

**CONSIDERATION OF AMENDMENTS TO THE POLICY AND
REGULATIONS GOVERNING TRAVEL FOR CIRM STAFF AND
WORKING GROUP MEMBERS**

And

**RECOMMENDATION FOR DELEGATION OF AUTHORITY
TO THE GOVERNANCE SUBCOMMITTEE FOR FUTURE
AMENDMENTS TO TRAVEL POLICIES
FOR CIRM STAFF AND WORKING GROUP MEMBERS**

Background

Originally, ICOC members and CIRM staff of the California Institute for Regenerative Medicine (CIRM) were allowed reimbursement for costs of travel using policies adopted by the Department of Personal Administration (DPA) for all state agencies under the Executive Branch. These policies were adopted by the Acting Interim President under the authorities given to him by the ICOC at their January 6, 2005 meeting.

On March 1, 2005, the ICOC discussed and approved a travel policy in accordance with DPA for both ICOC members and staff. The major points of this policy, as approved, were as follows:

- variable reimbursement rates for lodging, depending on regional location within California
- actual reimbursement rates for lodging, outside of California
- defined limits for costs of meals, within and outside of California
- reimbursements for actual costs of travel by airline (coach only), train or automotive vehicles (including a standard rate for private vehicle reimbursement of \$.34/mile)
- reimbursements for actual costs for business and other expenses (e.g. phone calls, photocopying)

Proposition 71, however, allows the ICOC to establish travel policies for ICOC members and CIRM staff, as follows:

- Health and Safety Code Section 125290.45 (b) (2) allows an ICOC member to be reimbursed for the "...reasonable and necessary travel and other expenses incurred in the performance of the member's duties."

This statutory provision supports the adoption of the University of California (UC) travel reimbursement policies for ICOC members and CIRM staff (see Attachment II for full explication of this policy). The major differences between the UC and DPA policies are as follows:

- *Lodging*: DPA rules for travel inside California set limits on lodging while UC allows actual reasonable and necessary cost.
- *Meals and Incidentals for 24 hours or more*: DPA rules set limits on each meal (up to a total of \$40) while UC allows up to \$50 for the cost of any meals and incidentals for each period of 24 hours or more.
- *Meals and Incidentals for less than 24 hours*: UC rules allow up to \$33 for the cost of meals and incidentals for each period of 12 or more hours but less than 24 hours, but allow nothing for a period of less than 12 hours. An exception is allowed for meals that are an integral part of a business meeting. DPA rules allow for meals incurred in a trip of less than 24 hours provided the trip begins before 6:00AM (for breakfast) or ends after 7:00PM (for dinner). Nothing is allowed for lunch unless it is an integral part of a business meeting and the limit is \$10.
- *Private Vehicle Use*: UC rules allow for \$.44.5/mile while DPA allows \$.34/mile.

At its April 7th, 2005 meeting, the ICOC voted to adopt the UC travel reimbursement rules for all ICOC members and CIRM staff with the following exceptions:

- *Meals and Incidentals for less than 24 hours*: Follow DPA rules by allowing up to \$33 per day for meals related to trips of less than 12 hours provided the trip began prior to 6:00AM or ended after 7:00PM. Also, allow up to \$13 for lunch when it is an integral part of a business meeting.
- *Receipts*: Follow DPA rules by allowing reimbursement for meals and incentives without requiring submission of receipts.

At its December 5th, 2005 meeting, the Governance Subcommittee voted to recommend these amendments of the travel policies governing ICOC and CIRM staff to the ICOC. In addition to adding in allowable interview/relocation expenses, the subcommittee recommended:

- Extension of the contracted meal policies for ICOC and Subcommittee meetings to cover all meals, not exclusively lunch.
- Reimbursements for light refreshments and meals under specific limited circumstances (approved in advance by the President) to extend to ICOC Members and CIRM staff who are required to attend

- Point of information that out-of-state (including out-of-country) travel is subject to same limits as in-state travel

The ICOC approved these recommendations at its meeting the next day (December 6th, 2005).

Description

The proposed Policy and Regulations Governing Travel for CIRM staff and Working Group member can be found on Attachment I. This proposed policy closely follows the UC Policy and Procedures Governing Travel. The rationale for using UC policy, where applicable, is a straightforward, auditable, and consistent administrative practice for CIRM.

The proposed policy presented today will be applicable to CIRM staff and Working Group members only.

The ICOC has historically approved policies for reimbursement of travel expenses incurred by ICOC members, CIRM staff and Working Group Members. A delegation of authority from the ICOC to the Governance Subcommittee for any future changes is requested for the Policy and Procedures Governing Travel for CIRM staff and Working Group members.

Recommendation

The President recommends for approval to the Governance Subcommittee the following actions:

- 1) Approval and Recommendation to the ICOC for approval and adoption of the Policy and Procedures Governing Travel for CIRM staff and Working Group members (Attachment I);
- 2) Recommendation to the ICOC for a Delegation of Authority for the Policy and Procedures Governing Travel for CIRM staff and Working Group members.

ATTACHMENT I

California Institute of Regenerative Medicine POLICY AND REGULATIONS GOVERNING TRAVEL

I. PURPOSE

The Policy and Regulations Governing Travel in this document are based upon the University of California Business and Finance Bulletin G-28. This policy provide for appropriate implementation and oversight required for reimbursement of travel claims.

II. DEFINITIONS

For the purposes of this Policy, the following definitions shall apply:

Business Purpose – the business purpose of a CIRM traveler may include activities that contribute to any one of the CIRM's major functions.

Headquarters -- the place where the major portion of the traveler's working time is spent, or the place to which the employee returns during working hours upon completion of special outside assignments.

Lodging -- expenses for overnight sleeping facilities. Does not include accommodations on airplanes, trains, buses, or ships, which are included in the cost of transportation.

M&IE Reimbursement Cap -- the maximum amount authorized for daily meal and incidental expenses established by the CIRM for all travel of less than 30 days in the continental United States. This rate is adjusted periodically to reflect changes in the Consumer Price Index. For purposes of the reimbursement cap, incidental expenses include tips and fees for services, e.g., for waiters, baggage handlers, etc. *M&IE*

Reimbursement Cap shall not be treated as a per diem. Only actual reasonable expenses incurred for M&IE may be claimed. See Appendix A

Reporting Period -- the thirty-one day period within which a Travel Expense Voucher must be submitted after the end of a trip. Refer to Reporting Period, for more information.

Residence -- the primary residence where the traveler lives, regardless of other legal or mailing addresses. However, when an employee is required to reside temporarily away from his or her permanent residence because of official travel away from headquarters, such residence may still be considered permanent if it is unreasonable to expect the employee to move his or her permanent residence to the temporary job location.

Travel Expenses -- expenses that are ordinary and necessary to accomplish the official business purpose of a trip. Refer to the following sections for a description of travel expenses eligible for reimbursement: Transportation Expenses; Subsistence Expenses; and Miscellaneous Travel Expenses.

Travel Status – the period during which a traveler is traveling on official CIRM business outside the vicinity of his or her headquarters or residence.

III. CIRM TRAVEL POLICY

A. SCOPE

The policy and regulations contained in this Policy shall apply to all CIRM staff and Working Group travel, including travel funded under federal grants and contracts.

- This Policy includes special rules for non-employees, such as working group members, scientific reviewers, [students? – omit?], visiting scholars, independent contractors, etc.
- Pursuant to Office of Management and Budget Circular A-21, costs incurred by employees and officers for travel shall be considered reasonable and allowable only to the extent that such costs do not exceed charges normally allowed by the institution in its regular operations as a result of an institutional policy and the amounts claimed under sponsored agreements represent reasonable and allocable costs.

B. POLICY

It is the policy of the CIRM that all official travel shall be properly authorized, reported, and reimbursed in accordance with this Policy. Under no circumstances shall expenses for personal travel be charged to, or be temporarily funded by, the CIRM, unless otherwise noted in this Policy. When a CIRM employee travels under the sponsorship of a non-CIRM entity, travel expenses, including advances, or billings, shall not be charged to a CIRM account or billed to the CIRM; airline tickets must be obtained from the sponsor [can we discuss? – this is new]. CIRM employees traveling on official business shall observe normally accepted standards of propriety in the type and manner of expenses they incur. *In addition, it is the traveler's responsibility to report his or her actual travel expenses in a responsible and ethical manner, in accordance with the regulations set forth in this Policy.*

The travel reimbursement procedures contained in this Policy are designed to conform to the substantiation rules published by the Internal Revenue Service (IRS). Thus, any payment made to an employee in connection with official travel that lasts for one year or less shall not result in additional taxable income to the employee. Travel expenses considered by the IRS to be taxable income to the traveler are not reimbursable except for certain travel expenses related to moving a new appointee or a current employee.

C. EXCEPTIONS

Exceptions to this policy may be authorized by the President or his or her designee. Any delegation of authority for exceptional travel expenses must be in writing; any redelegation of this authority must be authorized by the President. Exceptions may be granted in the following circumstances:

- A request for an exception must document the circumstances and need for the exception. When an exception has been granted, the reimbursement of expenses claimed shall be limited to the actual costs incurred or less, provided such costs are deemed to be ordinary and necessary under the circumstances.

IV. APPROVAL OF TRAVEL

In order to ensure that travel is approved in an impartial manner, travelers may not approve the reimbursement of their own travel expenses. In addition, an employee or working group member shall not approve the travel expenses of an individual to whom he or she reports either directly or indirectly. An employee also may not approve the travel of a near relative, e.g., spouse or equivalent, child, parent, etc.

V. PAYMENT OF TRAVEL

A. PREPAID EXPENSES AND DIRECT CHARGES

Prepaid expenses such as transportation tickets and conference fees may be billed directly to the CIRM with prior approval from the President, CFAO or Finance Officer. These expenses must be paid by the traveler when they are incurred, and a claim for reimbursement submitted at the conclusion of the trip. [Don't understand – if they are prepaid and billed directly to CIRM, how can they be paid by the traveler.]

B. CORPORATE TRAVEL CARDS

Under guidelines established by CIRM, corporate travel cards may be issued on a case by case basis for employees who travel on official CIRM business. Any traveler issued such a card **should** use the card to pay for all expenses related to official CIRM business travel, including lodging and subsistence, except where the card is not accepted. The cardholder will be billed directly for all expenses charged to the corporate card. The cardholder is personally responsible for paying **all** charges on the corporate card and for keeping the card current. **The CIRM will not reimburse or pay late fee charges incurred in connection with the corporate card.**

The CFAO is responsible for negotiating contracts for a corporate card program. The corporate travel card is valid only while an individual is employed by the CIRM, may be cancelled at the discretion of the CIRM, and must be relinquished to the employee's department upon termination of employment.

The traveler must submit a Travel Expense Voucher even if he or she is not owed any additional reimbursement, in order to document the business purpose for which the advance was issued.

C. PAYMENT OF EXPENSES ON BEHALF OF OTHERS

CIRM travelers normally shall not be reimbursed for expenses paid on behalf of other persons, except in the case of co-travelers who are sharing a room. Exceptions to this rule, such as supervised group trips, must be approved in advance.

D. CANCELLATION OF RESERVATIONS

Travelers who are unable to honor a reservation shall be responsible for canceling the reservation in compliance with the cancellation terms established by the hotel, airline, etc. The traveler must return any refundable deposits to the CIRM. Charges or lost refunds resulting from failure to cancel reservations shall not be reimbursed unless the traveler can show that such failure was the result of circumstances beyond the traveler's control.

The traveler shall be responsible for promptly returning for a refund any unused or partially used transportation tickets.

VI. INSURANCE FOR TRAVELERS

A. EMPLOYEES

All CIRM employees, including working group members engaged by the CIRM, are routinely covered 24 hours a day, worldwide, against accidental death or dismemberment while on an official CIRM business trip or while engaged in designated extra hazardous activities on behalf of the CIRM. In addition, all CIRM employees are provided with Workers' Compensation coverage for work-related injury that occurs during a CIRM-approved and –funded business trip. For insurance coverage purposes, an official CIRM business trip begins when the traveler leaves his or her residence or headquarters, whichever occurs last, and ends when the traveler returns to his or her residence or headquarters, whichever occurs first.

B. VEHICLES

For information on insurance coverage requirements for employees who use their private vehicles on CIRM business. The ORIM administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business (California Vehicle Code Sections 17000 and 17001). Effective January 1, 2004, liability coverage is limited to \$1 million per occurrence/accident when the state vehicle is operated by a non-salaried employee (i.e. student assistant, volunteer, etc.) on state business. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million. The VELSIP provides excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid. The VELSIP does not provide coverage for injury to state employees nor for damage to state vehicles. Employee injuries are handled through Workers' Compensation coverage. Damage to state vehicles are handled through the budget of the owning state agency.

VII. TRANSPORTATION EXPENSES

Transportation expenses shall be reimbursed **based on the most economical mode of transportation** and the most commonly traveled route consistent with the authorized purpose of the trip. Any exception must be approved by the President.

A. GENERAL

1. Definition

Transportation expenses include the following: charges for commercial carrier fares; travel agency service fees; car rental charges; private car mileage allowances; overnight and day auto parking; bridge and road tolls; taxi and public transportation fares; and all other charges for transportation services necessary to accomplish the official business purpose of the trip.

2. Transportation Tickets

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier or negotiated by the CIRM. Such tickets should be purchased from the CIRM contract travel agencies. Travelers will not be reimbursed for non-cash certificates used for the purchase of transportation tickets, e.g., frequent flyer miles.

3. Lost Tickets

Service charges for tickets lost by travelers may be reimbursed, provided such occurrences are infrequent. Charges for re-ticketing, schedule changes, etc. are reimbursable if incurred for a valid business reason. The reason for the charge must be specified on the Travel Expense Voucher.

4. Allowable Mileage Expense

Mileage shall ordinarily be computed between the traveler's headquarters and the common carrier or destination. Expenses for travel between the traveler's residence and headquarters (commuting expense) shall not be allowed. However, mileage expenses may be allowed between the traveler's residence and the common carrier or destination if CIRM business travel originates or terminates before or after the traveler's working hours, or if travel originates or terminates during a regularly scheduled day off. When a traveler is authorized to drive a private vehicle to or from a common carrier terminal, mileage may be reimbursed as follows:

- One round trip, including parking for the duration of the trip; or

- Two round trips, including short-term parking expenses, when an employee is driven to a common carrier.

Also, if a non-employee who is not on travel status has a temporary assignment away from his/her residence, reimbursement shall be made for mileage expenses incurred between the assignment location, or home and the assignment location and new destination, whichever is less.

5. Surface Transportation Used in Lieu of Air Travel

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed. However, such costs shall not exceed the cost of airfare, based on the state rate or the regular coach fare available for the location of travel from a standard commercial air carrier fare, plus transportation costs to and from the terminals.

6. Indirect or Interrupted Itineraries

Advance approval is required when a traveler takes an indirect route or interrupts travel by a direct route, for other than CIRM business. Any resulting additional expenses shall be borne by the traveler. The reimbursement of expenses shall be limited to the actual costs incurred or the charges that would have been incurred via a usually traveled route, whichever is less. Any resulting excess travel time will not be considered work time, and will be charged to the appropriate type of leave. The employee shall be responsible for accurate reporting of such leave time.

7. Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs, e.g., a Saturday night stay for domestic travel, may be reimbursed when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip (provided the expenses were incurred in compliance with this Policy). Such expenses, which include lodging, car rental, and M&IE (subject to the reimbursement caps set forth in Appendix B) incurred within the vicinity of the business destination, shall not exceed the amount the CIRM would have paid had the traveler not extended the trip.

8. Air Travel Cost

a. State Rate/Coach Class. State rate shall be used. If the State rate is not available, coach class, refundable, shall be used in the interest of economy. This policy applies to all travel (domestic or foreign, or any combination thereof) regardless of the purpose or fund source.

b. Business Class. Use of business or first-class or other higher-cost services may be authorized under the circumstances listed below. Documentation of such circumstances must be provided on the Travel Expense Voucher.

- Business or first-class is the only service offered between two points;
- The use of coach class would be more expensive, e.g., when, because of scheduling difficulties, traveling by air coach would require an unnecessary hotel expense, circuitous routing;
- The use of business or first-class travel is necessary to reasonably accommodate a disability or medical need of a traveler and documentation, from the traveler's primary care physician, of such circumstances should be provided prior to confirmation of the flight.
- When a traveler prefers to use a higher class than the one authorized for reimbursement, the traveler must pay the incremental cost of the airfare.

In cases other than those described above, a written authorization to use business or first-class or other higher-cost service shall be obtained in advance from the President.

The traveler shall submit such authorization with the Travel Expense Voucher.

- Business or first-class is the only service offered between two points;
- Use of U.S. carrier service would extend travel time, including delay at origin, by 24 hours or more;
- U.S. carriers do not offer nonstop or direct service between origin and destination. However, a U.S. carrier must be used on every portion of the route where it provides service unless, when compared to using a foreign air carrier, such use would:
- When the costs of transportation are reimbursed in full by a third party, such as a foreign government or an international agency.
 - Reimbursement of travel on a foreign air carrier may be denied in the absence of such justification.

B. AUTOMOBILE

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.

Persons authorized to travel by automobile (e.g., when an automobile is the most economical mode of transportation) shall be reimbursed for actual M&IE incurred en route by the most direct route, plus any necessary cost of lodging, when appropriate.

Private Vehicles: The following rules apply to all domestic travel.

a. Mileage Reimbursement Rates

When two or more persons on CIRM business share a private vehicle, ***only the driver may claim reimbursement for mileage.***

1. Standard Rate

CIRM will use the standard reimbursement rate per mile as set by the Federal government and identified in the University of California Travel Policy. This rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc. Thus, under IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

2. Rate for Travelers With Physical Disabilities

A traveler with a physical disability who must use a specially equipped or modified automobile may claim reimbursement at the standard rate per mile set forth above. However, if the traveler incurred higher than standard operating costs, the traveler may seek reimbursement by submitting a statement with the Travel Expense Voucher certifying that he or she incurred higher operating costs. The actual fixed and variable costs must be specified in the statement. The traveler should refer to [IRS Form 2106](#), Employee Business Expenses.

The form is available from the following IRS web site:

http://www.irs.ustreas.gov/prod/forms_pubs/forms.html

3. When a private vehicle operated by an employee on official CIRM business is damaged by collision or sustains other accidental damage, are borne by the employee.

4. Rental Cars

a. Authorization to Rent

A vehicle may be rented when renting would be more advantageous to the CIRM than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested. This model should be used unless a no-cost upgrade is provided. Use of a higher cost upgrade requires exceptional approval.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. ***The State discount rate shall be negotiated with car rental when available.***

b. Insurance Coverage

Travelers are expected to use rental agencies with which the CIRM has state contracts that include insurance coverage. The following rules apply to insurance coverage for rental cars:

On contract rental vehicles used in the continental United States (CONUS), charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).

c. Damage to a Rental Vehicle

A CIRM traveler may be reimbursed for up to \$500 of property damage to a rental vehicle only if such expenses were incurred on days the vehicle was being used for CIRM business purposes. The traveler shall submit with the Travel Expense Voucher a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

5. Miscellaneous Automobile-related Expenses

Charges for ferries, bridges, tunnels, or toll roads may be claimed by the vehicle operator. Reasonable charges for parking while an employee is on travel status or on CIRM business away from regular duties also will be allowed for the following:

- a. Day parking on trips away from an employee's headquarters;
- b. Day and overnight parking on overnight trips away from an employee's headquarters or residence (a claim should not be made if free overnight parking is available); and
- c. Parking charges incurred when an employee without a location parking permit is occasionally required to drive to and from headquarters.
- d. Valet parking charges in excess of normal parking charges shall be borne by the traveler, unless the traveler obtains an exception.

C. RAIL OR BUS

Rail or bus transportation may be used when required by the destination or by business necessity. Reimbursement for the cost of Pullman roomette accommodations is allowed. If more expensive accommodations are used, the traveler must justify the expense in a written explanation submitted with the Travel Expense Voucher.

D. OTHER FORMS OF TRANSPORTATION

1. Local Public Transportation, Shuttle Service, and Taxis

Local public transportation fares (e.g., buses, subway, streetcars) shall be allowed. The cost of shuttle service to and from an airport or railroad station, plus reasonable tips, is allowable to the extent such service is not included in air or rail fares. Taxi fares, including up to a 15% tip, shall be allowed only when the use of public transportation or airport shuttle service is impractical or not available. The cost must be reasonable in relation to personal car use costs, including parking, tolls, etc.

VIII. SUBSISTENCE EXPENSES

A. GENERAL

Subsistence expenses incurred while on travel status consist of charges for lodging and meals and incidental expenses (M&IE). For the definition of incidental expenses, see Definitions. Expenses reimbursed must be ordinary and necessary to accomplish the official business purpose of the trip. Subsistence expenses incurred within the vicinity of an employee's headquarters or residence shall not be reimbursed. To be eligible for reimbursement, actual expenses must be documented in accordance with this Policy.

1. Entertainment Meals

Expenses for meals incurred by employees who entertain while on travel status, are reimbursable up to \$50 per diem.

B. TRAVEL IN EXCESS OF 24 HOURS

1. Domestic Travel--Travel Within the United States and Its Possessions

For purposes of determining the applicability of Sections a, b, and c below, an official CIRM business trip begins when the traveler leaves his or her residence or headquarters, whichever occurs last, and ends when the traveler returns to his or her residence or headquarters, whichever occurs first.

a. Travel - Assignments of Less than 30 Days

For travel assignments of less than 30 days within the continental United States (CONUS), the reimbursement of daily subsistence expenses shall be based on the actual amounts incurred for lodging and meals and incidental expenses. ***The M&IE cap shall not be treated as a per diem.*** M&IE shall be limited to the ***actual reasonable costs incurred***, subject to the daily maximum reimbursement cap set forth in Appendix B. Lodging expenses must be supported by original itemized receipts, regardless of the amounts incurred, and must be reasonable for the locality of travel.

2. Foreign Travel

a. Travel - Assignments of Less Than 30 Days Foreign travel shall be reimbursed in accordance with the Federal Maximum Travel Per Diem Allowances for Foreign Areas published by the Department of State Per diem begins upon arrival at the traveler's foreign destination and ends upon departure. For trips with more than one foreign destination, the per diem rate for the first destination begins upon the traveler's arrival and ends upon departure from that destination; at that point, the per diem rate for the second destination begins and is used until the traveler departs from that location.

b. If actual expenses are claimed due to special or unusual circumstances, the traveler must document such circumstances by submitting a written explanation with the Travel Expense Voucher. The amount reimbursed, however, may not exceed 150% of the applicable federal rate established for the location of travel. The reimbursement of actual expenses must be supported by receipts. This is to compensate for additional federal and state income taxes and employment taxes owed by the employee.

C. TRAVEL OF LESS THAN 24 HOURS

When the entire length of a trip ***is 12 hours or less***, meal and incidental expenses shall not be reimbursed. Unless the meal is an integral part of a business meeting and substantiated by other documentation (e.g., an agenda), which should be attached to the Voucher.

A trip that ***lasts more than 12 hours but less than 24 hours***, reimbursement shall be authorized as follows:

1. Domestic (CONUS) Travel

Actual cost of lodging and/or M&IE, subject to the daily maximum amount set forth in Appendix A for M&IE.

2. Foreign and OCONUS Travel

Actual cost of lodging and/or M&IE, not to exceed the applicable federal per diem rate (see Appendix A).

D. PAYMENT OF GROUP SUBSISTENCE EXPENSES

The CIRM may negotiate agreements with restaurants, hotels, and similar establishments to furnish subsistence to a group or groups of CIRM employees when it is to the CIRM's advantage. Under such an agreement, the vendor may be paid either by the group leader or by billing the CIRM.

Reimbursement of such expenses may be claimed by group travelers as follows:

- a. Group leaders who pay all or part of the group's expenses may be reimbursed by submitting a claim for the actual expenses incurred. The claim must be accompanied by the vendor's invoice/receipt showing payment in full.

IX. MISCELLANEOUS TRAVEL EXPENSES

Miscellaneous expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. The Travel Expense Voucher must include an explanation of why such expenditures are being claimed. Allowable miscellaneous expenses include the following:

- a. Business office expenses such as word processing services; equipment rentals; fax and computer expenses; copy services; overnight delivery/postage; purchase of materials and supplies, when normal purchasing procedures cannot be followed; rental of a room or other facility for the transaction of official business; local and long distance telephone calls (including one reasonably brief, non-emergency, personal call home per day); and laundering, cleaning, or pressing of clothing (if a trip exceeds six days).
- b. Special fees for foreign travel, including the actual cost of obtaining a passport, visa, tourist card, and necessary photographs; cost of certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion and check cashing fees; the cost of traveler's checks; costs related to hiring guides, translators, and local labor; and the cost of full collision insurance on automobiles rented in foreign countries.
- c. Registration fees for attendance at conferences, conventions, or meetings of professional or learned societies.
- d. Actual costs for lodging
- e. Charges for checking and storing baggage necessary for the business purpose of a trip.

A. NON-CIRM TRAVELERS

Travelers in this category include prospective employees, independent contractors and consultants, scientific and working group members, inbound travelers hired by the CIRM for a temporary assignment.

1. General Regulations

Allowable travel expenses for non-CIRM travelers are subject to the provisions of this Policy. A Travel Expense Voucher must be submitted. Such reimbursements shall be tax-coded

2. Prospective Employees

a. Authorization

The CIRM may reimburse the actual travel expenses related to interviewing prospective employees, when such expenses are necessary to acquire key personnel for employment at the CIRM. Authorization shall be obtained before any commitment to reimburse travel expenses is made to the prospective employee. Reimbursement of allowable expenses is not taxable if the expenses are properly substantiated.

b. Allowable Expenses

Actual transportation expenses shall not exceed one round-trip coach airfare between the prospective employee's current residence and the interview location. Subsistence and *non-personal* miscellaneous expenses also may be reimbursed. Transportation and lodging expenses for such individuals may be paid directly by the CIRM. Such travel arrangements should be made by the Human Resources office through the designated travel agency.

3. Independent Contractors and Consultants

Reasonable travel expenses incurred by CIRM-retained independent contractors or consultants are reimbursable in accordance with this Bulletin. Such reimbursements are not taxable, provided the amounts claimed are properly substantiated

X. REPORTING TRAVEL EXPENSES

A. Travel Expense Voucher shall be used to account for all travel advances and expenses incurred in connection with official CIRM travel. When properly completed and approved, this form is used to reimburse the traveler. ***Except for direct billing arrangements that have been approved in advance, a Voucher must be processed even if no reimbursement is due the traveler.***

B. REPORTING PERIOD

The Travel Expense Voucher must be submitted to the Finance Officer within 31 days of the end of a trip unless there is recurrent local travel, in which case vouchers may be aggregated and submitted monthly.

B. COMPLETION OF A TRAVEL EXPENSE VOUCHER

The total amount of all expenses and advances pertaining to a particular trip must be accounted for when submitting a Travel Expense Voucher with receipts.

Electronic Receipts. Electronic receipts are acceptable provided that the detail contained in an *electronic receipt* is equivalent to the level of detail contained in an acceptable paper record.

Missing Original Receipts

When original receipts are required but cannot be obtained or have been lost and all measures to obtain a duplicate receipt have been exhausted, a statement should be provided explaining why such receipts are not being submitted with the Travel Expense Voucher.

Certification of Travel Expense

The traveler **must** sign the Travel Expense Voucher certifying that the amounts claimed are a true statement of the expenses incurred on official CIRM business and that the

original of all required receipts has been submitted. Submission of the Travel Expense Voucher under a traveler's electronic authorization will be considered certification that the traveler incurred the expenses being claimed. In accordance with IRS regulations, an electronic signature must identify the traveler who is submitting the electronic form;

The Travel Expense Voucher should not be approved by a person who reports directly or indirectly to the traveler. Persons delegated the authority to approve travel shall not approve their own travel. In addition, travelers may not approve the travel of a near relative, e.g., spouse or equivalent, child, parent, etc.

MILEAGE REIMBURSEMENT RATES FOR PRIVATE VEHICLES

The following mileage reimbursement rates shall be used to reimburse travelers who use a private automobile on official CIRM business:

Per Mile

A. Automobiles--employee-owned/procured (including vans)

Standard Rate 44.5¢*

*Effective January 1, 2006

LODGING AND M&IE REIMBURSEMENT CAPS

The following chart summarizes the applicable reimbursement methods and the maximum rates authorized for lodging and meal and incidental expenses (M&IE) incurred while on travel status:

Daily M&IE -- Up to \$50 plus actual lodging

Daily Lodging – Use *Reasonable Payment* as a guide which is a payment that does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. Reasonable payment can be established by market test, price or cost analysis, or the experience and judgment of the Responsible Administrative Official. Such judgment considers total value to the CIRM. There is value to the CIRM in agreements which meet the CIRM's needs, such as those involving qualifications, experience, resources, quality, and service. A reasonable payment need not be the lowest price available, but is one which offers the highest total value to the CIRM. A receipt is mandatory.

MAXIMUM RATES FOR MEALS AND LIGHT REFRESHMENTS

The maximum per person expenditures for meals and light refreshments furnished by the CIRM may not exceed the following amounts:

Breakfast	\$18.00
Lunch	\$30.00
Dinner	\$45.00
Light refreshments	\$12.00

The reimbursement for a buffet reception cannot exceed the applicable meal rate associated with the type of buffet, i.e., breakfast, lunch, or dinner. Reimbursement for a brunch may be made using the lunch rate.

FEDERAL GUIDELINES FOR FOREIGN TRAVEL

Please use the following web site:

Agenda items # 7 & 8
12/4/06 Governance Subcommittee Meeting

<http://www.state.gov/m/a/als/prdm/>

ADDENDUM

ALL PAST CIRM TRAVEL POLICY MEMOS & UPDATES AS CONSIDERED AND APPROVED BY THE ICOC

- I. Considered at ICOC Meeting on March 1, 2005
Agenda Item # 18

**Reimbursement of Costs for
Members of the Independent Citizen's Oversight Committee
And for Employees of the California Institute for Regenerative Medicine**

Within California: Each member and employee will be eligible to receive reimbursement for the following costs:

- Actual cost of lodging as follows:
 - \$84 plus taxes, energy surcharge, and tourism assessment anywhere in the State
 - \$110 plus taxes, energy surcharge, and tourism assessment in Los Angeles and San Diego Counties.
 - \$140 plus taxes, energy surcharge, and tourism assessment in Alameda, San Francisco, San Mateo and Santa Clara Counties.
- Actual cost of meals and incidentals as follows:
 - Up to \$6.00 for Breakfast
 - Up to \$10.00 for Lunch
 - Up to \$18.00 for Dinner
 - Up to \$6.00 for Incidentals (per 24 hour period)

NOTE: If the period of time traveled is less than 24 hours, actual cost of meals and incidentals are allowed as follows:

- Up to \$6.00 for Breakfast if travel begins before 6:00AM
- Up to \$18.00 for Dinner if travel ends after 7:00PM

In addition, the actual cost of lunch is allowable for members while attending ICOC or subcommittee meetings.

- Actual costs of travel by airline (coach only), train or automotive vehicles (including personal or rental vehicle, taxi, shuttle, etc), parking, tolls, etc.

NOTE: The actual cost of traveling by Private Vehicle is reimbursable at a standard rate of \$.34/mile. In order to claim these costs, the member or employee must complete and sign a STD 261. The signed form should be sent to:

Walter Barnes
Chief Administrative Officer and Controller
California Institute for Regenerative Medicine
PO Box 99740
Emeryville, CA 94662-9740

- Other Expenses: Actual costs for expenses necessary for completion of official business – e.g. phone call, copies, etc.

Out of State: Each member and employee will be eligible to receive reimbursement for the following costs:

- Actual cost of lodging. There is no limit on cost.
- Actual costs of meals and incidentals, travel and other expenses subject to the same limitations listed under **Within California.**

Miscellaneous Meal Expenses: There is limited reimbursement for meals during overtime or for business-related meetings. See attached for details. (NOTE: Persons in work week group 2 are those subject to the provisions of FSLA – generally those who are considered administrative assistants or clerical.)

Obtaining Reimbursement: To receive reimbursement, complete and sign a STD 262 (Travel Reimbursement Claim). Attach receipts for the following:

- Lodging
- Travel costs (no receipts are needed for Private Vehicles if the Standard Rate of \$.34/mile is claimed.). No receipt is needed for parking of less than \$10.
- Other Expenses: Receipts are required for telephone costs if over \$5/call and for any other expenses in excess of \$25/per item.

Submit the form and receipts to:

Walter Barnes
Chief Administrative Officer and Controller
California Institute for Regenerative Medicine
PO Box 99740
Emeryville, CA 94662-9740

A reimbursement warrant will be mailed to your home address. If you wish it to be mailed to another address please indicate that in Section (11) of the STD 262.

Questions? – Contact Walter Barnes at the above address or by phone at (510) 450-2437 or by e-mail at wbarnes@cirm.ca.gov

Frequently Asked Questions

Question: When does a trip begin or end?

Answer: A trip begins at the time you leave your residence or place of work and a trip ends at the time you return to either your residence or place of work. Put the time leaving in military form (i.e. – 0600 instead of 6:00AM) on the first day of your trip in the designated box under Section (2) on the STD 262. Put the time returning on the last day of your trip in the designated box, also under Section (2) on STD 262.

These times determine when you are eligible to claim meals while traveling on the first and last day.

Question: What do I do with the receipt for airline, train or bus travel when the travel is arranged through the state's travel agency?

Answer: Please attach the receipt to the STD 262 when you submit it for reimbursement but only put the cost on the form if you paid for it directly. If the state has paid directly, you still need to include the receipt so that we can match up the claim from the travel agency.

Question: What if I lost my receipt for an item that requires a receipt?

Answer: Claim the amount that you paid and note in Section (11) that the receipt was lost. NOTE: You do not need receipts for many items – meals, business expense items under \$25, etc.

Question: Why do I need to fill out a STD 261 to claim reimbursement for mileage while driving my own vehicle?

Answer: To ensure that you are aware of State of California rules regarding operation of a private vehicle on state business and to secure your concurrence with these rules.

Created 2/15/2005

II. Considered at ICOC Meeting on April 7, 2005
Agenda Item 5
Recommendations for Travel Reimbursement Policy for ICOC
Members and CIRM Staff

Background

Currently the members of the Independent Citizen's Oversight committee (ICOC) and the staff of the California Institute for Regenerative Medicine (CIRM) are allowed reimbursement for the cost of travel using policies adopted by the Department of Personal Administration (DPA) for all state agencies under the Executive Branch. These policies were adopted by the Acting Interim President under the authorities given to him by the ICOC at the January 6, 2005 meeting.

A summary of the major elements of these policies is given in Attachment A.

Discussion

Proposition 71 allows the ICOC to establish travel policies for ICOC members and CIRM staff, as follows:

- Health and Safety Code Section 125290.45 (b) (2) allows an ICOC member to be reimbursed for the "...reasonable and necessary travel and other expenses incurred in the performance of the member's duties."
- Health and Safety 125290.45 (b) (4) allows the ICOC members to "...set compensation for the chairperson, vice chairperson and president and other officers

and for the scientific, medical, technical and administrative staff of the institute within the range of compensation levels for executive officers and scientific, medical, technical, and administrative staff of medical schools with the University of California (UC) system and the nonprofit academic and research institutions described in paragraph (2) of subdivision (a) of Section 125290.20.”

This allows the ICOC to adopt UC travel reimbursement policies for ICOC members and CIRM staff. The major differences between the UC and DPA policies are as follows:

- Lodging: DPA rules for travel inside California set limits on lodging while UC allows actual reasonable and necessary cost.
- Meals and Incidentals for 24 hours or more: UC allowances for meals and incidentals are higher. DPA rules set limits on each meal (up to a total of \$40) while UC allows up to \$50 for the cost of any meals and incidentals for each period of 24 hours or more.

- Meals and Incidentals for less than 24 hours: UC rules allow up to \$33 for the cost of meals and incidentals for each period of 12 or more hours but less than 24, but allows nothing for a period of less than 12 hours. An exception is allowed for meals that are an integral part of a business meeting. DPA rules allow for meals incurred in a trip of less than 24 hours provided the trip begins before 6:00AM (for breakfast) or ends after 7:00PM (for dinner). Nothing is allowed for lunch unless it is an integral part of a business meeting and the limit is \$10.
- Contracted Meals: DPA rules allow for a contracted meal for ICOC members and staff on meeting days with a limit on cost per person but UC allows actual reasonable and necessary costs.
- Receipts: DPA rules require receipts for meals but DPA does not.
- Private Vehicle Use: UC rules allow for \$.40.5/mile while DPA allows \$.34/mile.

Recommendation

ICOC should adopt the UC travel reimbursement rules for all members and CIRM staff with the following exceptions:

- Meals and Incidentals for less than 24 hours: Follow DPA rules by allowing up to \$33 per day for meals related to trips of less than 12 hours provided the trip began prior to 6:00AM or ended after 7:00PM. Also, allow up to \$13 for lunch when it is an integral part of a business meeting.
- Receipts: Follow DPA rules by allowing reimbursement for meals and incentives without receipts.

The ICOC should adopt these rules effective April 7, 2005.

III. Informational Presentation to ICOC at 5/23/05 ICOC Meeting Agenda item # 14

Reimbursement of Travel Costs for Members of the Independent Citizen's Oversight Committee And for Employees of the California Institute for Regenerative Medicine

Policy Statement: Under Proposition 71, "reasonable and necessary" costs may be reimbursed when conducting business of the ICOC or CIM. The ICOC adopted travel rules, with certain specific exceptions, that are used by the

University of California for travel should be used for reimbursing travel by ICOC members and Staff.

Travel Within and Outside California (including outside of the country):

Each member and employee will be eligible to receive reimbursement for the following actual and necessary costs:

- Actual cost of lodging. Please note that there are no specific maximums. However, members and staff are expected to attempt to incur the lowest possible costs consistent with the purpose of the trip. The state travel agency will assist you in getting government rates. **A receipt is necessary for reimbursement.**
- Actual cost of meals and incidentals is allowed in the following situations (**no receipts are needed**):

For each travel period of 24 hours, actual costs up to a maximum of \$50 for each 24 hour period will be reimbursed.

If the period of time traveled is greater than 12 hours but less than 24 hours, actual cost of meals and incidentals will be reimbursed up to a maximum of \$33. If the period of time traveled is less than 12 hours, an actual cost up to a maximum of \$33 is allowed if the trip either begins before 6:00AM or ends after 7:00PM.

If a meal is considered an integral part of a business meeting regardless of travel status, reimbursement for actual costs up to \$13 is allowed. Also, the same amount is allowable for a meal consumed by an FSLA-eligible employee during an approved overtime period.

In addition, the actual cost of lunch, with no maximum, is allowable for ICOC members and CIRM staff while attending ICOC or subcommittee meetings. CIRM staff will contract for these lunches so there will be no need for direct payment by either members or staff.

Finally, there is limited reimbursement for meals during overtime periods. Generally these are only available for persons in work week group 2 (FSLA eligible).

- Actual costs of travel

This includes travel by airline (coach only), train or automotive vehicles (including personal or rental vehicle, taxi, shuttle, etc), parking, tolls, etc. There are no maximums, but the UC handbook says that “[t]ransportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the

authorized purpose of the trip.” Again the state travel agency can assist you in arranging for the best deal using government negotiated rates. **Receipts are needed for all individual travel costs exceeding \$5.00.**

NOTE: The actual cost of traveling by Private Vehicle is reimbursable at a standard rate of \$.40.5/mile. In order to claim mileage, the member or employee must complete and sign a STD 261. The signed form should be sent to:

Walter Barnes
Chief Administrative Officer and Controller
California Institute for Regenerative Medicine
PO Box 99740
Emeryville, CA 94662-9740

- Other Expenses: Actual costs for expenses necessary for completion of official business – e.g. phone call, copies, etc. **A receipt is needed for each individual expense item in excess of \$25.**

Obtaining Reimbursement: To receive reimbursement, complete and sign a STD 262 (Travel Reimbursement Claim). For meals and incidentals, please include the total actual amount for all meals up to the maximum of \$50, \$33 or \$13 in the column marked DINNER (Column 5). Include the purpose of, and any clarifying information about, the trip or expense in Section 11.

Submit the form and any required receipts to:

Walter Barnes
Chief Administrative Officer and Controller
California Institute for Regenerative Medicine
PO Box 99740
Emeryville, CA 94662-9740

A reimbursement warrant will be mailed to your home address. If you wish it to be mailed to another address please indicate that in Section (11) of the STD 262.

Questions? – Contact Walter Barnes at the above address or by phone at (510) 450-2437 or by e-mail at wbarnes@cirm.ca.gov

Frequently Asked Questions

Question: What is meant by the term “necessary”?

Answer: The UC rules are intended to ensure that an employee is reimbursed for travel expenditures that are required to carry out the mission of the trip and by the most cost effective means possible. In some instances – meals, mileage

reimbursement - this is accomplished by setting maximums. However, in the case of two major travel expenditures - lodging and transportation – no maximums are given.

In most travel situations you are likely to be faced with many choices of high quality hotels and transportation alternatives that have varying prices. In those instances “necessary” would mean selecting one of the least expensive of these alternatives if it is available. The state travel agency can assist you in this effort.

There are circumstances where a higher cost is justifiable if the mission of the trip would be enhanced. For example:

- staying at a hotel where a conference you are attending is being conducted is appropriate even when another hotel might be less expensive;
- staying at a more expensive hotel that is closer to where most of your work will be conducted is appropriate when the avoided transportation costs will be close to or in excess of the increased cost of the hotel;
- the hotel is in an unsuitable location (e.g. – high crime, no services, etc); or,
- the least expensive transportation alternative would require many stops or has few alternatives consistent with the purpose of the trip.

Making decisions about lodging and transportation is more of a “judgment” issue and your judgment should be related to your desire to minimize administrative costs to maximize the amount that can be devoted to stem cell research. Personal convenience or preference should only play a role when faced with alternatives of reasonably similar amounts.

Question: When does a trip begin or end?

Answer: A trip begins at the time you leave your residence or place of work and a trip ends at the time you return to either your residence or place of work. Put the time leaving in military form (i.e. – 0600 instead of 6:00AM) on the first day of your trip in the designated box under Section (2) on the STD 262. Put the time returning on the last day of your trip in the designated box, also under Section (2) on STD 262.

These times determine when you are eligible to claim meals when traveling during less than a 24 hour period.

Question: What do I do with the receipt for airline, train or bus travel when the travel is arranged through the state’s travel agency?

Answer: Please attach the receipt to the STD 262 when you submit it for reimbursement but only put the cost on the form if you paid for it directly. If the state has paid directly, you still need to include the receipt so that we can match up the claim from the travel agency.

Question: What if I lost my receipt for an item that requires a receipt?

Answer: Claim the amount that you paid and note in Section (11) on STD 262 that the receipt was lost. **NOTE:** There are many items that do not need a receipt – meals and incidentals, business expense items under \$25, travel expense items under \$5, etc.

Question: Why do I need to fill out a STD 261 to claim reimbursement for mileage while driving my own vehicle?

Answer: To ensure that you are aware of State of California rules regarding operation of a private vehicle on state business and to secure your concurrence with these rules.

Questions: I filled out a STD 261 before the change in the rules. Do I need to submit a new one?

Answer: No.

Question: What does “integral part of a business meeting” mean when determining whether to claim meal expenses of actual up to \$13?

Answer: The meal must be a scheduled part of a meeting, such as a working lunch. In addition, for staff eligible for overtime pay, a meal consumed during the overtime can be reimbursed. Reimbursement is not allowed based on a decision by two or more persons to dine together to continue business, or when a meeting can be scheduled during regular working hours.

Question: If my travel costs are initially paid by my employer, can the reimbursement warrant be made out to that agency/firm instead of to me.

Answer: Yes. Please note the name and mailing address of the firm or agency in Section (11) of the STD 262.

Created: 5/19/2005

IV. Considered at 7/12/05 ICOC Meeting – updates to travel policy

**ICOC Meeting of July 12, 2005
Agenda Item 14**

Travel Policies

Background:

At the April 7, 2005 meeting, the Independent Citizens' Advisory Committee (ICOC) approved new travel reimbursement policies for ICOC members and California Institute for Regenerative Medicine (CIRM) staff. A memo describing the new policies and procedures for claiming costs was issued May 19, 2005. The policies and procedures are effective for all travel initiated after April 7, 2005.

Also at the April 7, 2005 meeting, the ICOC approved per diem and travel policies for members of the grant review and standards working groups. Essentially the travel reimbursements allowed are the same as those for ICOC members and CIRM staff.

Since then questions have arisen regarding travel reimbursement for: 1) the use of a transportation service (rental vehicle with a driver); 2) meals to persons who are not ICOC members, CIRM staff nor members of working groups; and, 3) the use of alternatives to the State Travel Agency.

Regarding working groups a question has arisen regarding the payment of meals during working sessions.

Information

After researching the UC travel policies and procedures, proposals have been developed for reimbursing the use of a transportation service and meals for persons who are not ICOC members, CIRM staff and members of working groups.

Also, we believe that current ICOC/CIRM travel policies allow use of an alternative to the State Travel Agency.

In addition, we believe that the previously approved policies for working groups allow an interpretation that would allow for working meals to be paid similar to the manner in which ICOC meeting lunches are handled.

A copy of the analysis for these proposals and conclusions is attached.

Recommendation

Approve the recommended policy and procedure statements for transportation services and meals for persons who are not ICOC members or CIRM staff or members of working groups.

In addition, approve the interpretation for use of alternatives to the State Travel Agency and meals for working groups.

**ICOC Meeting of July 12, 2005
Agenda Item 14
Travel Policies – ICOC Members and CIRM Staff**

PROPOSED NEW POLICIES

Question: Under what circumstances are the costs of a transportation service (a rental vehicle with a driver) reimbursable for travel purposes?

Answer: Under the UC practices, such a service may be used for travel between two cities and when the cost of the transportation service is cheaper when compared to the least expensive air travel alternative plus the cost of travel to and from the departing airport and arriving airport and parking.

The distance between the airports in the two cities must be at least 50 miles but not more than 130 miles. In addition, the air travel must be from an airport that has regular direct flight service between the two cities. At this time, the eligible airports are:

- San Diego to/from Los Angeles
- San Diego to/from Ontario
- San Francisco to/from Sacramento

A transportation service can also be used between the above cities if the direct flights are not available when the departure time must take place (e.g. – the necessary departure time is after all flights will have left).

In addition, a transportation service is currently allowed (in lieu of private vehicle or taxi) to travel to and from the place of work or home to the departing airport and to or from the arriving airport to the location of a meeting.

Use of a transportation service is limited to ICOC members, an eligible designated representative, the Chair, Vice Chair and the President of CIRM. In addition, ICOC members and eligible designated representatives can only use such a service in connection with attendance at an ICOC meeting, a subcommittee meeting or a working group meeting.

The State Travel Agency does not make arrangements for transportation services so eligible persons will need to make their own arrangements. It is recommended that at least two services be contacted for costs and that the least

expensive be selected. Also, wherever possible, it is recommended that such a service be shared to keep net costs low.

Information about the cost of the least expensive airline alternative must be attached to the travel expense claim.

Question: Can the cost of meals provided to persons who are not members of ICOC, CIRM staff or members of working groups be reimbursed?

Answer: Under UC rules, the actual cost of light refreshments, not to exceed \$12/person, may be reimbursed in the following instances:

- **Administrative Meetings:** The purpose of the meeting must be directly related to the mission of CIRM and the refreshments must be an integral and scheduled part of the meeting. An example would be a planning and/or advisory meeting.
- **Hosting Official Guests:** Guests can include members of the community who can be expected to have a specific impact on the goals of CIRM. An example would be a courtesy meeting with officials from foreign countries.

Light refreshments include: Coffee and other beverages (not alcohol), snacks, hors d'oeuvres, pastries, cookies, crackers, chips, fruit, etc.

In addition, meals can be served to persons attending Administrative Meetings as described above, if the meal is a scheduled part of a meeting, such as a working lunch and when it is clear that the work cannot be done during normal working hours. Reimbursement is limited to the following amounts:

Breakfast:	\$18
Lunch:	\$30
Dinner:	\$45

Expenditures for light refreshments or meals will only be allowed with prior approval of either the Chair of the ICOC or the President of CIRM or a person designated by them. This prior approval must be attached to the invoice which is submitted for payment.

INTERPRETATION

Question: Can travel arrangements be made through a source other than the state travel agency, for instance, through an internet site?

Answer: The state travel agency will be sure to get you the best price using government discounts. If you find that you can get a better deal elsewhere and/or a travel option that would be better to achieve the purpose of the trips,

that is allowable. If the trip from the alternative source is more expensive, you should explain why it was used in Section (11) of on travel expense claim.

In addition, when you use an internet site attach the internet confirmation print out to the travel expense claim. In addition, you should attach any hotel receipt or airline stubs related to the trip even though it contains the same information.

Travel Policies – Working Group Members

INTERPRETATION

Question: What are the travel policies for working group members?

Answer: Generally, members of working groups can receive the same travel reimbursements as ICOC members and CIRM staff. However, because they are generally working in situations that allow little time for breaks for meals, the ICOC should adopt a policy that would allow meals to be provided at actual cost through a contracted arrangement similar to that allowed for lunch meals provided to ICOC members and CIRM staff at regular ICOC meetings. The actual cost of meals purchased directly by the members of the working groups would be allowed up to the \$50/day maximum.

V. Considered at the 12/5/05 Governance Subcommittee Meeting and the 12/6/05 ICOC Meeting: modifications to travel policy

ICOC Meeting of December 6, 2005 Agenda item # 13 Modifications to Travel Policy

Background

The ICOC has generally adopted the UC travel reimbursement policies for reimbursement of travel expenses incurred by ICOC members, CIRM staff and Work Group Members. However, we have made it a policy to come back to the ICOC for approval of new specific reimbursements and modifications to reimbursement policies already approved and informing you of new internal policies. We will be presenting one new policy, two modifications and information on an internal process for Out of State/Country travel.

Information

Interview and Relocation Expenses:

Once funding from BANs or Bonds is received, the CIRM will be doing outreach to fill a number of positions, mostly scientific. Currently there is no specific policy or procedures for reimbursing candidates for the costs of transportation to participate in interviews. In addition, there is no specific policy or procedures to reimburse the costs of relocation to accept a position with CIRM. A proposal for such policies and procedures, based on the UC rules, is attached.

Modifications to Current Policies: In addition, there are two current policies that need modification as follows:

Contracted Meals: Currently the travel reimbursement policy allows for CIRM to contract for lunches provided to ICOC members and CIRM staff attending an ICOC meeting or subcommittee meeting. This policy was developed when the ICOC was only meeting during the day. However, there are instances when such meetings could be held in the morning or in the evening.

Therefore, it is recommended that the policy be revised to substitute “meal” for “lunch”.

Light Refreshments and Meals Provided to Persons who are Not Members of ICOC, CIRM Staff or Members of Working Groups: Currently the travel reimbursement policy allows for providing light refreshments or meals (up to \$12 for light refreshments, \$18 for breakfast, \$30 for lunch and \$45 for dinner) in specific limited circumstances – usually involving a business meeting. (Generally the light refreshments or meals are contracted.) However, ICOC members and CIRM staff that attend the same meeting are not eligible under this policy and can only be reimbursed if they are on travel status.

Therefore, it is recommended that when such meetings are held (cost must be approved in advance by the President of CIRM) that the reimbursement include the ICOC members and CIRM staff who are required to attend the same meeting.

Out of State/Country Travel:

CIRM currently does not have a specific policy or procedures for approving and reimbursing CIRM staff and ICOC members for travel on CIRM business outside of California to another state or country. A proposal for such a policy and procedures is attached. Reimbursement levels for travel outside the state or outside of the country are at the same amounts and subject to the same limits as travel inside of California. This policy conforms to the procedures used by all other state agencies. Therefore it can be implemented internally but is presented for information.

Recommendation

Recommend to the ICOC that they approve the proposed to address costs of travel for interviews and relocation for new hires and the recommended modification to travel policies described above..

ICOC Meeting of December 6, 2005 Agenda item # 13 Allowable Expenses Related to Interviews or Relocations

Policy

It is the intent of California Institute for Regenerative Medicine (CIRM) to recruit and hire the best possible personnel. In order to facilitate recruiting, the reasonable actual costs related to interviewing for CIRM positions and relocating to accept employment can be reimbursed if approved in advance by the President of CIRM.

Interviews

CIRM may reimburse the following actual travel expenses related to attending an interview:

The cost of transportation to and from the interview using the lowest cost alternative: airline (coach only), train (coach only) or rental or personal car (\$.485/mile). In addition, the actual cost of taxis to and from the airport or train station and the actual cost of parking and tolls are allowed. Transportation services (e.g., private car and driver) will not be reimbursed.

The cost of lodging and meals may be reimbursed in accordance with the reimbursement rules for ICOC members and CIRM staff.

Approval must be obtained from the President prior to making a commitment to the interviewee to pay such expenses (a suggested format is attached). When the trip is over, the interviewee should file a claim using STD 262 (Travel Expense Claim). Receipts for all items except meals and transportation costs of less than \$5.00 must be attached. Also, a copy of the prior approval by the President must be attached to the claim. A "fill and print" version of STD 262 is available on the CIRM web site.

Relocations

CIRM may reimburse the following actual non-taxable travel expenses related to relocation by a new employee to accept a position with CIRM or relocation by an existing CIRM employee in order to continue employment with CIRM:

- The cost of transportation for the new/relocated employee and members of the employee's household from the current residence to the new residence using the lowest cost alternative: airline (coach only), train (coach only) or rental or personal car (\$.22/mile). In addition, the actual cost of a taxi ride from the airport to the new residence or CIRM headquarters, tolls and parking during the relocation may also be reimbursed. Transportation services (e.g., private car and driver) are not allowed.
- The costs of lodging (but not meals) for the new/relocated employee and members of the employee's household during the relocation from the individual's current residence to the new residence may be reimbursed in accordance with the reimbursement rules for ICOC members and CIRM staff.
- The actual costs incurred for packing, insurance, transportation, storage fees (not to exceed 30 calendar days), transporting items to and from storage, unpacking and installation of the individual's household effects at the new residence may also be reimbursed.

Relocation expenses will only be allowed when the following three tests are met:

- The move must be made in connection with the commencement of work at a new job location and the moving expenses must be incurred within one year from the time the new/relocated employee first reports to the new job.
- During the 12-month period immediately following the move, the new/relocated employee must be employed full time at the new job for at least 39 weeks.
- The new job location must be at least 50 miles farther from the new/relocated employee's former principal residence than the former principal job location was from the former residence.

Approval to pay any relocation expenses must be obtained from the CIRM President prior to making a commitment to the individual to pay such expenses (a suggested format is attached). The new/relocated employee should file a claim using STD 262 (Travel Expense Claim). Receipts for all items except transportation costs of less than \$5.00 must be attached. Also, a copy of the prior approval by the President must be attached. A "fill and print" version of STD 262 is available on the CIRM web site.

The President may allow other relocation expenses to be reimbursed for new/relocated employees, such as: meals during the trip to the new location, connecting and/or disconnecting of utilities (excluding refundable deposits), transportation of domestic pets, house seeking at the new location, etc.

However, the reimbursement of such expenses is considered taxable by the Internal Revenue Service and will be reported by CIRM on the employee's W-2 statement in the year for which it is received.

General

Actual expenses to attend an interview or to relocate which exceed the total estimate by 10% will not be paid unless approved by the President.

Whenever possible, both interviewees and relocating individuals should be required to use transportation and lodging acquired for them by CIRM staff using the state travel agency.

**Suggested Format for Prior Approval
To Claim Costs Related to an Interview**

To: Name of Interviewee

This authorizes you to be reimbursed for the following estimated costs needed to attend an interview for the position of _____ at location:

Transportation costs:

-	Method of Transportation:		
	Airline	\$	_____
	Train	\$	_____
	Rental Car	\$	_____
	Private Car (@ \$.485/mile)	\$	_____
	Total Transportation		\$ _____

-	Lodging	\$	_____
-	Meals	\$	_____

Total Estimated Costs \$ _____

You will be reimbursed for the actual costs of the expenses listed above, provided that they do not exceed the total estimate by 10%. If transportation and lodging are arranged for you by CIRM staff, the full cost will be paid by CIRM.

Name of CIRM Employee Requesting Reimbursement Date

Approved,

Date
Zach Hall, President

**Suggested Format for Prior Approval
To Claim Costs Related to Relocation**

To: Name of Individual Relocating to Accept or Continue Employment with CIRM

This authorizes you to be reimbursed for the following estimated relocation costs that will be incurred to accept/continue employment with CIRM as name of position:

Transportation costs:

- Method of Transportation:
 - Airline \$ _____
 - Train \$ _____
 - Rental Car \$ _____
 - Private Car (@ \$.22/mile) \$ _____
 - Total Transportation \$ _____
 - Lodging \$ _____
 - Transportation of Personal/Professional Items \$ _____
- Total Estimated Costs \$ _____

You will be reimbursed for the actual costs of the expenses listed above, provided that they do not exceed the total estimate by 10%. If transportation and lodging are arranged for you by CIRM, the full cost will be paid by CIRM.

Name of CIRM Employee Requesting Approval Date

Approved,

Zach Hall, President Date