



Executive Office

 Chief Executive Officer

**POLICY FOR COMPENSATION, BENEFITS, REIMBURSEMENT OF EXPENSES,
AND MANDATORY TRAINING FOR MEMBERS OF THE
BOARD OF DIRECTORS**

Policy#: EO-COB-320.04BODCOMPOrigination # 01/30/2006Revised Date: 07/06/0308/2**I. PURPOSE**

The purpose of this policy (also known as "Travel and Conference Expense Policy" in the Orange County Transportation Authority (OCTA) Administrative Code, Ordinance No. 1) is to (1) define and clarify OCTA business activities for which a member of the Board of Directors (Board) and former member of the Board serving on regional boards at the direction and request of the Board, is authorized to receive compensation and reimbursement of expenses in accordance with Public Utilities Code Section 130108.5 and Government Code Sections 53232, et seq., (2) establish procedures for compensating and reimbursing such expenses, and (3) define and clarify requirements for ethics training, ~~and~~ sexual harassment prevention training and education, and fiscal and financial training for members and former members of the Board in accordance with Government Code Sections 53234 through 532387.5.

II. ORGANIZATIONAL UNITS AFFECTED

This policy is applicable to Board Members and former Board Members serving on regional boards at the direction and request of the Board.

III. POLICY

A Board Member and former Board Member is authorized to receive compensation in the amount of \$100 per day, not to exceed \$500 in any calendar month, for attending any of the following OCTA business activities:

- A. A meeting of the Board.
- B. A meeting of Board-established committees.
- C. A meeting of any committee or organization that the Board Member or former Board Member is serving as a representative of OCTA.
- D. A meeting of an OCTA advisory body.
- E. A conference or organized educational activity, including ethics and sexual harassment prevention training, when the Board Member or former Board Member is participating as a member of the Board.
- F. A meeting, including a meeting with an OCTA employee, hearing, or event in which the Board Member or former Board Member is participating as a member of the Board and for an OCTA business purpose.

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IV. BENEFITS

A. Health Benefits Eligibility

For Public Board Members and for Board Members who do not receive health benefits from the public entity they are elected to serve: ~~t~~The Board Members will have the same premium cost and the same health benefits as full-time employees paid by OCTA, which may change to reflect the current programs offered.

For Board Members who receive health benefits and/or a cash waiver from the public entity they are elected to serve: ~~t~~The Board Members may choose to receive the same health benefits as full-time employees, provided the Board Member pays 100 percent of the OCTA premium, which may change to reflect the current programs offered.

B. Life Insurance and Supplemental Life Insurance

Life Insurance will be provided by OCTA in the amount of \$50,000 coverage for each Board Member. (Benefit amount reduces at age 75. See Benefits Guide)

Voluntary Board Member-paid supplemental life insurance may be offered by OCTA for Board Members and/or their dependents. (Benefit amounts are reduced at ages 70, 75 and 80. See Benefits Guide.)

C. Sick Leave

Board Members are eligible for up to five days of paid sick leave in a calendar year.

Unused sick leave is not paid out at time of leaving office with OCTA. Board Members who wish to use paid sick leave must notify the Clerk of the Board in advance of not being able to attend a meeting. Sick leave will be paid in the amount of \$100 per day of absence. For Board Members who have reached their maximum payment in a calendar month, no sick leave will be paid.

D. Payment of Benefits

Health benefit and supplemental life insurance premiums may be deducted on a monthly basis from any compensation earned, at the direction of the Board Member. In the event there are insufficient earnings to cover the premiums, the outstanding amounts are due and payable to OCTA as soon as possible, but no later than December 15 of each calendar year. Notification will be sent on a quarterly basis for outstanding premium amounts. Failure to pay outstanding premiums may result in loss of coverage.

~~The Board Member may elect to defer mileage reimbursements to December of each year in order to offset any outstanding health benefit and supplemental life insurance premiums. Human Resources, Benefits section should be contacted to make these arrangements.~~

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V. AUTHORIZATION AND REIMBURSEMENT OF BUSINESS EXPENSES

A. General

OCTA shall allow actual and necessary expenses incurred by members and former members of the Board in the performance of their duties. Board Members and former Board Members shall be expected to exercise good judgment and show proper regard for economy when incurring expenses in connection with official OCTA business. The principle of “reasonable and necessary” should be used when deciding to expend taxpayer money. All expenditures and requests for reimbursement shall logically relate to the conduct of OCTA business and shall be “necessary” to accomplish the purposes of such business and shall be “reasonable” in amount. Allowable expenditures may be paid directly by OCTA, charged to an OCTA corporate credit card, or reimbursed to Board Members and former Board Members upon presentation of a completed expense report and receipts.

Out-of-state travel requests must be pre-approved by the OCTA Board.

B. Specific Occurrences

The following occurrences, also referred to as activities in this policy, are approved as qualifying for payment of actual and necessary expenses incurred by a Board Member or former Board Member: all activities in Section III above. Any occurrence which does not fall within the specified activities in Section III above must be approved by the Board in a public meeting before the expense is incurred in order for the Board Member or former Board Member to be reimbursed for any expenses related to the occurrence.

C. Transportation

The following transportation modes may be employed for the purpose of travelling on OCTA business:

1. Air Travel

- a. In-State Travel** – All Board Members and former Board Members shall utilize coach or economy accommodations when travelling within the state of California by commercial airline. Reservations, when possible, should be made at least 14 days in advance to take advantage of all available discounts. Increased costs related to late booking may be disallowed without a sound business reason. Travel can be made through an OCTA-approved travel agent or on a personal credit card. Credit card purchases will be reimbursed only for the actual round-trip fare and only after the trip. Board Members and former Board Members may, at their own expense, pay to upgrade their airline accommodations.

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- b. Out-of-State Travel – All Board Members and former Board Members shall use reasonable judgment in booking out-of-state commercial airline reservations. For flights over four hours (excluding connection time), premium economy class accommodations may be acceptable. Business class and first-class accommodations are prohibited. Board Members and former Board Members may, at their own expense, pay to upgrade their airline reservations from premium economy to business class or first class.
 - c. Airline Surcharges – OCTA will reimburse Board Members and former Board Members for airline surcharges such as: checked baggage fees, seat selection fees, priority boarding fees, preferred seats, and choice seats when the expense is reasonable and necessary to accommodate passenger physical needs or comfort.
2. Private Automobile – Board Members and former Board Members will be reimbursed actual mileage (not to exceed coach or economy class airfare where commercial air travel is a reasonable available alternative) for the use of their private cars in travel to and from designated places on OCTA business. The reimbursement rate will be at the rate established by the Internal Revenue Service (IRS). Board Members and former Board Members shall be reimbursed for total round-trip miles. However, Board Members and former Board Members who receive a vehicle allowance or stipend from another public entity are ineligible for mileage reimbursement from OCTA.
3. Garage, Parking, Bridge, and Highway Tolls – Expenses for necessary parking and storage of private vehicles are authorized. Expenses for necessary bridge and highway tolls are authorized. Receipts or other reasonable verification should be provided to obtain reimbursement.
4. Vehicle Rentals, Taxi, Ridesharing Services, and Transit Fare – Expenses for such transportation may be authorized where reasonable and necessary to conduct OCTA business. Receipts must be provided to obtain reimbursement. When vehicle rental is chosen over taxi or shuttle service, there should be a business reason or economic benefit to support the rental decision. If rental vehicle is subsequently denied, the related parking fees will also be denied, and the Board Member or former Board Member will be reimbursed the round-trip shuttle and taxi charges.
5. Train Travel – Expenses for train travel may be authorized where reasonable and necessary to conduct OCTA business. Board Members and former Board Members shall utilize coach accommodations when travelling by train. Board Members and former Board Members may travel in business class if the trip is longer than 60 minutes in length. Business Class is not reimbursable for trips between Orange County and Los Angeles.

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D. Lodging

Expenses will be allowed for adequate lodging. Price is an issue in selecting adequate lodging. Prudence and good stewardship should be used when selecting a hotel. Comparison shopping is encouraged; booking through online travel websites, as opposed to directly with the lodging facility, might provide opportunities for reduced cost lodging. Itemized receipts for lodging must be provided to obtain reimbursement or to document OCTA payments. The cost of lodging (excluding taxes and fees) should never exceed the IRS lodging per diem rate for the particular location. If the lodging costs exceed the IRS lodging per diem rate for the location, the Board Member or former Board Member should have a business reason or economic benefit to justify the higher cost for lodging. A schedule of lodging per diem rates is available on the United States General Services Administration (GSA) website, www.gsa.gov.

E. Meals and Incidentals

Reasonable and customary expenses for meals are authorized for Board Members and former Board Members as required to conduct official OCTA duties. Meals and incidentals shall be reimbursed using the IRS Meals and Incidental Expense (M&IE) per diem rate applicable to the specific locality.

For in-state travel, on the first and last day of the trip (travel days), the reimbursement is 75 percent of the M&IE per diem rate. For out-of-state travel, on the first and last day of the trip (travel days), the reimbursement is 100 percent of the M&IE per diem rate when travel time is more than four hours; if less than four hours, the reimbursement is 75 percent. The per diem includes reimbursement of tips on meals and \$5 for incidental expenses. The reimbursement amount shall be reduced by any direct charges that were made to the Board Member's or former Board Member's corporate credit card for meal and incidental expenses. Receipts are not needed to document ~~M&IE meal and incidental expenses~~ to be reimbursed on an expense report. However, receipts are required to document corporate credit card charges for meals and incidental expenses. A schedule of M&IE per diem rates is available on the GSA website, www.gsa.gov.

Board Members and former Board Members who during the normal course of performing their duties must provide meals for representatives of other governmental agencies or other persons doing business with OCTA in order to effectively execute their responsibilities are authorized to be reimbursed for the full amount of the meal expenditure that was made for the hosted parties or individual. The Board Member's or former Board Member's portion, however, will be applied to the per diem reimbursement schedule. Board Members and former Board Members must use prudent judgment. Excessive amounts are subject to disallowance. Receipts are required. In such cases, the meal must be documented with a description of the purpose of the meal(s), including an explanation of its necessity

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to OCTA, and a list of all persons, including other Board Members or former Board Members, who were in attendance specifying their organization and/or title.

F. Transportation Security Administration (TSA) Pre-Check Program

TSA ~~p~~Pre-~~c~~Check enrollment program fees are a reimbursable expense for OCTA Board Members and former Board Members who take or anticipate taking four or more OCTA business trips per year.

G. Tips and Gratuities

Reasonable expenses for tips are allowable for hotel and transportation purposes.

H. Registration Fees

Convention or meeting registration fees qualify for reimbursement. OCTA will directly pre-pay conference registration and other event fees prior to the date of the event. In cases where early registration is not possible, a receipt or registration form illustrating the fee amount must be provided with the reimbursement request.

I. Telephone and Computer

Telephone and computer expenses may be incurred only for the conduct of OCTA business. Board Members and former Board Members are encouraged to use cellular phones when available.

J. Miscellaneous

Expenses for duplication and publications of value to OCTA are authorized for reimbursement. Expenses not specified in this policy, but which are reasonable and necessary for the performance of a Board Member's and former Board Member's duties are authorized for reimbursement.

K. Reimbursement/Reporting of Travel Expenses

In accordance with Government Code Section 53232.3, Board Members and former Board Members shall submit ~~e~~Expense ~~r~~Reports within 90 days after incurring the expense, and the reports shall be accompanied by the receipts documenting each expense. Such documentation includes, but is not limited to:

1. Credit card slips or meal receipt
2. Hotel receipt
3. Conference brochure
4. Meeting agenda
5. Trip or meeting purpose
6. Other attendees at a meal or meeting

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~~The~~ Board Members and former Board Members shall submit reimbursement for any and all personal expenses that were charged to the OCTA corporate credit card or directly paid by OCTA to the vendor. The reimbursement for personal expenses shall accompany the expense reports. Expense reports and/or reimbursements not received within 90 days after incurring the expense shall be reported to the Chairman of the Finance and Administration Committee. The reason for the expenses should be clearly documented ~~in~~ on the expense report or in the attached documents.

A Board Member or former Board Member shall not be required to submit an expense report for any expense paid directly by another Board Member, former Board Member, or OCTA employee. A Board Member, former Board Member, or OCTA employee who pays an OCTA expense on behalf of a Board Member or former Board Member, either by use of an OCTA-issued credit card or by any other means for which reimbursement is sought, shall submit an expense report indicating the name of the recipient Board Member or former Board Member and the nature, the amount, and the business purpose of the expenditure. A copy of said expense report shall be provided to the recipient Board Member or former Board Member within 30 days following the date such expense is incurred.

In accordance with Government Code Section 53232.3 (e), all documentation relating to reimbursable OCTA expenditures shall be subject to disclosure under the California Public Records Act, Government Code Section 79206250, et seq.

L. Public Report of Meetings

In accordance with Government Code Section 53232.3(d), a Board Member or former Board Member requesting reimbursement shall provide a brief report on meetings attended at the expense of OCTA at the next regular meeting of the Board. Such reports may be made orally or may be submitted in writing.

VI. ETHICS TRAINING

A. General

~~Every two years or wit~~ Within ~~one year~~ six months of being appointed, ~~each member of the Board, and~~ and every two years thereafter, each member and former ~~former~~ member of the Board, ~~-appointed to an external board~~, who receives any type of compensation and expense reimbursement from OCTA, shall receive at least two hours of training in general ethics principles and ethics laws as mandated.

If out of compliance, compensation will be withheld until training is complete and the member is back in compliance. (Government Code Section 53234 et seq.)

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B. Ethics Training Courses

Courses in ethics training may be provided by a local public agency, an association of local agencies, OCTA's General Counsel, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation. OCTA shall provide information on training available to members and former members of the Board at least once annually.

C. Concurrent Public Offices

A Board Member or former Board Members who serves more than one local agency shall satisfy the ethics training requirements without regard to the number of local public agencies with which the Board Member or former Board Member serves.

D. Records

The Clerk of the Board's Office Government Relations Representative shall maintain records indicating both of the following: (1) the dates that each compensated Board Member and former Board Member satisfied the ethics training requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board Members and former Board Members received the training, and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920.0006250. OCTA shall post on its website information about how the public may request ethics training records.

VII. SEXUAL HARASSMENT PREVENTION TRAINING AND EDUCATION

A. General

Within six months of being appointed, and every two years thereafter, each member of the Board, and any former member of the Board appointed to an external Board, who receives any type of compensation and expense reimbursement from OCTA, shall receive at least two hours of sexual harassment prevention training and education within the first six months of taking office and every two years thereafter. within the first six months of taking office and every two years thereafter.

The training and education shall include information and practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims of sexual harassment in employment. The training and education shall also include practical examples aimed at instructing local agency officials in the prevention of sexual harassment, discrimination, and retaliation, and shall be presented by trainers or educators with knowledge and expertise in the prevention of sexual

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harassment, discrimination, and retaliation.

If out of compliance, compensation will be withheld for compensated members until training is complete and the member is back in compliance- (Government Code Section 53237 et seq.).

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B. Sexual Harassment Prevention Training and Education Course

Courses in sexual harassment prevention and education may be provided by a local public agency, an association of local agencies, OCTA's General Counsel, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation.

OCTA shall provide information on available training to the members and former members of the Board at least once, in writing, prior to assuming office and every two years thereafter.

C. Concurrent Public Office

A Board Member or former Board Members who serves more than one local agency shall satisfy the sexual harassment prevention training and education requirements without regard to the number of local agencies with which the Board Member or former Board Member serves.

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D. Records

The Clerk of the Board's office ~~Government Relations Representative~~ shall maintain records indicating both of the following: (1) the dates that each Board Member and former Board Member satisfied the sexual harassment prevention training and education requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board Members and former Board Members received the training and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920.

VIII. FISCAL AND FINANCIAL TRAINING

A. General

Each member of the Board, and every former member of the Board who is appointed to an external board, shall receive at least two hours of fiscal and financial training within the first six months of taking office and every two years thereafter. Fiscal and financial training courses and materials shall be developed in consultation with widely recognized experts in local government finance, including local government associations. For Board Members who have served on OCTA's Board prior to January 1, 2026, training is not required to be completed until January 1, 2028, unless their term of office ends prior to January 9, 2028, in which event training is not required.

B. Fiscal and Financial Management Training

Courses in fiscal and financial management may be provided by a local public agency, an association of local agencies, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation.

OCTA shall provide information on available training to the members and former members of the Board at least once, in writing, annually.

C. Concurrent Public Office

A Board Member or fFormer Board Member who serves more than one local agency shall satisfy the fiscal and financial training requirements without regard to the number of local public agencies with which the Board Member or fFormer Board Member serves.

D. Records

The ~~G~~overnment ~~R~~elations ~~R~~epresentative shall maintain records indicating both of the following: (1) the dates that each Board Member and former Board Member satisfied the fiscal and financial training requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board

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Members and former Board Members received the training and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920. OCTA shall post on its website information about how the public may request fiscal and financial training records.

VIII.IX. EXCEPTIONS

OCTA reserves the right to change this policy at any time without prior notice. OCTA has the authority to make exceptions to this policy as required by business needs. Any exceptions must be authorized by the Chief Executive Officer. In the event that any changes are made, the revised policy will be posted on OCTA Today.

IX.X. PROVISIONS AND CONDITIONS

Not applicable.

XI. RELATED DOCUMENTS

- A. Public Utilities Code Section 130108.5
- B. Government Code Sections 53232 through 53238.47-5
- C. IRS Regulations for ~~Meals and Incidental Expense (M&IE)~~
- D. California Public Records Act, Government Code Section ~~7920.0006250~~, et seq.

