

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1797



METRO

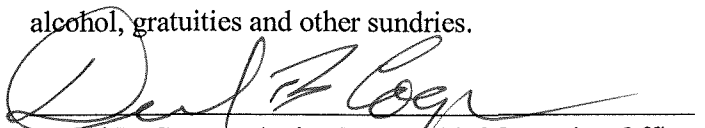
TO: Community Investment Initiative
FROM: Daniel B. Cooper, Acting Metro Chief Operating Officer
DATE: October 3, 2011
RE: Executive Order 31 Exception: Community Investment Initiative Off-Site Event

Metro Executive Order No. 31 (Revised) re "Non-Travel Expense Policy," dated July 1, 1992 ("EO 31"), describes the policy for certain meal, beverage and miscellaneous expenses of Metro funds. In general, EO 31 (Section II.B.) provides that certain expenses are allowable with prior written approval of the "Executive Officer," such as food, non-alcoholic beverages, meals, and refreshments, for Metro events and representatives, as well as gratuities for these events. Section II.C. lists certain expenditures that are not allowable under any circumstance, including alcoholic beverages, "unless otherwise noted." Specifically, Section IV of EO 31 provides that exceptions to this executive order may be made by the chief officer on a case-by-case basis as follows:

"Exceptions may be granted on a case-by-case basis and for good cause, by the Executive Officer. Expenses which are allowed and disallowed for Council are governed by resolutions adopted by Council and are, therefore, not covered by this Executive Order."

Metro is coordinating a celebratory event to mark the eight-month effort of the steering committee of the Community Investment Initiative (CII) Leadership Council (LC). The event will include the LC and other CII partners, including Metro Council and key Metro staff, as well as other community leaders. The event will be held on October 4, 2011 at the Ecotrust Building. Metro intends to purchase food and beverages, including alcohol, gratuities and other sundries for the event. The alcohol will be served by licensed alcohol vendors. Metro employees on duty at the event will be governed by Metro Code Section 2.02.080(b) and will not work under the influence of alcohol.

Due to the importance to the region and the intensity and time commitment of the work that the Community Investment Initiative Leadership Council steering committee and its partners have invested in the project, I find good cause for granting an exception to EO 31 for this event regarding alcohol purchase. Accordingly, I authorize the expenditure of funds for this event for food, beverages including alcohol, gratuities and other sundries.


Daniel B. Cooper, Acting Metro Chief Operating Officer

10/3/2011
Date

Cc: Margo Norton, Finance Director; Alison Kean Campbell, Acting Metro Attorney



METRO
PEOPLE PLACES • OPEN SPACES

**METRO REGIONAL PARKS & GREENSPACES
MEMORANDUM**

To: Michael Jordan, Chief Operating Officer
From: Jim Desmond, Director Regional Parks and Greenspaces
Subject: Executive Order 31, Section IV special exception for the purchase of food, beverages and alcohol
Date: November 23, 2007

Metro Executive Order 31, Non Travel Expense policy, Section IV provides for the use of special exceptions granted by the Chief Operating Officer. One of the specific circumstances includes the purchase of alcoholic beverages and purchasing of moderately priced meals.

Metro, the City of Portland and Tualatin Hills Park and Recreation District are working in partnership to host a Parks Special District Forum over three days in September 2008.

Metro is coordinating the registration fees associated with this conference; the participant fees include local travel, food and beverages for the conference attendees. Metro intends to direct purchase conference meals for up to 250 attendees. Sponsorships and conference fees will offset these costs. Whereas, Metro, the City of Portland and Tualatin Hills Parks and Recreation District wish for this event to be special and memorable to showcase our region's wealth of parks and greenspaces, it is anticipated that Metro and its partners will host several dinners showcasing Oregon's foods, beers, wines and other sundries. Let it be noted that Metro has no interest in any legislative or administrative outcome before any of the governments attending.

Because of this the Regional Parks and Greenspaces is requesting a waiver to Executive Order 31 section I, item B 1,2 & 3 and item C in accordance with Executive Order 31 section IV, I am requesting that the Chief Operating Officer waive the policy requirements.

Cc: Karla Lenox, Accounting Supervisor and Don Cox, Compliance Supervisor

I concur and grant an exception for the reasons noted above:


Michael Jordan, Chief Operating Officer

Date 11/26/07

EXECUTIVE ORDER NO. 31 (Revised)

EFFECTIVE DATE: July 1, 1992

SUBJECT: NON-TRAVEL EXPENSE POLICY

The purpose of this Executive Order is to define the allowance for certain meal and miscellaneous expenses not covered in Executive Order No. 32 (Travel). This order applies to all employees requesting a reimbursement or other expenditure of District funds for such purposes.

I. GENERAL

- A. Each department head is hereby charged with the responsibility of determining the reasonableness of and the necessity for purchasing goods and services for their operation, provided such funds are available within the appropriate budget. Once the department head has determined the necessity of the expenditure, reimbursement shall be governed by this order. Department head or Executive Officer signatures are required, unless specifically delegated pursuant to Metro Code Section 2.04.030, on all appropriate forms that request expenditure of Metro funds.
- B. Business meals identified below must be reasonable, appropriate to the pursuit of the agency's business, "directly related" to the business of the District and be absent of any expense considered lavish or extravagant. "Directly related" expenditures are incurred where (1) the District has more than a general expectation of deriving revenue or other specific business benefit (other than goodwill) at some indefinite future time, (2) an active business meeting, negotiation, discussion or other transaction is conducted during the meal and (3) the principal character of the meal is business. Expenses are "associated with" the active conduct of business where the employee has a clear business purpose for incurring the expense, such as continuation of a current business relationship.

II. EXPENDITURES

- A. Expenditures Requiring Department Head Approval
 1. The purchase of modestly priced meals and non-alcoholic beverages, including gratuities, when these expenses are in connection with:
 - a. official citizen meetings
 - b. advisory group meetings
 - c. consultant selection/interview panels

- d. facility tour groups for members of non-Metro public sector representative and/or business community
 - e. meals while traveling, as outlined in the Executive Order concerning Travel Expenditures. The purpose of the meeting must be related to the business of the department from which payment is requested.
2. Business meals, as described in Section I, above includes meals for an employee who is required to conduct business on behalf of the District outside of normal working hours. This situation is deemed to occur when the employee is required to conduct business or be in attendance at meetings past the hour of 7:30 pm or in other special circumstances as determined and approved by the Department head.
 3. Coffee, punch and other light refreshments (non-alcoholic) for meetings with members of outside business or public sector community which relate to official Metro business.
 4. Parking expenses for volunteers or non-Metro public sector representatives are authorized if the amount is budgeted and approved by the department head.

B. Expenditures Requiring Executive Officer Approval

The following expenses are allowable with prior written approval of the Executive Officer:

1. Food and gratuity for modestly priced "appreciation" lunches or banquets honoring volunteers. An itemized billing stating the number of guests served, cost per meal and gratuity must accompany all payment authorizations. The itemized billing must also state the names of the guests served and the volunteer organization with which they are affiliated.
2. Coffee, punch and other light (non-alcoholic) refreshments for official functions, including employee retirement receptions, training sessions or new employee and volunteer orientation receptions.
3. Food, non-alcoholic beverages and gratuity for official business meals of the Executive Officer or other representatives of Metro designated in writing by the Executive Officer. The approved cost shall include meals of the Executive Officer (or the designated representative) as well as the

meals of the official business guests. The Executive Officer may designate representatives in writing either on a case-by-case basis or by submission of an annual list of persons authorized to incur business meals. All business meal expense claims must include the following:

- a. Amount
- b. Date
- c. Place (name, location)
- d. Business purpose (the business benefit derived or expected to be derived)
- e. Names of any official guests and their occupation or official position.

Expenses for inter-office (only Metro staff present) meals or entertainment shall not be reimbursed as a meal expense.

4. Plants and maintenance services for those plants in general public access and public use areas (office space).
5. Dues for civic organizations when acting as a representative of Metro office.
6. Dues for over two (2) professional organizations per employee, where job-related benefits are gained by Metro through membership in same.
7. Gratuities or small remembrances which cost \$25.00 or less, and are given to volunteers serving on Metro committees (such as TPAC/JPACT, SWPAC, etc) are allowable expenditure under Executive Order No. 31. This expenditure must be budgeted and approved by the department head of the department for which such volunteer service was performed. The department head's signature (or that of the Executive Officer or Deputy Executive Officer) must appear on all requests for payment.

Written approval from the Executive Officer is required by this section and shall be submitted to the Accounting Division attached to or on the face of the payment authorization, petty cash voucher, and/or invoice at the time of the request and prior to the payment being made.

C. Expenditures Not Allowable

Under no circumstances, unless otherwise noted, shall the expenditure of Metro funds be authorized for the purchase of items/services considered to be of a personal nature. These include, but are not limited to:

1. Alcoholic beverages in any form for any occasion.
2. Interoffice or intraoffice meals/entertainment for Metro staff only. This includes meals and/or refreshments served at a meeting attended only by Metro employees, except as approved by the Executive Officer under section B above.
3. Home entertainment
4. Flowers and gifts (However, for Metro departments engaged in business promotional efforts such as the Zoo, an exception will be granted for such items as flowers for special guests and gifts of logo items used in promoting those organizations).
5. Employee meals, except as noted above or as allowed per the Executive Order concerning travel expenses.
6. Office social functions, including birthday and holiday observances.
7. Beverages for employees.
8. Parking fines and traffic citations.
9. Christmas and other holiday cards, postage for same, gift wrapping, holiday decorations (However, for Metro departments engaged in business promotional efforts such as the Zoo, secular (non-religious) cards (including postage) to clients will be allowable as well as appropriate secular holiday decorations for public areas).
10. Personal photocopying.
11. Personal long-distance telephone calls, except as outlined in the Executive Order concerning travel expenses.
12. Parking considered to be of a personal nature for employees.
13. Any expenditures for spouses, family or friends of Metro employees.

III DOCUMENTATION OF EXPENSES

Employee Reimbursements:

An employee seeking reimbursement for expenses must prepare a payment authorization (or petty cash voucher if less than \$25) and attach correct and complete documentation of the expenses and obtain approval authority. For business meal expenses, a receipt is required to be attached to a "meals and meetings voucher" (available from the Accounting Division) which states the date of the meeting, the time, the amount of expense claimed, place and purpose of the meeting and the attendees (including who they represent). The meals and meetings voucher must be signed by the individual claiming reimbursement. Written approval by the Executive Officer, if required in Section II B above is to be submitted with the receipts and "Meals and Meetings Voucher" prior to reimbursement being made.

One employee cannot request reimbursement of an expenditure incurred by another employee. Failure to comply with this instruction will result in the request not being processed for payment.

Vendor Payments:

Invoices in sufficient detail to provide the information required in Section I through III above are required. Purchase orders used to acquire goods or services must be specific as to the nature of the meeting or expense. For example, sandwiches ordered by a purchase order for a meeting allowable under this Executive Order must include information as to date of the meeting, its purpose and names of attendees (including the organization they represent). Written approval by the Executive Officer, as outlined in Section II B above, must accompany the purchase order and/or other documentation submitted for payment.

IV. EXCEPTIONS

Exceptions may be granted on a case-by-case basis and for good cause, by the Executive Officer. Expenses which are allowed and disallowed for Council are governed by resolutions adopted by Council and are, therefore, not covered by this Executive Order.

V. INTERPRETATIONS

From time to time instances may arise which require an interpretation of this Executive Order be made in writing. Such interpretations are incorporated herein by reference, provided the Executive Officer's signature appears thereon.

ORDERED this 22 day of July, 1992



Rena Cusma, Executive Officer

EXECUTIVE ORDER NO. 31

INTERPRETATION 31-1

SUBJECT: EXECUTIVE OFFICER DESIGNATION OF METRO REPRESENTATIVES
AUTHORIZED TO INCUR OFFICIAL BUSINESS MEALS UNDER SECTION B
(3) OF EXECUTIVE ORDER NO. 31.

General

Executive Officer
Deputy Executive Officer
Director of Finance and
Management Information
Public Affairs Director

Incumbent

Rena Cusma
Richard Engstrom

Jennifer Sims
Vickie Rocker

Zoo

Zoo Director
Assistant Zoo Director

J. Sherry Sheng
A. McKay Rich

Solid Waste

Solid Waste Director

Robert Martin

Regional Facilities

Regional Facilities Director


Neil Saling

Planning Department

Planning Director

Andrew Cotugno

ORDERED this 22 day of July, 1992



Rena Cusma, Executive Officer



METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

DATE: July 8, 1992

TO: Rena Cusma, Executive Officer

FROM: Jennifer Sims, Director of Finance and
Management Information

RE: PROPOSED REVISIONS OF EXECUTIVE ORDERS NO. 31 AND NO.
32

The following Executive Order revisions have been drafted by my department and reviewed by the Financial Management Team. I recommend their adoption.

The following policy changes are being proposed:

1. Linking Metro's mileage and per diem reimbursement rates to the Internal Revenue Service rates and having any change automatically taking effect following IRS publication.
 - a. The financial impact of this change will be minor in that most of the travel expenditures are for airfare and hotel costs. Metro's current mileage rate is \$0.26 a mile; the IRS rate (announced December 1991 for calendar year 1992) is \$0.28. The per diem rate is currently \$24.00 and would be increased to \$26.00. An allocation of $\frac{1}{2}$ per diem to dinners and $\frac{1}{4}$ to breakfast and lunch is proposed.
 - b. It is assumed that these changes would take effect immediately after your approval.
2. Bringing Metro's travel and entertainment policies into compliance with Internal Revenue Service and Oregon Bureau of Labor regulations.
 - a. Currently, Metro employees sign a statement on the Travel Authorization form granting permission to "dock" their paycheck should they not make proper accounting for any travel advance funds. Oregon Bureau of Labor regulations do not permit this type of arrangement. However, recent IRS regulations require employers to receive proper

documentation within 90 days of travel and reimbursement of excess advance monies within 120 days. If these conditions are not met, employers are required to include these amounts as taxable income on the employees paycheck and to withhold appropriate taxes.

- b. Wording as to what constitutes a "business meal" and proper documentation under IRS §1.162 is written into the proposed revision.
3. Adding the requirement that employees submit an occupancy tax exemption certificate (provided by the Accounting Division) when checking into their hotel. Many hotels will honor this exemption saving the agency the occupancy taxes.
4. Changing the limit on personal phone calls to \$5.00 per call rather than the current five minute maximum. Hotels often do not list the number of minutes on their billings; the dollar limit approximates the current rate for five minutes.
5. Limiting the use of Metro vehicles to travel inside the state of Oregon (with the exception of Clark County, Washington). Our risk management staff has requested this change as a result of case law voiding the ceiling for Oregon municipal liability for accidents occurring outside our state.
6. Changing the current requirement of Executive Officer approval for payment of any professional organization dues to Executive Officer approval only for individuals requesting more than two (2) professional memberships.

Minor editorial changes are added to bring currently accepted procedures within the Executive Orders. The various interpretations associated with each Executive Order are pulled into the body of the revisions.

C:\Dave\Correspd\Exec_Ord\Rena.Mem

enclosures

EXECUTIVE ORDER NO. 31

INTERPRETATION NO. 31-3

EFFECTIVE DATE: MARCH 1, 1989

SUBJECT: NON-TRAVEL EXPENDITURES - MEALS INCURRED OUTSIDE OF
NORMAL WORKING HOURS IN THE CONDUCT OF METRO BUSINESS

Business meals, as described in Executive Order No. 31, Section I - General, includes meals for an employee who is required to conduct business on behalf of the District outside of normal working hours. This situation is deemed to occur when the employee is required to conduct business or be in attendance at meetings past the hour of 7:30 p.m. or in other special circumstances as determined and approved by the Department Head.

The employee may be eligible for reimbursement of certain business meals, as defined above, with the approval of the Department Head as provided in Section II.A. - Expenditures Requiring Department Head approval.

This interpretation is incorporated by reference into Executive Order No. 31.

ORDERED this 15th day of February, 1989.



Rena Cusma, Executive Officer

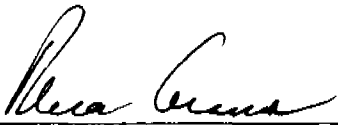
EXECUTIVE ORDER NO. 31

INTERPRETATION 31-2

SUBJECT: GRATUITIES TO VOLUNTEERS SERVING ON METRO COMMITTEES

Gratutities or small remembrances which cost \$25.00 or less, and are given to volunteers serving on Metro committees (such as TPAC/JPACT, SWPAC, etc.) are an allowable expenditure under Executive Order No. 31. This expenditure must be budgeted and approved by the department head of the department for which such volunteer service was performed. The department head's signature (or that of the Executive Officer or Deputy Executive Officer) must appear on all requests for payment.

ORDERED this 18 day of June, 1987.



Rena Cusma, Executive Officer

DRC/sm
7707C/510

EXECUTIVE ORDER NO. 31

INTERPRETATION 31-1

SUBJECT: EXECUTIVE OFFICER DESIGNATION OF METRO REPRESENTATIVES
AUTHORIZED TO INCUR OFFICIAL BUSINESS MEALS UNDER
SECTION B(3) OF EXECUTIVE ORDER NO. 31.

The following positions are hereby designated as representatives
authorized to incur official business meals under Section B(3) of
Executive Order No. 31:

General

Executive Officer
Deputy Executive Officer
Director of Finance & Administration
Public Affairs Director

Incumbent

Rena Cusma
Richard Engstrom
Ray Phelps
Vickie Rocker

Zoo

Zoo Director
Assistant Zoo Director

Gene Leo, Jr.
A. McKay Rich

Solid Waste

Acting Solid Waste Director

Tor Lyshaug

Convention Center

Convention Center Project Director

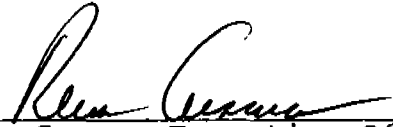
Lyndon A. S. (Tuck) Wilson

Intergovernmental Resource Center

Acting IRC Administrator
Transportation Director

Marc Madden
Andrew Cotugno

ORDERED this 11 day of June, 1987.



Rena Cusma, Executive Officer

DRC/gl
7666C/510

January 30, 1987

To: Rena Cusma

From: Ray Phelps *Ray*

Subject: Reimbursement of Employee Expenses

1.2.3

I have examined several expense reports prepared by employees requesting reimbursement of expenses. These reports have been processed by the Accounting Department and a reimbursement check issued to the appropriate employee.

The only guideline or policy that I am able to find pertaining to the reimbursement of employee expenses is a memo issued on June 6, 1985, by Donald E. Carlson to Department Heads and Division Managers. Don Cox, Manager of Accounting, provided me with the memo and it is his understanding that the guidelines expressed in the memo are in force at this date. I have a copy of this memo if you wish to read it.

There are several statements made in this memo of guidelines which are pertinent to my memo.

1. "The principal criteria for travel expenditures is for the employee to be 'on official business' of the organization."
2. "Out-of-District travel includes expenses incurred when traveling outside the boundaries of the Metropolitan Service District. When such travel will cause the employee to be absent from their regular work station during normally scheduled meal periods, the employee shall be entitled to reimbursement of a meal per diem allowance."

"The breakfast meal will be allowed if the employee is absent from the District by 7:00 a.m. and the dinner allowance if the employee cannot expeditiously and safely return to the District by 6:00 p.m. Such meals shall be deducted from the reimbursement request based upon the allowable proportions described in the section on meal per diem.

3. "In-District travel includes expenses incurred when traveling within the boundaries of the Metropolitan Service District. In no cases shall a meal per diem be allowed for employees traveling within the District..."
4. "Other Expenses for which employees are allowed to expend funds and seek reimbursement are expenses which have been budgeted and are considered necessary to carry out the lawful business of the District..."

5. "Approval Authority

- "1. Department Head approval shall be required for each employee travel of expenditure reimbursement request.
- "2. Deputy Executive Officer approval shall be required for each Department Head travel or expenditure reimbursement request.

The Accounting Department shall not process any travel or expenditure reimbursement request without the proper approval. If requests are made without proper approval, such requests shall be returned."

6. Documentation of Expenses requires the attachment to the reimbursement request receipts, a brief statement of the time, place and purpose of the expenditure, and a listing of all persons in attendance.

My examination consisted of a review of reimbursement payments made during the past few months to employees who have been issued a VISA card. Several comments seem appropriate after my review.

- A. Metro is paying for the breakfast, lunch and dinners of Metro employees meeting to discuss business. In most cases, these employees are the only persons at the meal meeting. The meetings usually take place at restaurants within the boundaries of the Metro district. The stated purpose for these meetings, when provided, is to discuss a work situation taking place at Metro.
- B. The Payment Authorization form is generally not approved in accordance with the guidelines stated in the memo of June 6, 1985.
- C. Employees traveling out-of-District will sometimes use a VISA card for expenses and at other times on the same trip will pay cash. This creates a situation where double payment can occur for an expense if the Accounting Department is not diligent when processing a Payment Authorization form.
- D. Proper documentation is not generally provided with the Payment Authorization form. Metro's Accounting Department has provided a form for this documentation, but in several instances it was not used.
- E. The information provided for documentation is often illegible. It is very difficult to determine the name of the persons for whom Metro is payment for a meal. This condition also applies to the information provided regarding the purpose of the meal meeting.

F. There does not seem to be any limitation regarding the number of persons traveling out-of-state to attend one conference. In one instance, I noted that three employees from the same department and two Councilors attended the same meeting which lasted four days. In another instance, eight employees from the same department attended the same meeting which lasted four days.

Don Cox, Manager of Accounting, has informed me that he is obtaining a copy of the guidelines for employee expense reimbursement followed by Multnomah County, the City of Portland and the State of Oregon. It is his intention to review these guidelines for the purpose of upgrading Metro's guidelines for reimbursing employee expenses.

With respect to specific expenditures, I noted several instances where various employees and elected officials of Metro have expended time and District money in discussing legislation with members of the Oregon Legislative Assembly. It may be worthwhile having your legal counsel examine the statutory requirements regarding lobbying as well as any Administrative Rules of the Oregon Ethics Commission to determine the legal requirements governing lobby activity. It seems to me that there are registration requirements, time limitations and expenditure limitations pertaining to lobby activity.

cc: Dick Engstrom

EXECUTIVE ORDER NO. 31

EFFECTIVE DATE: MAY 11, 1987

SUBJECT: NON-TRAVEL EXPENSE POLICY

The purpose of this Executive Order is to define the allowances for Metro expenditures. This order applies to all employees requesting a reimbursement or other expenditure of District funds.

I. GENERAL

Each department head is hereby charged with the responsibility of determining the reasonableness of and the necessity for purchasing goods and services for their operation, provided such funds are available within the appropriate budget. Once the department head has determined the necessity of the expenditure, reimbursement shall be governed by this order. Department head or Executive Officer signatures are required, unless specifically delegated pursuant to Metro Code Section 2.04.030, on all appropriate forms that request expenditure of Metro funds.

Business meals identified below must be "directly related" to the business of the District. "Directly related" expenditures are incurred where (1) the District has more than a general expectation of deriving revenue or other specific business benefit (other than goodwill) at some indefinite future time, (2) an active business meeting, negotiation, discussion or other transaction is conducted during the meal, and (3) the principal character of the meal is business. Expenses are "associated with" the active conduct of business where the employee has a clear business purpose for incurring the expense, such as continuation of a current business relationship.

II. EXPENDITURES

A. Expenditures Requiring Department Head Approval

1. The purchase of modestly priced meals and non-alcoholic beverages, including gratuities, when these expenses are in connection with:
 - official citizen meetings
 - advisory group meetings
 - consultant selection/interview panels
 - facility tour groups for members of non-Metro public sector representative and/or business community
 - meals while traveling, as outlined in the Executive Order concerning Travel Expenditures.

The purpose of the meeting must be related to the business of the department from which payment is requested.

2. Coffee, punch and other light refreshments (non-alcoholic) for meetings with members of outside business or public sector community which relate to official Metro business.
3. Parking expenses for volunteers or non-Metro public sector representatives are authorized if the amount is budgeted and approved by the department head.

B. Expenditures Requiring Executive Officer Approval

The following expenses are allowable with prior written approval of the Executive Officer:

1. Food and gratuity for modestly priced "appreciation" lunches or banquets honoring volunteers. An itemized billing stating the number of guests served, cost per meal and gratuity must accompany all payment authorizations. The itemized billing must also state the names of the guests served and the volunteer organization with which they are affiliated.
2. Coffee, punch and other light (non-alcoholic) refreshments for official functions, including employee retirement receptions, training sessions or new employee and volunteer orientation receptions.
3. Food, non-alcoholic beverages and gratuity for official business meals of the Executive Officer or other representatives of Metro designated in writing by the Executive Officer. The approved cost shall include meals of the Executive Officer (or the designated representative) as well as the meals of official business guests. The Executive Officer may designate representatives in writing either on a case-by-case basis or by submission of an annual list of persons authorized to incur business meals. All business meal expense claims must include the names of any official guests and their occupation or official position. Expenses for inter-office (only Metro staff present) meals or entertainment shall not be reimbursed as a meal expense.
4. Plants and maintenance services for those plants in general public access and public use areas (office space).
5. Dues for civic organizations when acting as a representative of Metro office.

6. Dues for up to two (2) professional organizations per employee, where job-related benefits are gained by Metro through membership in same.

Written approval from the Executive Officer is required by this section and shall be submitted to the Accounting Division attached to or on the face of the payment authorization, petty cash voucher, and/or invoice at the time of the request and prior to the payment being made.

C. Expenditures Not Allowable

Under no circumstances, unless otherwise noted, shall the expenditure of Metro funds be authorized for the purchase of items/services considered to be of a personal nature. These include, but are not limited to:

1. Alcoholic beverages in any form for any occasion.
2. Interoffice or intraoffice meals/entertainment for Metro staff only. This includes meals and/or refreshments served at a meeting attended only by Metro employees, except as approved by the Executive Officer under section B above.
3. Home entertainment.
4. Flowers and gifts (However, for Metro departments engaged in business promotional efforts such as the Zoo or Convention Center Project, an exception will be granted for such items as flowers for special guests and gifts of logo items used in promoting those organizations).
5. Employee meals, except as noted above or as allowed per the Executive Order concerning travel expenses.
6. Office social functions, including birthday and holiday observances.
7. Coffee/tea for employees.
8. Parking fines and traffic citations.
9. Christmas and other holiday cards, postage for same, gift wrapping, holiday decorations (However, for Metro departments engaged in business promotional efforts such as the Zoo or Convention Center Project, secular (non-religious) cards (including postage) to clients will be allowable as well as appropriate secular holiday decorations for public areas).
10. Personal photocopying.

11. Personal long-distance telephone calls, except as outlined in the Executive Order concerning travel expenses.
12. Parking considered to be of a personal nature for employees.
13. Any expenditures for spouses, family or friends of Metro employees.

III. DOCUMENTATION OF EXPENSES

Employee Reimbursements:

An employee seeking reimbursement for expenses must prepare a payment authorization (or petty cash voucher if less than \$25) and attach correct and complete documentation of the expenses and obtain approval authority. For business meal expenses, a receipt is required to be attached to a "meals and meetings voucher" (available from the Accounting Division) which states the date of the meeting, the time, the amount of expense claimed, place, and purpose of the meeting and the attendees (including who they represent). The meals and meetings voucher must be signed by the individual claiming reimbursement. Written approval by the Executive Officer, if required in Section II B above is to be submitted with the receipts and "Meals and Meetings Voucher" prior to reimbursement being made.

One employee cannot request reimbursement of an expenditure incurred by another employee. Failure to comply with this instruction will result in the request not being processed for payment.

Vendor Payments:

Invoices in sufficient detail to provide the information required in Section I through III above are required. Purchase orders used to acquire goods or services must be specific as to the nature of the meeting or expense. For example, sandwiches ordered by a purchase order for a meeting allowable under this Executive Order must include information as to date of the meeting, its purpose, and names of attendees (including the organization they represent). Written approval by the Executive Officer as outlined in Section II B above is required to be submitted, must accompany the purchase order and/or other documentation submitted for payment.

IV. EXCEPTIONS

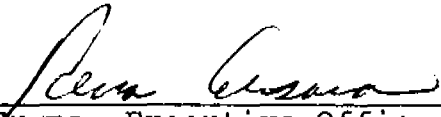
Exceptions may be granted on a case-by-case basis and for good cause, by the Executive Officer. Expenses which are allowed

and disallowed for Council are governed by resolutions adopted by Council and are, therefore, not covered by this Executive Order.

V. INTERPRETATIONS

From time to time instances may arise which require an interpretation of this Executive Order be made in writing. Such interpretations are incorporated herein by reference, provided the Executive Officer's signature appears thereon.

ORDERED this 11 day of May, 1987.



Rena Cusma, Executive Officer

RP/DRC/gl
7095C/495-4



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: May 8, 1987
To: Department Heads and Division Managers
From: Ray Phelps, Director of Finance & Administration
Regarding: EXECUTIVE ORDER NOS. 31 AND 32
AND RESPONSES TO COMMENTS RECEIVED

Responses to the proposed Executive Orders were received from 10 individuals representing each of the major operating funds. Attached you will find a summarization of those responses and the action taken with respect to the specific comments.

The effective date for the Executive Orders is Monday, May 11, 1987. A new "Travel Authorization Payment" form has also been developed to conform with the new Executive Orders regarding travel and will be issued shortly. Don Cox and I will be scheduling a meeting with Zoo staff and downtown staff to explain the new policies to you and answer any questions you may have.

RP/sm
7460C/D2

Attachment

METROPOLITAN SERVICE DISTRICT
COMMENTS TO EXPENDITURE POLICY DRAFTS

Travel

<u>Department</u>	<u>Response (paraphrased)</u>	<u>Action on Response</u>
Executive Management	- P. 2, II Approval Authority; is it necessary to require prior approval for local travel? It seems like a cumbersome process.	Yes, written evidence of this approval is to be submitted at time of request. Section II has been modified to clarify timing of approval.
	- No comments.	No response required.
	- No comments.	No response required.
Finance & Administration	- Local Travel; Metro work that requires an employee to be away from normal work place for a whole day should include lunch reimbursement.	No change made to Executive Order. This is consistent with prior policy and practice of staff -- but formalizes the policy in an Executive Order.
	- Section III, D; last paragraph is a contradiction -- Section 2 requires Executive Officer authorize two weeks in advance; not possible if trip extended while away -- employee runs risk of paying expenses that they undertake in good faith.	Most likely, the employee would need to contact his/her Department Head, in this circumstance, to extend trip beyond approved dates, Department Head would solicit Executive Officer approval prior to actual incurrence of expenditures.
	- Suggest meals provided on airplanes not used to offset per diem.	No change to Executive Order proposed.
	- Extend permitted per diem hours to two hours prior to flight time leaving and two hours after arrival time.	No change to Executive Order proposed.
	- Problem: cannot pay for lunch for others unless we can expect to gain from the meeting. Also, cannot accept lunch from a vendor because of Metro Code requirements. Result is an awkward situation.	No change to Executive Order proposed.
	- No comments.	No response required.

Travel

<u>Department</u>	<u>Response (paraphrased)</u>	<u>Action on Response</u>
Zoo	<ul style="list-style-type: none">- Local Travel (page 1) meals not paid -- what if we have a meal at a place where the prices are higher than we normally spend on one lunch at the office?- P. 4, Transportation A-4; Education Division has in the past used Dotte Miner, Zoo-Guide, as travel agent. Could that still happen?- No comments.	<p>Those meals while on local travel are considered personal expenses and are not reimbursable. See Non-Travel Order regarding approved meals.</p> <p>Yes, it is still <u>possible</u>. Purchasing guidelines are being developed which will determine particular requirements on vendor selection. This Executive Order requires that Metro, rather than the employee, pay the vendor directly.</p> <p>No response required.</p>
Solid Waste	<ul style="list-style-type: none">- No problems with policy.	<p>No response required.</p>
Convention Center	<ul style="list-style-type: none">- Local Travel (page 1); is Salem included in the 55-mile radius or not? Clarification needed.- Out of Town/Request for Advance (page 2); two week advance time requirement a laudable goal, but difficult, if not impossible, to meet. Dealing with busy people, with complex schedules, resulting in uncertain itineraries up until the last minute. "In by Tuesday, out by Friday" should be requirement, and any additional time frame should be so stated as a guideline or goal.- Approval Authority (page 2); Inconsistency in in that each Department Head determines reasonableness of travel (page 1 - General), but Executive Officer approval is required prior to arrangement being made. Executive Officer approval will subject processing of requests to additional delays and clutter the Executive Officer with administrative detail. Suggest Director of Finance take on such responsibility -- with appeal to Executive Officer, if necessary.	<p>Yes. A map is to be provided as part of the Executive Order and will serve as the "official" mileage.</p> <p>The intent of this section is to supply the Accounting Division with proper documentation in a timely fashion so that any required checks are processed in a normal cycle. The Executive Order has been modified to reflect the <u>minimum requirement</u> of "in by Tuesday, out by Friday" rule.</p> <p>Executive Order modified under Section II, item C, to allow Director of Finance and Administration to approve out-of-town travel.</p>

Travel

Department	Response (paraphrased)	Action on Response
IRC	- P. 2, 2nd paragraph; two weeks notice for submission of "Travel Authorization Form" to the Department Head or Executive Officer and the 10-day lead time to Accounting seems excessive, given that prior approval has been obtained through Executive Officer (page 2, II, C.)	<p data-bbox="1358 183 2001 461">Language in first paragraph of Section II, page 2, has been modified to address the latter concerns. Policy does not require two separate approvals by the same person -- only one, by the Department Head or Executive Officer -- but approval must be evidenced in writing on the "Travel Authorization and Payment" form.</p> <p data-bbox="1358 505 1980 755">Language was modified in paragraph 2, page 2, (and also Section III, A.) in order to effectively require the standard "in by Tuesday, out by Friday" schedule. This requirement is to avoid the <u>manual</u> preparation of checks which is more costly to prepare and weakens certain internal accounting controls.</p>

Non-Travel

<u>Department</u>	<u>Response (paraphrased)</u>	<u>Action on Response</u>
Zoo	<ul style="list-style-type: none">- P. 2, B-2; are refreshments for open houses for prospective zoo volunteers covered by this section?- P. 3, C-7; is coffee/tea for consumption by zoo volunteers not allowed by this section? They are provided on an ongoing basis currently.- P. 2, Item B 3 -- need more flexibility for drop-in visitors who are taken out for meal for P.R. related purposes. These items could be in Section I.	<p>Yes, now reads "coffee, punch and other light refreshments...new employee <u>and volunteer</u> orientation receptions."</p> <p>No. Executive Order states "for employees." Coffee/tea for volunteers is allowable.</p> <p>Individuals as approved by Executive Officer are allowed to incur business meals of this type under the proposal.</p>
Solid Waste	<ul style="list-style-type: none">- No problems with policy.	No response required.
Convention Center	<ul style="list-style-type: none">- P. 4; expenditures not allowed includes parking for employees. Modify to clarify that this is parking for personal use and that parking for meetings necessary to conduct business outside of central offices — may be reimbursed.	Language modified in this section to "parking considered to be of personal nature for employees..."
IRC	<ul style="list-style-type: none">- P. 2, A-3; parking should be provided for major regional meetings such as TPAC and JPACT — should this be departmentally budgeted — may also lead to grant eligibility questions.	Yes. Expenditures should be departmentally budgeted. Through grant accounting system, can charge the expenditure to a non-grant revenue source and avoid the grant question.
Executive Management	<ul style="list-style-type: none">- P. 2, A-3; why do we pay for private business representatives? Need some examples.	"Private business representatives" has been deleted from A-3.

Non-Travel

<u>Department</u>	<u>Response (paraphrased)</u>	<u>Action on Response</u>
Executive Management continued	<ul style="list-style-type: none">- P. 3, B-6; understood Executive Officer was not supportive of Metro paying dues for employee participation in professional organizations except in special circumstances. Need to clarify.- P. 2, B-5; dues for civic organizations when acting as a representative of Metro office?- None	<p>Discussed with Executive Officer prior to drafting of Order. She was agreeable to allow up to two professional memberships, with her approval. This language was incorporated into the Executive Order as drafted.</p> <p>In that the Executive Officer approves the payment, she can determine allowability of memberships to civic organizations (e.g., City Club, Chamber of Commerce, etc.) on a case-by-case basis. No change to Order proposed.</p> <p>No response required.</p>
Finance & Administration	<ul style="list-style-type: none">- Expenses in meeting with consultants, vendors, clients at another location should be covered by Metro.- Off campus planning meeting for departments (free from interruption) are prohibited by document.- Most requests require signature by Executive Officer; implies Executive Officer has time to respond to this level of detail or be so prohibitive as to eliminate any possible exceptions.- Executive Officer approval of memberships to professional organizations appears to be excessive. Department Head should be adequate.	<p>Items of parking and mileage are allowable per the Executive Order as drafted. Meals are not allowed, if considered local travel. Meals described may be allowed if approved by Executive Officer. No change proposed.</p> <p>Off campus meetings are not prohibited by Order as drafted. Meals at said meeting would be at employee's expense. No change in Order made.</p> <p>Executive Officer desires to have this control at present time. She may at any time delegate that authority to other individuals, in writing.</p> <p>Based upon concerns expressed by the Executive Officer this language was incorporated into the Order. The Executive Officer may delegate this process in the future, if practice dictates it necessary or advisable.</p>

Non-Travel

<u>Department</u>	<u>Response (paraphrased)</u>	<u>Action on Response</u>
Finance & Administration continued	<ul style="list-style-type: none">- Part I, GENERAL; are meals eaten by employees at professional association breakfast or luncheon meetings (IFMA, ASPA, etc.) considered reimbursable business meals? - Part II -- Expenditures; parking expenses incurred by employees attending local business meetings allowable? - Will a bottleneck result from requiring Executive Officer approvals?	<p>Yes, if included as cost of registration for meeting or if Executive Officer approval is given.</p> <p>Interpretation of certain elements in the Executive Orders will occur in the future. Language is now incorporated to allow for interpretations in writing to become a part of the Executive Order.</p> <p>Yes, language in first paragraph of Section C states the reference to items of a "personal nature". Language in C-12 modified to clarify this position.</p> <p>Staff will monitor processing of requests to determine if such a "bottleneck" occurs. Is so, delegation by the Executive Officer, in writing, would be possible.</p>

DC/sm
7450C/351-2

EXECUTIVE ORDER NO. 31

EFFECTIVE DATE: MAY 11, 1987

SUBJECT: NON-TRAVEL EXPENSE POLICY

The purpose of this Executive Order is to define the allowances for Metro expenditures. This order applies to all employees requesting a reimbursement or other expenditure of District funds.

I. GENERAL

Each department head is hereby charged with the responsibility of determining the reasonableness of and the necessity for purchasing goods and services for their operation, provided such funds are available within the appropriate budget. Once the department head has determined the necessity of the expenditure, reimbursement shall be governed by this order. Department head or Executive Officer signatures are required, unless specifically delegated pursuant to Metro Code Section 2.04.030, on all appropriate forms that request expenditure of Metro funds.

Business meals identified below must be "directly related" to the business of the District. "Directly related" expenditures are incurred where (1) the District has more than a general expectation of deriving revenue or other specific business benefit (other than goodwill) at some indefinite future time, (2) an active business meeting, negotiation, discussion or other transaction is conducted during the meal, and (3) the principal character of the meal is business. Expenses are "associated with" the active conduct of business where the employee has a clear business purpose for incurring the expense, such as continuation of a current business relationship.

II. EXPENDITURES

A. Expenditures Requiring Department Head Approval

1. The purchase of modestly priced meals and non-alcoholic beverages, including gratuities, when these expenses are in connection with:
 - official citizen meetings
 - advisory group meetings
 - consultant selection/interview panels
 - facility tour groups for members of non-Metro public sector representative and/or business community
 - meals while traveling, as outlined in the Executive Order concerning Travel Expenditures.

The purpose of the meeting must be related to the business of the department from which payment is requested.

2. Coffee, punch and other light refreshments (non-alcoholic) for meetings with members of outside business or public sector community which relate to official Metro business.
3. Parking expenses for volunteers or non-Metro public sector representatives are authorized if the amount is budgeted and approved by the department head.

B. Expenditures Requiring Executive Officer Approval

The following expenses are allowable with prior written approval of the Executive Officer:

1. Food and gratuity for modestly priced "appreciation" lunches or banquets honoring volunteers. An itemized billing stating the number of guests served, cost per meal and gratuity must accompany all payment authorizations. The itemized billing must also state the names of the guests served and the volunteer organization with which they are affiliated.
2. Coffee, punch and other light (non-alcoholic) refreshments for official functions, including employee retirement receptions, training sessions or new employee and volunteer orientation receptions.
3. Food, non-alcoholic beverages and gratuity for official business meals of the Executive Officer or other representatives of Metro designated in writing by the Executive Officer. The approved cost shall include meals of the Executive Officer (or the designated representative) as well as the meals of official business guests. The Executive Officer may designate representatives in writing either on a case-by-case basis or by submission of an annual list of persons authorized to incur business meals. All business meal expense claims must include the names of any official guests and their occupation or official position. Expenses for inter-office (only Metro staff present) meals or entertainment shall not be reimbursed as a meal expense.
4. Plants and maintenance services for those plants in general public access and public use areas (office space).
5. Dues for civic organizations when acting as a representative of Metro office.

6. Dues for up to two (2) professional organizations per employee, where job-related benefits are gained by Metro through membership in same.

Written approval from the Executive Officer is required by this section and shall be submitted to the Accounting Division attached to or on the face of the payment authorization, petty cash voucher, and/or invoice at the time of the request and prior to the payment being made.

Expenditures Not Allowable

Under no circumstances, unless otherwise noted, shall the expenditure of Metro funds be authorized for the purchase of items/services considered to be of a personal nature. These include, but are not limited to:

1. Alcoholic beverages in any form for any occasion.
2. Interoffice or intraoffice meals/entertainment for Metro staff only. This includes meals and/or refreshments served at a meeting attended only by Metro employees, except as approved by the Executive Officer under section B above.
3. Home entertainment.
4. Flowers and gifts (However, for Metro departments engaged in business promotional efforts such as the Zoo or Convention Center Project, an exception will be granted for such items as flowers for special guests and gifts of logo items used in promoting those organizations).
5. Employee meals, except as noted above or as allowed per the Executive Order concerning travel expenses.
6. Office social functions, including birthday and holiday observances.
7. Coffee/tea for employees.
8. Parking fines and traffic citations.
9. Christmas and other holiday cards, postage for same, gift wrapping, holiday decorations (However, for Metro departments engaged in business promotional efforts such as the Zoo or Convention Center Project, secular (non-religious) cards (including postage) to clients will be allowable as well as appropriate secular holiday decorations for public areas).
10. Personal photocopying.

11. Personal long-distance telephone calls, except as outlined in the Executive Order concerning travel expenses.
12. Parking considered to be of a personal nature for employees.
13. Any expenditures for spouses, family or friends of Metro employees.

III. DOCUMENTATION OF EXPENSES

Employee Reimbursements:

An employee seeking reimbursement for expenses must prepare a payment authorization (or petty cash voucher if less than \$25) and attach correct and complete documentation of the expenses and obtain approval authority. For business meal expenses, a receipt is required to be attached to a "meals and meetings voucher" (available from the Accounting Division) which states the date of the meeting, the time, the amount of expense claimed, place, and purpose of the meeting and the attendees (including who they represent). The meals and meetings voucher must be signed by the individual claiming reimbursement. Written approval by the Executive Officer, if required in Section II B above is to be submitted with the receipts and "Meals and Meetings Voucher" prior to reimbursement being made.

One employee cannot request reimbursement of an expenditure incurred by another employee. Failure to comply with this instruction will result in the request not being processed for payment.

Vendor Payments:

Invoices in sufficient detail to provide the information required in Section I through III above are required. Purchase orders used to acquire goods or services must be specific as to the nature of the meeting or expense. For example, sandwiches ordered by a purchase order for a meeting allowable under this Executive Order must include information as to date of the meeting, its purpose, and names of attendees (including the organization they represent). Written approval by the Executive Officer as outlined in Section II B above is required to be submitted, must accompany the purchase order and/or other documentation submitted for payment.

IV. EXCEPTIONS

Exceptions may be granted on a case-by-case basis and for good cause, by the Executive Officer. Expenses which are allowed

and disallowed for Council are governed by resolutions adopted by Council and are, therefore, not covered by this Executive Order.

V. INTERPRETATIONS

From time to time instances may arise which require an interpretation of this Executive Order be made in writing. Such interpretations are incorporated herein by reference, provided the Executive Officer's signature appears thereon.

ORDERED this _____ day of _____, 1987.

Rena Cusma, Executive Officer

RP/DRC/gl
7095C/495-4



METRO

METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: September 27, 1983
To: Department Heads
From: Donald E. Carlson, Deputy Executive Officer
Regarding: EMPLOYEE EXPENDITURES AND REIMBURSEMENTS

This memo is to clarify and reiterate Metro's policies and procedures for reimbursement of expenses incurred by Metro employees. Items covered in this memo are:

- 1. Allowable expenses;
- 2. Approval authority of expenditures;
- 3. Documentation to support expenditures;
- 4. Availability of payments.

ALLOWABLE EXPENSES

Allowable expenses for which reimbursement can be made include out-of-district travel, in-district travel, and other expenses. In all cases sufficient funds must be budgeted for such expenditures before reimbursement will be made.

Out-of-District Travel. The Metro Personnel Rules set forth policies for travel expenditures and reimbursements. The basic policy in Section 16 states "Metro will pay the actual cost of travel and the actual cost of meals or per diem as set forth by the Executive Officer, whichever is less". Executive Order No. 13 has set the per diem for meals at \$24.00 per day or \$12.00 for a partial day (leaving the district after 7:00 a.m. or arriving in the district before 6:00 p.m.). For a more specific discussion of out-of-district travel reimbursement, please consult the Personnel Rules (Section 16) and Executive Order No. 13.

In-District Travel. The Personnel Rules (Section 16) authorize reimbursement for travel in the district while on official business. The employee is encouraged to use a public carrier or a Metro car while traveling in the district but will be reimbursed for use of a private vehicle when authorized by his/her department head at a rate set by the Council (the current rate is 20¢/mile). If it is practical for the employee to use a public carrier or a Metro vehicle but the employee chooses to use a private vehicle, the employee shall not be reimbursed.

Other Expenses. In general, employees are allowed to expend funds and seek reimbursement for such expenditures which have been budgeted and are considered necessary to carry out the lawful business of the district. Included are the purchase of meals and non-alcoholic beverages, including gratuities, when conducting official business. Also included are: food and gratuity for modestly-priced "appreciation" lunches or banquets honoring volunteers; coffee, punch and light refreshments for official receptions. Under no condition shall the expenditure of district funds be authorized nor reimbursement made for the purchase of items/services considered to be of a personal nature. These include, but are not limited to:

- a. Alcoholic beverages;
- b. Office entertainment;
- c. Home entertainment;
- d. Flowers and floral decorations, office plants, plant containers, and gifts;
- e. Maintenance services for personally owned office plants;
- f. Office social functions including birthday and retirement parties, and holiday observances;
- g. Coffee for employees regular use;
- h. Parking and traffic citation fines;
- i. Christmas and other holiday cards, postage for holiday cards, gift wrapping, holiday decorations;
- j. Personal photocopying;
- k. Personal long-distance telephone calls;
- l. Employee monthly parking (unless allowed by employment agreement).
- m. Purchase of personal articles (briefcases, clothing, etc.), whether or not used for Metro business, unless otherwise provided by labor or employment agreement.

APPROVAL AUTHORITY

Guidelines for the approval of expenditures are set forth in existing Metro purchasing procedures.

Travel expenditures and employee reimbursements shall be approved as follows:

1. Department head approval shall be required for each employee travel or expenditure reimbursement request.
2. Deputy Executive Officer approval shall be required for each department head travel or expenditure reimbursement request.

The Accounting Department shall not process any travel or expenditure reimbursement request without the proper approval. If requests are made without proper approval, such requests shall be returned.

DOCUMENTATION OF EXPENSES

No travel expenditure or employee reimbursement shall be paid without the following documentation:

1. Receipts where practical for each item of expenditure which clearly show the amount of expenditure ("where practical" should be construed very narrowly, such as use of local bus transportation);
2. A brief statement of the time, place and purpose of the expenditure.
3. A listing of all persons in attendance or for which the expenditure was made and the business relationship to the employee for which the expenditure was made.

Any deviation of this requirement, such as lost receipts, will require a written explanation and approval by the Executive Officer before any reimbursement will be made.

AVAILABILITY OF PAYMENTS

Invoices for payment are reviewed and batched for payment each Wednesday. Therefore, it is necessary that all requests for payment be received in the Accounting office not later than 4:00 p.m. each Tuesday. If this schedule is followed, checks will usually be available from Accounting on Friday at 3:00 p.m.

Each payment authorization requests the "Date Check Required". If this entry is left blank, it will automatically be set up for payment 30 days from the invoice date.

Each request must be properly documented and approved. Failure to comply with established procedures will cause the request to be returned to the originating individual and will cause delay in processing.

No manual checks for reimbursement or travel advances or prepaid expenses will be issued without the approval of the Deputy Executive Officer.