

**RESOLUTION TO AMEND AND READOPT THE AUTHORITY'S POLICY
CONCERNING REIMBURSEMENT OF NECESSARY BUSINESS EXPENSES
INCURRED BY AUTHORITY MEMBERS**

WHEREAS, the Sewerage Authorities Law provides at N.J.S.A. 40:14A-5 for the payment by a Sewerage Authority of necessary business expenses incurred by its Members in the discharge of their duties; and

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("Authority") has determined that it is in the public interest that the circumstances under which such payments are to be made should be clearly defined and enumerated; and

WHEREAS, the Authority adopted Resolution R-09-7-2 adopting an expense reimbursement policy dated July 2009; and

WHEREAS, the Authority has undertaken a review of its policy on this topic, and desires to amend the same; and

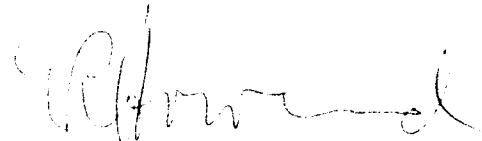
WHEREAS, the Authority desires to adopt a Resolution to reflect the same.

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority on this 17th day of June, 2015 as follows:

1. The Authority hereby approves and adopts the attached "Business Expense Policy" dated May 2015, and directs that the entitlement for and payment of expenses by Authority Members shall be administered in accordance with its terms.

2. The May 2015 policy shall apply to any expense reimbursements submitted following the date of adoption of this Resolution, and shall apply to any qualifying expenses incurred prior to its adoption.
3. This Resolution shall take effect as provided by law.

Certified to be a true copy of a Resolution enacted at a duly convened Public Meeting of the Pequannock River Basin Regional Sewerage Authority held on June 17, 2015.



Edwin Howard, Secretary

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

MAY 2015

BUSINESS EXPENSE PAYMENT AND REIMBURSEMENT POLICY AND PROCEDURES

I. GENERAL

This policy provides for direct payment or reimbursement of legitimate business expenses for travel, lodging, means, and other expenses incurred directly related to or in the conduct of Authority business. This shall include expenses incurred for attendance at meetings, conferences, seminars, field trips, etc. related to the fields of wastewater pollution control, authority management, regulatory agency requirements, or other areas affecting Authority business. This policy applies to all Authority members and employees.

II. PAYMENT AND REIMBURSEMENT PROCEDURES

In order to be reimbursed for approved business expenses or for direct advance payment by the Authority, the following procedures and requirements shall apply.

A. Approvals

Business trips should be approved in advance by the Authority.

B. Travel

Business related travel costs are reimbursable. These include airfare, taxi, tolls, mileage, etc. Mileage shall be reimbursed at the standard Internal Revenue Service ("IRS") mileage rate (no receipt required). All travel arrangements should be made by the member/employee. Travel expenses within the Authority service area are non-reimbursable.

C. Personal Automobile Expenses

Expenses for damage or loss incurred by a member/employee to his or her personal automobile while undertaking Authority business is reimbursable up to \$1,000.00 if not otherwise covered by the member/employee's automobile insurance policy.

D. Registration Fees

Professional and industry conference registration fees are reimbursable or may be paid directly by the Authority in advance.

E. Lodging

For approved business trips, overnight hotel accommodations are reimbursable or may be paid directly by the Authority in advance.

F. Meals

Meal expenses incurred in the conduct of or related to Authority business will be reimbursed upon submittal of receipts.

G. Travel Advances

Upon Board approval (by resolution), travel advances may be made to any member/employee based upon estimated expenses for travel, lodging, and per diem. Itemized expense forms and signed vouchers must be submitted upon completion of the business trip. Any balance remaining of advance payments made will be refunded to the Authority (by check) with the voucher submittal within one (1) week of return. Additional expense reimbursements (greater than the cash advances) will be considered for approval at the first meeting following the voucher submittal.

H. Miscellaneous Costs

Parking fees, tips, telephone calls, etc. are also reimbursable business expenses. In addition, meal costs incurred for the purpose of conducting Authority business (e.g., a business luncheon meeting) are also reimbursable. In this case, the business purpose should be stated.

I. Receipts

Except as otherwise provided herein (e.g., for mileage, and some miscellaneous costs), receipts are required for all business expense items in excess of \$25.00. However, members/employees are encouraged to submit receipts for all expenses whenever possible. Expense vouchers should be prepared on the attached standard forms for business trips and other expenses. Petty cash will not be used for reimbursing business expenses.

J. Unallowable Expenses

In general, expenses for activities not directly related to the Authority's business are not reimbursable. Such unallowable expenses include but are not limited to:

- i) Any business trip expense for a person who is not an Authority member or employee;
- ii) Any entertainment expense;
- iii) Any expense over \$25.00 without a receipt;
- iv) Any expense over and above what would normally be the cost directly related to a business trip;
- v) Any expense reimbursed by others;

- vi) Any expense incurred in addition to business trip expenses. e.g. mixing a business trip with a vacation.

K. Applicability of IRS Regulations

In general, payment or reimbursement for business-related expenses shall be consistent with IRS regulations regarding the eligibility and the documentation required in support of the expense.