



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-3-27 (1)

DATE: March 27, 2013
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Adoption of Policies Governing Expenditures on Employee Recognition and Appreciation and Non-Travel Meals and Light Refreshments

BACKGROUND

On January 10, 2013, the Washington State Auditor's Office in its annual Accountability Audit Report for THA issued a finding. It pertained to THA expenditures on staff events for training and appreciation. The finding in particular mentioned the use of agency funds for food at such events. In a March 11, 2013 response to the auditor's office, THA disputed the finding. The finding did not directly recommend that THA discontinue such expenditures. Instead, it recommended as follows:

"We recommend the Authority Board and management educate itself about the propriety and legality of spending public money on food and entertainment for employees. If the Board decides to authorize the use of public money for these events, it should adopt a policy that addresses the following elements:

- "The public purpose.
 - "The types of events for which such expenditures may be made, and the allowable types and amounts of expenditures.
 - "Requiring documentation relating to who will consume the food and beverages."
- Id.* at page 6.

Since the audit, we discovered that in 1993 the Board approved expenditure on an annual staff appreciation lunch.

On November 24, 1993, by motion, the THA Board approved "an Annual Employees Appreciation Luncheon". The discussion noted that THA has hosted such a luncheon in December for the previous two or three years "as a way by which the Board could tell its employees that it recognizes that staff has worked hard this past year and it wants to show its appreciation for such an effort."

I attach two draft policies implementing the recommendation. The policies give guidance on allowable expenses and require approval by the Department Director. THA's attorney has reviewed and approved these drafts. In addition to the policies, THA will write procedures that more specifically define the restrictions on the amounts of the expenditures.

RECOMMENDATION

Approve Resolution 2013-3-27(1) adopting the draft policies in substantially the attached form governing expenditures on (1) expenditure on non-travel meals and light refreshments; and (2) employee recognition.



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-3-27 (1)

ADOPTION OF THE EMPLOYEE RECOGNITION AND APPRECIATION POLICY PLUS THE REFRESHMENTS AND NON-TRAVEL MEALS POLICY

Whereas, The Authority desires to follow the recommendation of the Washington State Auditor's Office Accountability Audit Report;

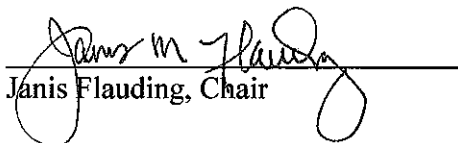
Whereas, The attached draft policies governing expenditures on Employee Recognition and Appreciation and Expenditures on Non-Travel Meals and Refreshments would conform to the audit recommendation and the rules and standards governing such matters;

Whereas, THA intends to distribute and train all employees on the Employee Recognition and Appreciation policy and Refreshments and Non-Travel Meals policy;

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that:

The Board adopts the "Expenditures on Employee Recognition and Appreciation" policy and the policy on "Expenditures on Non-Travel Meals and Light Refreshments" in substantially the form set forth in the attached drafts, allowing for changes to format and procedures, and other changes pursuant to THA Policy G-01 on the Adoption, Amendment and Promulgation of Policies.

Approved: March 27, 2013



Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

Policy No.	HR-10.15
Policy	Expenditures on Employee Recognition and Appreciation
Date	March 17, 2013

1. Purpose

The Tacoma Housing Authority embraces a culture of excellence, collaboration, innovation and appreciation. THA's strategic objectives states: "Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees." To maintain such a culture, and to show appreciation to employees for serving THA residents and the community, THA will maintain programs that recognize employee service and achievement.

2. Sources for Policy

- THA Statement of Vision, Mission and Values and Strategic Objectives
- RCW 41.60 Recognition Awards
- THA Policy HR-20.35 Variable Pay
- THA Policy F-30.05 Expenditure on Non-Travel Meals and Refreshments
- IRS Fringe Benefits – IRC §1.132-6(e)

3. Scope of Policy

This policy applies to all THA Staff.

4. Who is Responsible for Implementing Policy

Who	Responsibilities
<i>Human Resources Department</i>	Human Resources will maintain service records of employees and coordinate longevity recognition in accordance with budget availability. HR will also coordinate and promote programs as determined appropriate in accordance with budget availability.
<i>Finance Department</i>	It is the responsibility of Accounts Payable to review purchase card receipts and/or reimbursement requests to assure compliance with this policy.
<i>Directors and Managers</i>	Directors and managers are responsible to know and understand this policy. They retain the responsibility to create an environment at THA where employees know their efforts are valued and appreciated on a regular basis.

5. Definitions

NA

6. Forms Associated with this Policy

THA Form F-30.05(1) Expense Approval

7. Policy

7.1 Authorized Employee Programs or Appreciation/Recognition Events

THA has a business interest in encouraging employee commitment, productivity, engagement and morale. There is substantial evidence that recognition events and awards and team building activities work for these purposes.

7.2 Meals and Light Refreshments

Meals or light refreshments may be purchased with THA funds for employee recognition or training and team building events as allowed under *THA Policy F-30.05 Expenditures for Non-Travel Meals and Light Refreshments*.

7.3 Facility Rental

THA may rent a facility for an employee appreciation or training or team building function where doing so would benefit THA's interests. The meeting selection criteria outlined in this policy will be used to guide the choice of locations for such purposes. Elements to be considered:

- (a) Does the facility meet the needs of the event e.g. break-out rooms, rest rooms, etc?
- (b) Is it a public facility, which is preferred if one can be found
- (c) What is the cost of the facility? Is it reasonable?
- (d) Is it convenient access for THA employees?
- (e) Does it provide access to meals or light refreshments, if necessary?
- (f) What is availability of free parking in or near the venue?
- (g) Does it have the infrastructure needed to utilize current technology needed for event?
- (h) Does it provide for the personal safety and comfort of the meeting participants?

7.4 Specific Activities Approved

7.4.1 Annual Staff Appreciation Lunch

THA may host a staff lunch annually to show appreciation to a talented staff doing challenging work well, to present length of service awards and to allow the executive director an opportunity to address the full assembly of staff.

7.4.2 Length of Service Awards

Employees who have reached key milestones such as anniversaries of 5, 10, 15, 20, 25, 30, 35, and 40 years of service and beyond will be recognized by THA with appropriate actions such as recognition cards, awards, and certificates.

Length of Service awards may not exceed two hundred dollars in value per award and should follow the service award amounts listed below. Such awards may include, but not be limited to such items as personal items, plaques, pins, framed certificates, clocks, etc.

5-Year Service Award (Cost up to \$35.00)

10-Year Service Award (Cost up to \$45.00)

15 and 20 Year Service Award (Cost up to \$70.00)

25 Year and above Service Award (Cost up to \$90.00)

Length of service recognition may also occur at official retirements, where a separating employee is applying for PERS retirement and or social security, or when a long tenured employee is separating from the THA.

7.5 Exceptional Job Performance Recognition

THA has a policy, *THA Policy HR-20.35 Variable Pay*, which provides for financial recognition of exemplary employee performance.

7.6 Approval Documentation Required

Aggregate expenditures under this policy shall conform to an annual budget approved by THA's board.

Events, training and other meeting expenditures that fall under this policy must receive approval from the Director responsible for the event following the guidelines in *THA Policy F-30.05 Expenditures on Non-Travel Meals and Light Refreshments*. For occasions where spending is over \$500, pre-approval is required using *THA Form F-30.05(1) Approval for Expense*. The request requires a clear explanation of the business purpose of the meeting. At the time of reimbursement, a roster of those attending the meeting must be attached to the receipt to document the expense.



TACOMA HOUSING AUTHORITY

Policy No.	F-30.05
Policy	Expenditures on Non-Travel Meals and Refreshments
Date	March 17, 2013

1. Purpose

The purpose of this policy is to establish guidelines regarding THA expenditures on non-travel meals, light refreshments, beverages and miscellaneous expenses. This policy does not apply to, nor supersede, any policies related to employee travel and training expenses.

THA is limited in its authority to spend public funds for employees and clients for non-travel meals and light refreshments. THA expenses for non-travel meals and light refreshments must be directly related to or support THA business or programmatic interests. In addition, the expenditure of such funds should be cost-effective and in accordance with the best use of public funds.

This policy seeks to implement two of the values stated in THA's Statement of Values:

Integrity: We strive to uphold the highest standards of integrity and ethical behavior.

Stewardship: We will be careful stewards of the public and private financial and environmental resources entrusted to us.

2. Sources for Policy

- THA's Statement of Values
- *Washington State Attorney General Informal Opinion on Eating and Drinking at Public Expense, May 14, 1987*
- *OFM Policy Manual 70.15.10 Reimbursement for meals with meetings*
- *IRS Fringe Benefits -- IRC §1.132-6(e)*
- *THA Policy F-30.01 Travel*
- *THA Policy HR-10.15 Employee Recognition and Appreciation*

3. Scope of Policy

This policy applies to all THA Staff.

4. Who is Responsible for Implementing Policy

Who	Responsibilities
HR Department	The HR Department is responsible for reviewing and authorizing or obtaining advance approval for all food and beverage expenses related to agency-wide training and recognition events.

Directors	Directors are responsible for reviewing and providing advance approval for all food and beverage expenses and assuring that necessary signatures are obtained in a timely manner.
Managers	Managers are responsible for minimizing actual expense and for ensuring agency paid food and beverages are only for legitimate business reasons.

5. Definitions

Authorized Personnel	The individuals designated by the Executive Director to authorize and approve food and beverage expenses include all members of the Executive Team (i.e. Executive Director, Executive Administrator, and Department Directors). Designees may authorize expenses only for themselves or employees under their direct or indirect supervision. Employees are advised to seek a predetermination prior to incurring any substantial expense if there is a question as to whether an expense would be a covered expense under this policy.
Light Refreshments	Beverages and snacks that may be served between meals, e.g., coffee, tea, juice, non-alcoholic punch, vegetables, fruit, cheese, cake, or other snack-type foods, and related expenses such as paper plates and napkins.
Non-Travel Meals	Meals that are not related to travel. For information regarding meals related to travel, see THA Policy F-30.01 Travel.

6. Forms Associated with this Policy

THA Form F-30.05(1)	Expense Approval
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7. Policy

7.1 Allowable Purchases

Expenses for meals and/or light refreshments and the following activities are permissible, but should be reasonable to the event, and there must be sufficient budget remaining in the appropriate line item budgets to cover the expenses without jeopardizing other budgeted or planned activities:

7.1.1 Public Meetings:

Light refreshments may be provided at public meetings, such as THA Board of Commissioner meetings when such expenditures serve an agency purpose. Limited, incidental consumption by public employees is acceptable in this context.

7.1.2 Non-Public Meetings or Training:

Meals, light refreshments, and miscellaneous condiments may be provided at meetings for employees, volunteers and official guests provided all of the following conditions are met:

- a. The meeting or training is a special situation or occasion outside the normal daily business of THA employees; and
- b. Meals, light refreshments and miscellaneous condiments must be an integral or useful part of the event; e.g., a lunch speaker, obtaining meals or refreshments away from the meeting location is disruptive to event continuity, etc.; and
- c. Attendance by the individuals is advantageous to THA and its business; and
- d. The purpose of the event must be to conduct official THA business or to provide formal training; and
- e. Authorized personnel have provided advance approval and ensure adequate, itemized documentation to support the expenditure is provided.

7.1.3 *Client Events and Activities.*

Certain expenditures for food and other sundry supplies will be allowed when they are necessary for the well-being of THA clients, tenants or a housing project. Examples of needs and activities that may meet the above criteria include:

- a. Agency sponsored open houses, town hall meetings, special community events, and the like in order to induce client participation, outreach or education.
- b. Social gatherings for clients that foster neighborhood spirit and assist in tenant retention.
- c. Meetings that bring clients or tenants together to discuss any business aspect of a property or changes in THA programs.
- d. THA sponsored, budgeted, and programmed cultural or recreational events for clients hosted by the Community Services Department.

7.1.4 Periodic management team or Board of Commission retreats. The decision as to the appropriate level of expense is at the discretion of the Executive Director.

7.1.5 Expenditures specifically spelled out in special purpose grants received by the Authority that result in meeting grant goals.

7.1.6 *Parking.*

Parking or parking vouchers may be provided for meeting attendees where necessary to serve THA's business or programmatic interests.

7.1.7 *De Minimis Provisions.*

De minimis employee benefits are consistent with the goal of maintaining a good working environment. Therefore, to enhance the

working environment for all employees, the Authority will make the following available at no charge:

- Water Cooler
- Tea
- Hot chocolate
- Supplies such as filters, sugar, creamer, stirrers and cups
- Other related di minimis supplies

7.1.8. Funds will be provided by business activities that generate income for the agency, or from unrestricted grants that include funding for any specific activity identified above. Funds from Federal sources will not be used to pay for any of the expenditures above.

7.2 Non-Allowable Meals or Light Refreshments

The following types of activities shall not be supported with THA funds:

- a. Normal daily business of THA employees (e.g., daily coffee, etc.);
- b. Regularly scheduled meetings such as routine staff meetings;
- c. Hosting activities. Hosting includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for meals for those whom THA is not legally authorized to reimburse.
- d. Alcoholic beverages;
- e. Birthday celebrations;
- f. Celebrations for departing employees except official retirement parties, or separations of long-tenured employees as provided in THA Policy HR-10.15 Employee Recognition and Appreciation Section 7.5;
- g. Meals that are primarily social in nature.

7.3 Approval Documentation Required

Aggregate expenditures under this policy shall conform to an annual budget approved by the THA Board of Commissioners.

Events, training and other meeting expenditures that fall under this policy must receive approval from the Director responsible for the event. For occasions where spending is over \$500, pre-approval is required using *THA Form F-30.05(1) Approval for Expense*. The request requires a clear explanation of the business purpose of the meeting. At the time of reimbursement, a roster of those attending the meeting must be attached to the receipt to document the expense.

7.4 No Obligation Established

This policy does not obligate the THA to provide meals or light refreshments under any circumstances.

DRAFT