MANAGEMENT DIRECTIVE

Subject: Updated Procedure for Approving And Recording the General Manager's Business Expenses and Time Off From Work

Number: B-3

Responsible Department: Board Office
Effective Date: November 3, 2009
Revision Date: February 3, 2010

Approved by:

PURPOSE

This Management Directive establishes guidelines for approving and recording of the General Manager's business expenses, timesheets, requests for time off, travel requisitions, and P-card expenditures. It also provides directions for calculating and obtaining approval for payout to the General Manager for compensation increases or termination of contract. This procedure facilitates maximum Board oversight of the General Manager's schedule and expenses.

GUIDELINES

Various provisions in the RTD Act and the RTD Board Bylaws address the authority of the RTD Board to appoint a General Manager who serves under such terms and conditions as the Board establishes by resolution. (Title 32-9-109.5 (4), Board of Directors Powers, and Title 32-9-114, Board Administrative Powers, of the RTD Act; and, Section 11 of the RTD Board of Directors Bylaws) As such, the General Manager reports directly to the RTD Board of Directors and is directly accountable to the Board for business expenses and all time off from work. The General Manager also operates under a separate employment contract that may define terms for the accrual of vacation and sick leave differently from the employee base.

The current Oracle system automatically approves vacation, sick time, and authorized time off for the General Manager, without any procedure for review and approval by the Board of Directors. Further, there currently is no procedure for Board review and approval of business expenses that the General Manager incurs on his P-Card purchases. The purpose of this Management Directive is to provide an appropriate procedure for Board approval and recording the General Manager's timesheets and business expenses.

PROCEDURE

1. Timesheet Approval and Recording Procedure

All RTD employees are required to enter their weekly timesheets into the Oracle system. This procedure facilitates payroll processing and records the accrual of vacation, sick time, and other time-off benefits. The Oracle routing system designates one level of approval for all time sheets, typically meaning that direct supervisors approve the timesheets of their employees. Under the new procedure, the Oracle routing system will designate the RTD Board Chair as the authority for approving the General Manager's timesheets. The General Manager's approved timesheets, with a signature of the Board Chair or a member of the Executive Committee, will be submitted to payroll and a copy will be retained in the Board office. This policy is consistent with the current

policy for approving timesheets for the Board's Executive Manager.

2. Approval and Recording of the General Manager's Business Expenses

The General Manager is eligible for reimbursement of ordinary and necessary expenses associated with the execution of RTD business, in accordance with the following optional procedures:

- Submit an electronic expense report, with the original itemized receipts that detail the time, date and business purpose for the expense, for approval by the RTD Board Chair. [This is consistent with the current review and approval procedure.]

- Record monthly credit card (P-CARD) payments in the Oracle system which the RTD Board Chair will review and approve.

The RTD Board Office will retain paper copies of the General Manager's approved P-Card statements and expense reports, as signed by the RTD Board Chair or a member of the Executive Committee. This procedure is consistent with the current system for approving and recording the expense reports of RTD Board members. The original P-card statement and attached receipts shall be forwarded to the designated Purchasing Agent in the division of Contracts and Procurement for processing [consistent with the current review and approval procedure].

3. Approval of General Manager's Travel Requests and Authorizations

The General Manager shall submit a completed travel request form which details the destination of the trip, purpose for travel, travel dates, and cost to the RTD Board Chair for approval. The signature of the Board Chair or a member of the Executive Committee must be obtained and the approved form presented to the Staff Services Technician before the reservation process can be initiated. A proof of funds availability must also be provided and attached to the travel request form.

Upon completion of travel, the General Manager shall submit an electronic expense report, with the original itemized receipts that detail the time, date, and business purpose for the expense for approval by the RTD Board Chair. The RTD Board Office shall retain paper copies of the approved expense report and route the original to Accounts Payable for processing.

4. Financial Contract Validations

Any financial payouts to the General Manager for compensation or termination such as salary increases, lump sum payments, vacation and sick time payouts, or other incentives are subject to the terms of the General Manager's employment contract. Before any payouts are made, the Chief Financial Officer (CFO) is responsible for validating the calculations with the terms of the contract and providing the Chair of the RTD Board with verification of the calculation validation process. The Chair of the Board must provide approval of these calculations before a financial payout can be made. Where time periods are specified, all parties involved will work aggressively to ensure financial payouts are given in a timely manner.

The Chief Financial Officer will work with the GM Oversight and Performance Management Committee to assess the overall financial impact of any new contract or terms on pension plans, competitive compensation packages and any other applicable financial consideration. This may include requesting pension actuary reports, independent audit reviews, acquiring benchmarking data to ensure compensation competitiveness and best practices or consulting with compensation experts.

5. Payout Approval Process for Termination or Leave of Service

When a Change of Status (COS) notification of the voluntary or involuntary termination of the General Manager is received in payroll, the payroll coordinator will initiate the paperwork to calculate payout for vacation, sick time, unpaid portion of his Base Salary that he may be due, and other related accruals per standard procedures in the Oracle system. Before a payout is made or the check is cut, the payroll coordinator will provide this information to the Chief Financial Officer (CFO) who will review this payout calculation for accuracy and in accordance with the terms of the General Manager's contract. The CFO will forward this information for approval to the Chair of the Board. When the Chair has provided written approval for payout, the payroll coordinator will submit for processing. Any payments due should be processed in a timeframe that is considered reasonable and sufficient based on the terms of the contract.