

**LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY  
TRAVEL EXPENSE  
REIMBURSEMENT POLICY FOR BOARD AND COMMITTEE MEMBERS**

PURPOSE AND GENERAL PROVISIONS

A. The Los Angeles County Affordable Housing Solutions Agency's ("LACAHSa") Board Members, and members of its Citizens Oversight Committee (collectively, "Officials") may need to incur actual and necessary travel, transportation, and meal expenses in the course of conducting LACAHSa-related business from time-to-time; and

B. The LACAHSa Governing Board ("**Board**") also desires to encourage Officials, as appropriate and as duly authorized, to attend conferences, seminars and meetings on behalf of LACAHSa from time-to-time; and

C. LACAHSa is not subject to the provisions of Assembly Bill No. 1234 regarding the compensation and reimbursement of members of legislative bodies, and may deviate from its provisions as the Board deems appropriate, but the Board intends to establish a Policy that will embody the AB 1234's goals regarding the stewardship of public funds.

D. This Policy was adopted by the Board on January 22, 2025.

E. LACAHSa's Chief Executive Officer ("CEO"), or designee, shall be responsible for carrying out, implementing and administering this Policy.

ARTICLE 1

EXPENSES PAID BY LACAHSa

1.1 Lodging. Except in extenuating circumstances, lodging for LACAHSa-related business shall be paid for directly by LACAHSa, rather than reimbursed, for each day of travel on LACAHSa-related business requiring overnight lodging, subject to the limitations on out-of-state travel and conference travel described in Section 2.2 below. If such lodging is in connection with a conference, lodging expenses must not exceed the lodging group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. . LACAHSa will seek to use government rates for lodging, when available. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence shall be used for purposes of this Policy. In the event that government rates for lodging are not available at the time of booking for a given area, then LACAHSa may use any of the following options, in order of preference:

1.1.1 Lodging that does not exceed the United States Internal Revenue Service ("IRS") per diem rates for the area in which the LACAHSa-related business event is located.

1.1.2 Lodging that does not exceed the median retail price for lodging for the area (within a reasonable distance of the LACAHSa-related business event) listed on public travel reservation websites or equivalent services, including but not limited to [www.priceline.com](http://www.priceline.com)<sup>TM</sup>.

1.1.3 The actual lodging rate, if approved in writing, with written justification, by the CEO or designee in accordance with applicable laws.

## ARTICLE 2

### REIMBURSEMENT POLICY

2.1 Expense Reimbursement. LCAHSA will reimburse its eligible Officials for the substantiated Qualified Business Related Expenses they incur in connection with their performance of official duties on behalf of LCAHSA. Substantiation must be provided within twenty-one (21) days, or such other reasonable time as may be approved by the Board, of the date in which the expense is incurred.

2.2 Out-of-State Travel and Conference Travel. Pursuant to Senate Bill 679, LCAHSA shall only reimburse Officials for travel within California and travel to conferences within California. LCAHSA is statutorily prohibited from reimbursing Officials for travel outside California or travel to conferences outside California. The Official must request compensation, payment or reimbursement directly from their home city or county for out-of-state travel or travel to conferences outside California. (See Government Code section 64711(e)(3).)

2.3 Eligibility. Only Officials who have incurred, or are reasonably expected to incur, Qualified Business Related Expenses in connection with the performance of official duties on behalf of the LCAHSA are eligible to receive a reimbursement.

2.3.1 Lodging in Extenuating Circumstances. In extenuating circumstances, Officials shall be eligible to receive a reimbursement for each day of travel on LCAHSA-related business requiring overnight lodging. Such reimbursements will only be allowed in unforeseen situations where LCAHSA has not already directly paid for the Official's lodging.

2.4 Qualified Business Related Expense. A Qualified Business Related Expense shall be an expense incurred in the pursuit of LCAHSA-related business while in the performance of official duties on behalf of LCAHSA, if they are deductible by LCAHSA under Internal Revenue Code Section 161 et seq. but for LCAHSA's exemption from federal income taxes, or as defined by the Department of the Treasury. Such expenses include:

2.4.1 Transportation Expenses While at Home. Transportation expenses other than the cost of commuting from the Official's home to their place of work, including, without limitation, the following:

- (a) cab, train or bus fares; or
- (b) a pro rata share of the Official's costs of operating his or her automobile, including, without limitation, gas, oil and depreciation.

2.4.2 Travel Expenses Away From Home. Expenses incurred while traveling away from home where the travel is of such duration that it is reasonably expected that the Official will require substantial sleep or rest to complete the trip, including, without limitation, the following:

(a) air, train, cab, bus, or ride-share fares, meals, incidental expenses, and overnight lodging in extenuating circumstances that are not lavish or extravagant and are within the per diem.

Qualified Business Related Expenses shall not include meals, incidental expenses or other travel expenses for any individual who is not an Official, or any of the following expenses: the personal portion of any trip; entertainment expenses, including theater, movies, sporting events or other cultural events; non-mileage personal automobile expenses; personal losses incurred while on LCAHSA business; personal services, such as haircuts, dry cleaning, or personal sundries; and consumption of items in the in-room snack bar.

2.5 LCAHSA-Related Business. For purposes of this Policy, LCAHSA-related business shall mean any one or more of the following:

2.5.1 Communicating with representatives of regional, state and national government on LCAHSA policy positions;

2.5.2 Attending, within California, educational seminars designed to improve officials' skill and information levels;

2.5.3 Participating in regional, state and national organizations whose activities affect the LCAHSA's interests;

2.5.4 Recognizing service to LCAHSA (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost, within statutory limits);

2.5.5 Attending, within California, LCAHSA events or meetings;

2.5.6 Other activities that the Board approves for LCAHSA-related business.

LCAHSA-related business does not include attendance at Board or Committee meetings, including any subcommittee or ad hoc committee of LCAHSA.

### ARTICLE 3

#### LIMITATION ON EXPENSES

3.1 Approval. Officials shall not incur costs for traveling outside of Los Angeles County or for overnight travel unless the Board budgets for or approves the expenditure. Except where the need for travel arises in an emergency or otherwise on short notice, Officials shall

provide sufficient advanced notice to the Board Chair and the **CEO**, or designee, of any travel in order to provide time for processing payments and making reservations and other travel arrangements. In extenuating circumstances where a request cannot reasonably be pre-approved, the Board may ratify reimbursement of costs incurred at a regularly scheduled Board meeting.

3.2 Transportation. Prudent judgment shall be exercised in the selection of an Official's mode of transportation. This Section is intended to encourage the most efficient and least expensive mode of transportation. Subject to the other provisions of this Policy, the actual costs for LACAHSAs-related business travel will only be reimbursed if they are deemed the most economical and reasonable as set forth in this Section:

3.2.1 Airfare. If accessible, Airfares that are equal to or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities, the California State Association of Counties, the State of California, and approved for use by the CEO, or designee, in advance are presumed to be the most economical and reasonable for purposes of reimbursement under this Policy.

3.2.2 Vehicle Rentals. Rental rates that are equal to or less than those available through the State of California's official website (<https://www.dgs.ca.gov/OFAM/Travel/Resources/Page-Content/Resources-List-Folder/Car-Rental?search=rental%20rates>), as approved by the CEO, or designee, in advance shall be considered the most economical and reasonable for purposes of reimbursement under this Policy.

3.2.3 Taxis/Ride-Sharing. Taxis, ride-sharing services such as Uber™ or Lyft™, and shuttles fares may be reimbursed, including a 20 percent gratuity per fare, when the cost of such fare is equal or less than the cost of a car rental, gasoline and parking combined, or when such transportation is necessary for time-efficiency. Taxi and ride-sharing expenses will only be reimbursed upon providing a receipt to the CEO, or designee, for each taxi fare or ride-sharing expense.

3.2.4 Public Transportation. Bus, trains, trolleys, ferries, and other public transportation will be reimbursed for the most economical fare available, without first class, business class, or similar upgrades, which may be purchased at rider's own expense. Public transportation expenses will only be reimbursed upon providing a receipt for each fare to the CEO, or designee.

3.2.5 Other. Other incidental expenses for travel on LACAHSAs-related business including, but not necessarily limited to: (1) lodging in extenuating circumstances; (2) business-related long distance telephone calls, fax, and short-term internet not covered under a pre-existing plan or service arrangement; and (3) parking fees shall be reimbursed at cost, based upon supporting documentation. Long-term parking must be used for travel exceeding 24 hours to be eligible for reimbursement. Baggage handling charges may be reimbursed up to \$40 per bag .

3.3 Meals. For Officials who may receive reimbursement for meal expenses and associated gratuities necessitated by LACAHSAs-related business, such reimbursement will be subject to a maximum reimbursement amount of the most recent IRS rates. Cost of alcohol shall not be reimbursed.

## ARTICLE 4

### SUBSTANTIATION OF EXPENSES

4.1 Required Substantiation. Qualified Business Related Expenses shall be substantiated by the eligible Official within twenty-one (21) days of the date they incur the expense or such other reasonable period as shall be determined by LACAHSAs based on the particular facts and circumstance of the expense. All reimbursement requests must be submitted on an expense report form provided by the CEO, or designee.

4.2 Transportation Expenses. An eligible Official may elect to substantiate transportation expenses by either of the following methods:

4.2.1 Expense Itemization Method. Under this method an Official must submit a written chronology to the CEO or designee, of the place(s), amount(s) and business purpose(s) of the expense using a form provided by the CEO or designee. An Official shall satisfy this requirement by submitting the documentation specified in items (a) and (b) below:

(a) A statement of expense, business travel log or journal which contains the place(s), amount(s) and business purpose(s) of the expense; and

(b) copies of receipts or bills paid for each expense.

4.2.2 Fixed Mileage Method. Under this method, the Official's actual transportation expenses are deemed substantiated if they submit a written chronology to the CEO, or designee, indicating the localities of origination and destination, miles traveled, persons or business facilities visited and business purpose(s) using a form provided by the CEO, or designee, and copies of receipts for any bridge and road tolls paid. The Official's reimbursement is limited to an amount equal to the fixed mileage reimbursement rate in effect under the Internal Revenue Code multiplied by the number of business miles substantiated, plus up to \$75 for all receipted bridge and road tolls.

(a) Exception for Rental Cars. The IRS mileage rate will not be paid for rental vehicles, and only receipted fuel expenses will be reimbursed.

4.3 Meals and Incidental Expenses.

4.3.1 Expense Itemization Method. Officials shall submit a written chronology to the CEO, or designee, of the place(s), amount(s) and business purpose(s) of the expense using

a form provided by the CEO, or designee. This requirement shall be satisfied by submitting the documentation specified in items (a) and (b) below:

- (a) A statement of expense, business travel log or journal which contains the place(s), amount(s), attendee(s) and business purpose(s) of the expense; and
- (b) copies of receipts or paid bills for each expense.

In no event shall the reimbursement of expenses under this method exceed the limitation set forth in Section 3.3.

4.4 Failure to Substantiate. An Official shall not be entitled to reimbursement for expenses which are not substantiated. In the event substantiation is provided after the expiration of the period described in Section 4.1, any reimbursement by LCAHSA will not qualify as a Qualified Business Related Expenses under this Policy.

If an Official receives reimbursement for any expense and fails to substantiate any of the reimbursable amounts in accordance with this Policy, the Official may be required to report such unsubstantiated amounts on the Official's W-2 as additional compensation in the tax year in which they received the payment.

4.5 Return of Excess Amounts. An Official must return to LCAHSA, through the CEO, or designee, any reimbursement that they received in excess of the substantiated expense within one hundred twenty (120) days of the date of the expense or such other period of time as LCAHSA, as determined by the CEO or designee, may deem reasonable in light of the facts and circumstances of the particular expenses. Where the Official elects to be reimbursed using the fixed mileage rate that does not exceed the applicable rate in effect under the Internal Revenue Code, the Official need not return amounts received as a reimbursement in excess of actual expenses.

4.6 Penalties. Any Official that misuses LCAHSA resources or falsifies an expense report required by this Policy is subject to the following penalties: (1) loss of reimbursement privileges; (2) restitution of LCAHSA; (3) civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or (4) prosecution for misuse of public resources pursuant to Penal Code Section 424.

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## ARTICLE 5

### REIMBURSEMENT PROCEDURE

5.1 Required Reimbursement Procedure. Reimbursement of Qualified Business Related Expenses shall be made in accordance with the following procedure:

5.1.1 The Official shall forward to the CEO, or designee, a written request for expense reimbursement using the LACAHSAs expense reimbursement form, together with all documents substantiating the travel expense(s) incurred within the period specified in Section 4.1.

5.1.2 The CEO, or designee, shall review the request for accuracy, reconcile the requested reimbursement and substantiating documentation and make appropriate adjustments in the amount of reimbursement, if necessary, to conform to the terms of this Policy.

5.1.3 Payment shall be made to the Official as soon as administratively feasible.

**Adopted by the LACAHSAs Board on January 22, 2025**