

# Port of Houston Authority

## Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy March 2018



### I. Purpose and Scope.

A. Purpose. As a government entity, the Port of Houston Authority of Harris County, Texas (the "Port Authority") is accountable to the general public and responsible for managing its resources wisely. The purpose of this Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy (the "Policy") is to ensure the travel, meal purchase, and business entertainment needs of the Port Authority are met in a manner consistent with the mission of the Port Authority, Texas law, the Internal Revenue Service and other regulatory requirements, and best business practices.

B. Scope. This Policy applies to:

1. Port Commissioners, employees and non-employees who travel, purchase meals and/or entertain on the Port Authority's behalf;
2. Persons authorized to approve business activities and related requests for direct payment or expense reimbursement; and
3. All travel, meal purchase, and business entertainment expenses reimbursed by the Port Authority or paid for by the Port Authority regardless of the source of funds.

### II. Definitions.

A. "Port Authority Travelers" means Port Commissioners or Port Authority employees who incur expenses while traveling on Port Authority business.

B. "Port Authority Hosts" means Port Commissioners or Port Authority employees who purchase meals or business entertainment in connection with Port Authority business.

III. Policy Statements. It is the policy of the Port Authority to reimburse reasonable and necessary travel, meal, and business entertainment expenses when authorized and incurred on behalf of the Port Authority. Expenses will be reimbursed in a fair, equitable, and transparent manner and in compliance with applicable federal and state law and regulations.

A. Limitations on Reimbursement.

1. Travel, meal purchases, and/or business entertainment should be undertaken only in support of the mission of the Port Authority. Individuals should not incur inappropriate or excessive expenses or gain financially when seeking expense reimbursement. The Port Authority will not reimburse travel, meal or business entertainment expenses that are unreasonable, not allowable, or not required for official Port Authority business (i.e. unnecessary).

**2. Port Authority Travelers and Port Authority Hosts seeking reimbursement under this policy are responsible for ensuring that business justifications, documentation, and expenses claimed on Expense Reports are proper, accurate, and incurred in accordance with this Policy, and should take notice that, absent compliance with this Policy, they can have no reasonable expectation of reimbursement for travel, meals, and/or entertainment expenses.**

B. Justification and Authorization Required. All travel, meal purchases, and business entertainment undertaken on behalf of the Port Authority require written justification and prior written authorization, except as provided in Section IV(A).

1. Requests for Expense Reimbursement must be in writing, accompanied by receipts or other acceptable documentation, and approved in writing before reimbursement is made.

2. Expenses must be shown to be integral to the business purpose of the Port Authority and, in the case of meals or entertainment provided during or in conjunction with a meeting, to the business purpose of the meeting.

C. Restrictions on Authorization.

1. No person may approve his or her own Request for Travel, Meals or Business Entertainment Authorization (“Request for Authorization”) or Request for Expense Reimbursement (“Request for Reimbursement”).

2. No person may approve the Request for Authorization or Request for Reimbursement of an individual to whom he or she reports directly or indirectly, unless specifically permitted in this Policy.

3. The highest ranking Port Authority Traveler or Port Authority Host present at a business meal and/or meeting involving business entertainment shall incur the expense and seek reimbursement pursuant to this Policy, unless reasonably unable to do so; provided, however, that a Division Chief may incur the expense and seek reimbursement for a business meal and/or meeting to be charged against his/her Division budget, even though the Executive Director and/or Chief Operating Officer is present.

D. Documentation and Approval.

1. Travel, meal purchases, and business entertainment activities shall be documented in a manner facilitating transparency, accountability, and audit. Requests for Authorization and Requests for Reimbursement shall be made in writing using standardized Port Authority forms created for that purpose. Requests for Reimbursement will be among the documents periodically reviewed by the Port Authority Internal Audit Department.

2. In evaluating (i) Requests for Authorization and Requests for Reimbursement (or direct payment), and (ii) justifications for and documentation of expenditures, approval authorities should exercise the judgment of a reasonable person acting under similar circumstances.

E. General Business Expense Guidelines. Port Authority Travelers and Port Authority Hosts are public servants and expected to be as fiscally responsible as circumstances permit and exercise care when incurring business-related expenses.

1. Port Authority Travelers should use reasonable methods of transportation, provided more expensive methods of transportation may be used in the event of a legitimate business need or if incremental costs are paid by the Port Authority Traveler.

2. Port Authority Travelers should generally make their own travel arrangements; however, when travel is international, use of a travel agent may be justified when complexity of travel, efficiency, convenience, and cost are considered.

3. The Port Authority, rather than the Port Authority Traveler or Port Authority Host, should issue direct payment for airfare, conference or seminar registration fees, travel deposits, and similar expenses, when it is practical to do so.

4. Port Authority Travelers and Port Authority Hosts are strictly prohibited from submitting for personal reimbursement any expense paid for, or to be paid for, by the Port Authority or a third party.

#### IV. Authorization Required for Travel, Meals, Business Entertainment and Reimbursement.

A. All travel, meal purchases, and business entertainment require preauthorization unless otherwise stated in this Policy.

1. Preauthorization is not required for travel within the counties of Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, and Waller unless expenses associated with lodging, meals, or business entertainment can be anticipated.

2. Preauthorization is not required for business meals and entertainment incurred by the Executive Director and Chief Officers within the counties of Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, and Waller.

B. Requests for Authorization and Requests for Reimbursement shall be submitted for approval as follows:

- Chairman of the Port Commission, to the Chief Legal Officer
- Port Commissioner, to the Chairman of the Port Commission
- Executive Director, to the Chairman of the Port Commission

- Chief Operating Officer, Chief Legal Officer, and Chief People Officer, to the Executive Director
- Chief Audit Officer, to the Chairman of the Audit Committee
- Other Chief Officers, to the Chief Operating Officer
- Employees, other than those listed above, to their immediate supervisor, Chief Officer responsible for the Division incurring the expense, Chief Operating Officer, and Executive Director, in accordance with signature authority
- Consultants/Vendors, in accordance with the requirements stated in Appendix A.

C. Only Requests for Reimbursement that have been approved as required under this Policy will be processed for payment.

**D. Port Authority Travelers, Port Authority Hosts, and approval authorities are expected to be familiar with the Port of Houston Authority Office of Foreign Asset Control Policy, Foreign Corrupt Practices Act Policy, and other relevant Port Authority policies as they may mandate further approvals or actions depending on the nature of the travel, meals, or entertainment under consideration.**

V. Requests for Authorization and Requests for Reimbursement - Required Forms.

A. Standard Forms. Requests for Authorization and Requests for Reimbursement must be submitted in writing on forms prepared by the Controller for that purpose (“Standard Form(s)”).

1. Failure to provide complete information or use of an incorrect form or format may cause the request to be rejected.

2. Standard Forms are available on SharePoint.

B. Responsibility for Forms. The Controller shall be responsible for preparing forms, including Standard Forms referenced in this Policy, and for ensuring such forms are available on SharePoint or other internal online source. The Port Authority Traveler or Port Authority Host shall be required to provide information and documentation which, in the judgment of the Controller, is sufficient to adequately promote transparency, accountability, legal and regulatory compliance, and sound business practices. Port Authority forms may, at the Controller’s discretion, be created and/or updated from time to time in order to better meet the needs of the Port Authority under this Policy.

C. Minimum Requirements of Requests for Authorization. Requests for Authorization shall, at minimum, require the prospective Port Authority Traveler or Port Authority Host to provide justification for the request, a statement of business purpose, the date and location of the proposed activity, estimated cost, and to the extent applicable, mode of transportation and identity and affiliation of proposed participants. The Request for Authorization will also require written signatures of the Port Authority Traveler or Port Authority Host and approval authority(s).

D. Minimum Requirements of Requests for Reimbursement. Requests for Reimbursement shall, at minimum, require the Port Authority Traveler or Port Authority Host to provide a statement of business purpose, the date and location of the activity, proof of actual costs and payments, and to the extent applicable, expenditure preauthorization, the identity and affiliation of all participants, and itemization of prepaid costs. The Request for Reimbursement also requires written signatures of the Port Authority Traveler or Port Authority Host, and the approval authority(s).

1. All Requests for Reimbursement are to be supported by original receipts or tickets, even when paid by personal credit card. A credit card statement alone will generally not be considered sufficient to support a request for reimbursement. All expenditures that qualify for reimbursement under a federally-funded program must be supported by original itemized receipts.

2. Expenditures over twenty-five (\$25.00) dollars that are not documented by an original receipt, ticket, or other evidence must be itemized on a No Receipt Form. The No Receipt Form must be approved in writing and shall be submitted with the relevant Request for Reimbursement.

3. Notwithstanding submission of a No Receipt Form, the Port Authority reserves the right to decline payment or require alternate proof of expenditure when no receipt has been provided or when occurrences related to lost or unavailable receipts have consistent and/or recurring characteristics, patterns, or traits, or can be characterized as falling outside the normal range of responsible employee recordkeeping.

VI. Submission of Requests for Authorization and Requests for Reimbursement. Unless otherwise authorized by the Executive Director, Requests for Authorization and Requests for Reimbursement are to be submitted to the Port Authority Accounts Payable Department as provided below:

A. Request for Authorization. A Request for Authorization that includes a request for direct payment should be submitted at least thirty (30) days prior to the event or travel whenever possible. A Request for Authorization that includes a request for cash advance but no request for direct payment should be submitted at least five (5) business days prior to the expenditure whenever possible.

B. Request for Reimbursement. A Request for Reimbursement shall be submitted no later than thirty (30) days following the completion of travel or last activity reflected on the relevant Request for Reimbursement.

1. When additional out-of-town business travel is required to begin within three (3) days of the Traveler's return from a business trip lasting ten (10) or more days, Traveler shall have up to a total of forty-five (45) days (comprised of the original thirty (30) day period plus

an additional fifteen (15) days) following completion of the earlier travel or activity to file his or her Request for Reimbursement.

2. The Port Authority reserves the right to decline a Request for Reimbursement submitted after the conclusion of the fiscal year in which the underlying expense(s) was incurred. Excepted from this provision are Requests for Reimbursement related to expenses incurred during the final sixty (60) days of a fiscal year.

C. Effect of Request. By signing as a requestor, a person seeking approvals or reimbursement of an expense attests to the accuracy and propriety of all aspects of his or her Request for Authorization, Request for Reimbursement, or associated forms as submitted.

D. Effect of Authorization. By signing as an authorizer, the authorizer attests to his or her review of the materials submitted and belief that the request is reasonable, justified and, to the best of his or her knowledge, accurate.

E. Original Signatures. All signatures of persons submitting and/or approving Requests for Authorization, Requests for Reimbursement, or associated forms, must be (i) original, or (ii) electronic, pursuant to any Port Authority electronic-signature policy then in effect. Port Commissioners may submit signed documents electronically.

## VII. Travel Costs.

A. Transportation Generally. Port Authority Travelers may use any reasonable mode of transportation consistent with and appropriate to the requirements of the business requiring travel, and the safe, efficient and economic conduct of such business.

1. Port Authority Travelers should use the most direct and expeditious route to and from locations, considering travel time, distance, and reasonableness of expense, and use reasonable efforts to obtain the lowest available pricing suitable to the planned itinerary.

2. The Port Authority shall not reimburse additional expenses incurred due to the interruption of official travel or a deviation from the most direct travel route for personal convenience or non-Port Authority business.

a. The Port Authority shall not reimburse costs related to upgrading travel or accommodation class except as set forth in this Policy.

b. Reimbursement may be requested when the cost of an upgrade does not exceed the authorized travel or accommodation expense, a more economical class of travel or accommodation is unavailable through no fault of the Traveler and is reasonable under the circumstances, or such additional expense is approved in advance.

c. Travelers may upgrade their travel arrangements at their own cost and accept complementary travel arrangement upgrades.

B. Air Travel.

1. All domestic air travel shall be booked in coach class unless the cost of an upgrade can be reasonably justified.

2. When travel involves an international destination, all segments of air travel may be booked in business class, so long as one of the required international flight segments exceeds four (4) hours in duration.

3. Port Authority Travelers are responsible for using reasonable efforts to obtain a refund for any unused tickets or for having them reissued for future Port Authority travel.

a. The Port Authority will not reimburse the cost of unused tickets unless the Requestor can establish that he or she, though acting reasonably, was unable to cancel the reservation in accordance with the airline's policy.

b. In the event an airline ticket purchased but not used for Port Authority business is used for a personal reason, the Port Authority Traveler shall reimburse the Port Authority for the cost of the ticket within thirty (30) days of ticket use.

C. Automobile Transportation. Port Authority Travelers may use a personal vehicle for Port Authority travel when the choice is reasonable given the distance to be traveled and business requirements. When travel is by personal vehicle, the Traveler may seek reimbursement for mileage traveled in accordance with the rate permitted by the Internal Revenue Service on the date of travel.

1. Pool Vehicles. Port Authority Travelers may use pool vehicles for out-of-town travel in accordance with the Port Authority's Vehicle Guidelines. Port Authority Travelers may not submit Requests for Reimbursement for mileage when using of a pool vehicle.

2. Personal Vehicles. Requests for Reimbursement for travel mileage associated with use of a personal vehicle must be supported by documentation obtained from an online mileage calculator or detailed travel log.

a. Except as provided below, employee mileage shall be calculated to and from the employee's official assigned work location and the travel destination.

b. If an employee Port Authority Traveler is reasonably required to travel from home or other alternate location to the travel destination, reimbursement for mileage shall be based upon the lesser amount of (i) the actual number of miles traveled, and (ii) the actual mileage to/from the employee's official assigned work location and the travel destination.

c. Port Commissioner mileage should be measured from home or work, as applicable to the particular travel.

3. Airport Parking. Port Authority Travelers shall use off-terminal long-term parking when the duration of travel exceeds twenty-four (24) hours.

4. Car Rental. The Port Authority will reimburse costs for rental of up to a full-size vehicle when car rental is justified for business reasons. Unless pre-approved or the Port Authority Traveler can demonstrate that no other vehicle was reasonably available, incremental costs associated with rental of premium or luxury vehicles instead of a full-size vehicle shall not be reimbursed. Port Authority Travelers may accept complimentary upgrades.

5. Automobile Insurance. Port Authority Travelers should not purchase auto liability insurance and should decline coverage offered by rental car companies or agencies, since existing Port Authority coverage provides comprehensive and collision coverage for rented vehicles.

D. Other Ground Transportation. The Port Authority will reimburse costs for fares associated with the reasonable use of taxicabs, private car or shuttle services, or bus, rail, ferry, subway, or streetcar transportation.

E. Out-of-Town Lodging.

1. Port Authority Travelers are encouraged to lodge at a Sheraton, Hilton, Marriott, Holiday Inn, or Hyatt hotel, an affiliate of the foregoing, or a reasonable equivalent thereof, if reasonably convenient to the business site, and affording reasonable security and American standards of comfort. Port Authority Travelers may use other hotels, including conference-arranged hotels, if expense, convenience, or security reasonably dictates such use, and such use has received prior approval.

2. Port Authority Travelers should use reasonable efforts to obtain lodging at the lowest rate possible consistent with the requirements of the travel assignment and available lodging discounts, and check for the availability of government rate or other discounting options.

3. The Port Authority will not reimburse the cost of unused rooms unless the Requestor can establish that he or she, though acting reasonably, was unable to cancel the reservation in accordance with the hotel's policy.

F. Local Overnight Lodging. Participation in a Port Authority business event may infrequently necessitate an overnight stay at a local hotel, if justifiable due to the timing, location, and nature of the business event. Such local lodging must be preapproved as provided for out-of-town lodging.

G. Extending Travel.

1. Port Authority Travelers may seek reimbursement of the costs of extending business travel (i.e. returning on Saturday or Sunday instead of on completion of Port Authority business on a Friday), if the additional costs of immediately returning exceed the expenses incurred during the extension (such as food, lodging, parking, etc.).

2. Port Authority Travelers may extend travel to include non-business purposes, provided the Port Authority Traveler shall pay all costs of the non-business portion of the travel extension.

VIII. Business Meals and Entertainment.

A. Port Authority Travelers and Port Authority Hosts may seek reimbursement for reasonable and necessary expenses associated with meals and entertainment that are integral to the business purpose of the meeting, and pre-approved as may be required by the Port Authority.

1. Requests for Reimbursement may, for example, be submitted for meals associated with approved travel, a ceremonial or business related function with outside parties, employee training, or an event having the purpose of recognition, seasonal celebration or building of morale.

2. Port Authority Travelers and Port Authority Hosts must exercise good judgment in the selection of business and entertainment venues, and avoid the appearance of impropriety at all times.

B. Entertainment, social activities, and alcoholic beverages are not reimbursable under federally-funded programs, and grant funds shall not be used for such purposes. Accordingly, the Port Authority reserves the right to decline to approve such expenses for reimbursement when incurred by Port Commissioners, Port Authority employees, vendors, or contractors.

C. The Port Authority will issue direct payment or reimburse the costs of meals and entertainment at which no third party is in attendance only when a significant Port Authority business purpose exists.

1. Without limiting the foregoing, the Port Authority may issue direct payment for or reimburse the cost of working meals for Port Commissioners and/or Port Authority employees when business is required to be conducted over a customary meal period.

2. The Port Authority shall not reimburse Port Commissioners or Port Authority employees for the cost of alcoholic beverages in connection with meals or entertainment at which no third party is in attendance.

3. The Executive Director is authorized to issue standards under which the Port Authority will reimburse the cost of meals (a) not associated with approved travel and (b) at which no third party is in attendance.

IX. Miscellaneous Expenses.

A. Miscellaneous Expenses Eligible for Reimbursement.

1. Port Authority Travelers may seek reimbursement of miscellaneous expenses incurred to the extent the expenses are documented, reasonable, and necessary. Such expenses may include charges for parking, air freight, overnight delivery, postage, faxes, telephone, computer rental, temporary internet access (including airline-provided access), money orders or currency conversion, use of international ATMs, baggage handling, tips, etc., if incurred for a Port Authority business purpose.

2. In the event cellular service is unavailable or requires international surcharges, a Port Authority Traveler may seek reimbursement for one personal telephone call home each day during business travel, provided the length of call is reasonable and the business travel requires an overnight stay.

3. The cost of currency conversion associated with international travel may be submitted for reimbursement at the rate reflected on the Port Authority Traveler's personal credit card statement, when supported by original receipts and that portion of the credit card statement documenting the conversion charge. For reimbursement of foreign currency conversion charges paid in cash, a published exchange rate document reflecting the conversion rate on the date of the transaction shall be submitted.

B. Miscellaneous Expenses Not Subject to Reimbursement. The Port Authority shall not reimburse the following expenses:

1. Fines for parking or moving vehicle violations;
2. Movies, plays, concerts, tours or sporting event tickets (unless associated with pre-approved third-party meals and entertainment);
3. Alcoholic beverages (except as otherwise provided herein), in-room entertainment, exercise classes, gym fees, entertainment (other than preapproved business entertainment) undertaken for the benefit or amusement of the Port Authority Traveler, newspapers, magazines, toiletries, cigarettes, and personal phone calls other than the daily telephone call home described in Section IX(A)(2) above;
4. Personal credit card invoices, fees, and/or interest charges incurred on personal credit card balances (payment of personal credit card balances is the responsibility of the cardholder);

5. Laundry and dry cleaning expenses incurred during travel when the duration of the business travel is less than seven (7) days; and

6. Expenses for persons not employed by the Port Authority but who accompany a Port Authority Traveler/Port Authority Host for social purposes (for example, a spouse, partner, or family member).

a. Expenses associated with such person shall be deducted from funds otherwise being reimbursed. If a detailed accounting of that person's expenses is not shown on the receipt, the amount should be calculated by dividing the total expense by the total number of individuals in attendance.

b. When, in the judgment of the Executive Director, a significant business objective will be served through the presence of such person at a meeting or event, the Port Authority may approve reimbursement of expenses directly and reasonably related to such business-related participation.

X. Cash Advances.

A. Use of Cash Advances.

1. Cash advances are to be issued only as reasonably required to facilitate legitimate Port Authority business needs and must be requested by Port Authority Travelers and Port Authority Hosts in conjunction with a Request for Authorization for travel or business entertainment. Employees should arrange for fees associated with event registrations, lodging, or event space to be paid by the Port Authority directly rather than through a cash advance.

2. Cash advances shall be provided only in an amount reasonably estimated to represent the employee's out-of-pocket expense. Any cash advance exceeding Three Thousand Five Hundred Dollars (\$3,500) shall require the written approval of the Executive Director, Chief Operating Officer, Chief Financial Officer, or Controller.

3. Recipients of a cash advance shall only use the funds for the purposes as previously requested and approved. Unused cash from a cash advance cannot be held for future travel or other future expense not previously requested and approved.

4. An approved request for cash advance should be submitted to the Controller at least five (5) business days in advance of the authorized travel or expenditure to allow for processing of the request. The Port Authority may be unable to satisfactorily issue a cash advance absent timely received paperwork.

5. The Port Authority shall not issue cash advances to an employee who, during the preceding twelve (12) month period, has failed to timely account for or make reimbursement of a prior cash advance.

B. Accounting. An employee receiving a cash advance must account for all uses of the funds in the same manner as reimbursable travel or entertainment expenses.

C. Repayment of Cash Advances. Unused proceeds of a cash advance must be promptly repaid to the Port Authority.

1. Port Authority Travelers and Port Authority Hosts shall remit to the Controller the amount of any unused cash advance within (a) fifteen (15) days following completion of the travel, meal, or business entertainment for which the cash advance was provided, or (b) concurrently with submission of the related Request for Reimbursement, whichever is earlier.

2. If an unused cash advance is not repaid as required above, the Port Authority may deduct the outstanding amount from a future paycheck or expense reimbursement. To the extent the unused cash remains unpaid after one hundred twenty (120) days, the outstanding amount may be treated as taxable income paid to the employee receiving such advance, and following such 120-day period, the Port Authority may withhold customary federal taxes from the wages it pays to the employee receiving such advance.

## XI. Miscellaneous Provisions.

### A. Policy Exceptions.

1. Exceptions to this Policy requested by a Port Commissioner or the Executive Director may be granted by the Chairman of the Port Commission.

2. If an exception is requested by the Chairman of the Port Commission, the Port Authority's Chief Legal Officer shall have the authority to grant the exception.

3. Exceptions impacting a Port Authority employee, consultant, or vendor, may be granted by the Executive Director.

4. All Policy exceptions shall be issued in writing.

B. Delegation. Except for purposes of granting Policy exceptions, the approval authority of the Executive Director under this Policy may be delegated to the Chief Operating Officer or Chief Legal Officer. The Chairman of the Audit Committee may delegate his or her responsibilities hereunder to the Executive Director.

### C. Policy Training and Acknowledgement.

1. Port Commissioners, employees, and non-employees who travel, purchase meals, and/or entertain on the Port Authority's behalf, persons authorized to approve business activities and related requests for direct payment or expense reimbursement, and persons processing Requests for Reimbursement shall review this Policy annually and provide written acknowledgement that they have read the Policy and understand their obligations under it.

2. The Controller shall be responsible for preparing the acknowledgement form, identifying training needs related to this Policy, and facilitating delivery of such training.

3. Persons covered by this Policy for whom training has been recommended by the Controller shall timely obtain the training.

D. Recordkeeping.

1. Approved Requests for Authorization, Requests for Reimbursement, written policy exceptions, and vendor acknowledgments shall be maintained at the division level.

2. When direct payment for an approved expenditure has been made by the Port Authority, the Port Authority Traveler or Port Authority Host shall, immediately upon completion of the transaction, provide a copy of the approved Request for Authorization and backup documentation related to the direct payment (i.e., copy of E-ticket or paid registration confirmation) to the Accounts Payable Department.

3. Approved Requests for Authorization and related documentation shall be made available to the Internal Audit Department upon request.

4. Policy acknowledgements as required in Section XI(C) above shall be collected at the division level. Employee Policy acknowledgements shall be provided to the Human Resources Department for inclusion in employment files or appropriate Port Authority database.

E. International Travel Protection. The Port Authority endeavors to provide certain protections for Port Authority Travelers outside of the United States on Port Authority business. These may include insurance coverage for automobile accidents, employee injuries and illnesses, access to emergency medical and travel assistance services, emergency medical evacuation, replacement of lost or stolen passports or credit cards, and access to local attorneys and translators. Port Authority Travelers with business travel scheduled abroad should contact the Risk Management Department at least one week prior to departure, for additional information about, and to assist in arranging for, such protections.

F. Monthly Review of Travel, Meal Purchases and Entertainment Expenses. The Controller shall prepare on a monthly basis and provide to the Executive Director and Chief

Operating Officer a summary report of all travel, meal purchases, and entertainment expenses submitted for approval by Port Authority Travelers and Port Authority Hosts.

G. Vendor and Consultant Travel/Entertainment Expenses. Additional Policy requirements, applying to vendors and consultants only, are set forth in the attached Appendix “A” and made a part of this Policy.

H. Enforcement.

1. Careless, negligent, or intentional disregard of this Policy’s requirements while traveling, providing meals, or entertaining on Port Authority business, or submitting, or allowing to be processed, a misleading or fraudulent Request for Authorization, Request for Reimbursement, No Receipt Form, or other document referred to in this Policy are grounds for disciplinary action, up to and including termination.

2. Any person who presents a false, fictitious, or fraudulent claim for expense reimbursement to the Port Authority may in addition be subject to criminal prosecution and/or proceedings for financial restitution.

3. The approval or processing of a form or request under this Policy shall not limit the ability of the Port Authority to pursue reimbursement, financial restitution, employee discipline, or criminal prosecution when warranted.

I. Questions. Questions concerning this Policy should be directed to the Controller.

XII. Adoption. This Policy was adopted by the Port Commission on March 27, 2018, as evidenced by Minute No. 2018-0327-04.

Policy Owner: Finance  
Policy Version: Third  
Review Schedule: During 2020 and each even-numbered year thereafter

## Appendix A

### **PORT OF HOUSTON AUTHORITY Vendor/Consultant Travel, Meals and Business Entertainment Authorization and Expense Reimbursement Standards**

A. Port of Houston Authority (“Port Authority”) contracts may provide that the Port Authority will reimburse consultants, contractors, or other vendors (collectively or individually, a “Vendor”) for certain expenses incurred on behalf of and in connection with official Port Authority business. **The Vendor Travel, Meals and Business Entertainment Authorization and Reimbursement Standards contained in this Appendix A shall, together with the Port of Houston Authority Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy, control Port Authority payment or reimbursement for Vendor travel, meals and entertainment expenses.**

**B. Vendor travel, meal and business entertainment, and related costs shall be approved/reimbursed as follows:**

1. Every Vendor planning to incur expenses associated with travel, meals and/or business entertainment as provided for herein must submit a Request for Travel, Meals & Business Entertainment Authorization to, and receive prior written approval by, the Port Authority representative administering the Vendor’s applicable contract (“Port Authority Administrator”) and such other employees as required pursuant to Port Authority signature authority requirements or other Port Authority policy. Vendors seeking reimbursement of expenses incurred on behalf of the Port Authority must submit and obtain written approval of a Request for Expense Reimbursement which is likewise to be approved by the Port Authority Administrator and such other employees pursuant to Port Authority signature authority requirements or other Port of Houston Authority policy requirements.

2. The Port Authority shall reimburse a Vendor for use of a personal automobile for Vendor travel up to two hundred (200) miles, one way. Personal automobile expenses for such travel shall be computed based upon actual miles to and from the approved starting point and destination. The Port Authority shall reimburse a Vendor for such automobile expenses at the then-current Internal Revenue Service standard mileage rate for business travel. The Port Authority disclaims any other costs or liability for such travel, which shall be assumed by the Vendor, including without limitation all costs and expenses in the event of an accident involving a personal vehicle, including insurance deductible fees.

3. The Port Authority shall reimburse a Vendor for the use of regular coach air transportation (state rate or corporate rate, whichever is lower) for Vendor travel in excess of two hundred (200) miles, and the Port Authority Administrator may agree to reimburse plane fare for shorter flights as reasonably necessary if for Port Authority business purposes. In order to maximize discounted airfares, the Vendor should coordinate with the Port Authority Administrator to schedule on-site visits sufficiently far in advance to take advantage of reasonable advance-purchase offers. In the event a meeting or on-site visit is cancelled by the Port Authority, the Port Authority shall reimburse Vendor for any airline-imposed advance-purchase cancellation penalty.

4. In the event that Vendor travel reasonably requires overnight out-of-town accommodations, the Port Authority shall reimburse Vendor for the cost of such hotel accommodations at the discounted corporate or state rate (whichever is lower), when available.

5. The Port Authority shall reimburse Vendor meal expenses for a Vendor who travels 50 miles or more, and stays overnight, provided that a Vendor who departs from a Port Authority business meeting prior to 12:01 p.m. shall not be permitted to bill for meals for that day other than breakfast following the overnight stay. In the event of such travel requiring out-of-town meals, the maximum billable amount per person per day for meals will be actual cost up to the then-current applicable meals and incidental expense per diem rates of the U.S. General Services Administration (for the applicable travel location within the continental United States) – see <http://www.gsa.gov/portal/category/21287>. Notwithstanding the foregoing, the Port Authority shall reimburse a Vendor for reasonable miscellaneous expenses (i.e., tips, transfers, etc.) at an amount not-to-exceed the greater of (a) 20% of the base expense, in the event of a restaurant tip, or (b) \$10.00 per person per day.

6. In the event that Vendor travel requires out-of-town automobile use, the Port Authority shall reimburse a Vendor for a rental car at the lowest available rate for the least expensive, air-conditioned, automatic transmission, mid-size car available to the Vendor under corporate rate programs. The cost of full coverage collision insurance shall be reimbursed; the cost of personal protection plans shall not be reimbursed.

7. The Port Authority shall reimburse a Vendor for the cost of reasonable ground transportation (in the event that Vendor travel requires out-of-town travel via airplane), parking, and tolls paid by a Vendor. Charges for limousines and/or specialized car services shall not be reimbursed, unless written documentation is provided that such services were the only available transportation.

**C. Vendors shall not be reimbursed for expenses associated with travel which does not receive prior written approval by the Port Authority Administrator. Vendors paid on an hourly basis shall not be compensated for their travel time unless prior written approval for such time has been specifically given by the Port Authority Administrator. Travel expenses and travel time that are provided for in a written contract entered into by and between the Port Authority and Vendor shall be deemed approved by the Port Authority Administrator for purposes of this subsection C and shall not require additional written approval prior to reimbursement or compensation.**

**D. All requests for reimbursement of travel costs and related expenses must be submitted with original receipts and supported by detailed itemized documentation. Vendors shall not be reimbursed for expenses in the absence of original receipts, unless such receipts are not reasonably available.**

**E. All approved expenses shall be reimbursed at “actual cost” only; the Port Authority shall not pay or reimburse for any overhead or mark-up on expense items.**

**F. In the event of a conflict between this Appendix and the Port of Houston Authority Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy as it applies to Port Authority vendors, the Port Authority Controller shall resolve the conflict.**