 ... **Personal Vehicles.** When a personal vehicle is used, the following limitations apply:

- a) Mileage shall be reimbursed at a rate no higher than established in *IRS Publication 1542*.
- b) Mileage shall be reimbursed only for the most efficient route, (considering distance and time) plus reasonable vicinity mileage.
- c) If the trip is extended for personal use, personal mileage must be deducted.
- d) If two or more employees or officials travel together in one person's vehicle, only the person who owns or has custody of the vehicle will be reimbursed for mileage.
- e) Employees and officials will maintain adequate insurance to hold harmless the district for any liability from the use of the personal vehicle. In the event of an accident the district will be

responsible for the employees automobile insurance deductible (Not to exceed \$500.00) while the vehicle is being used for authorized district business.

f) Employees or officials shall not be reimbursed for automotive repair or breakdowns when using their personal vehicles.

**7 ... Airlines.** The following limitations apply:

a) Employees and officials should make full use of discounts and special rates for advance airline reservations.

b) Reimbursement will be made for tourist class airfare only.

c) Mileage credits for frequent flyer programs accrue to the traveler; however, there shall be no circuitous routing, scheduling of a particular carrier or other manipulations of air schedules to maximize travel credits.

**8 ... Lodging rates shall not exceed the maximum rates authorized by IRS Publication 1542, except when authorized by the board of commissioners for such occasions as conventions and conferences.**

**9 ... All expense reimbursement forms shall be examined and approved by District Manager.**

**10... District credit card may be used for authorized expenses incurred during travel in accordance with this policy.**

**RECORD KEEPING DURATION**

All records of expense reimbursements shall be kept for a minimum of three years.

**OMISSIONS**

In the absence of specific rules or policies, the disposition of expense reimbursements shall be made by the board of commissioners in accordance with its usual and customary practices.