

October 4, 2016

CONFIDENTIAL
Submitted pursuant to Rule 408
Federal Rules of Evidence

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Gentlemen:

In August 2014, the State of Utah's Office of Legislative Auditor released its audit ("Legislative Audit") of the Utah Transit Authority ("UTA" or the "Authority"). The Audit identified several areas where the lack of adequate institutional controls and oversight led to problematic actions taken by the Authority.

In the past several years, UTA has taken many steps to address its previous organizational weaknesses. UTA is committed to remedying its past shortcomings and earning the public's trust. The following information summarizes the institutional reforms that have been implemented since the Legislative Audit was released. Since this is a work in progress, we request that this document be kept confidential until all reforms are implemented and approved.

New Leadership

In the past two years, UTA has had significant changes to its Board of Trustees ("Board") and executive team. In September 2014, H. David Burton was elected as the new Board Chair, replacing Greg Hughes. Chair Burton's election ushered in a change in leadership dedicated to making institutional reforms a priority. Two new Vice-Chairs were subsequently elected. Since that time, Board members Greg Hughes, Chris Bleak, and Sheldon Killpack resigned from the Board, allowing for the appointment of new Board members who were not involved in the type of actions identified in the Legislative Audit. On September 29, 2016, Robert McKinley was elected as Board Chair, with Jeff Hawker and Sherrie Hall Everett serving as Vice-Chairs.

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Mark Y. Hirata
Stewart Young
Stewart C. Walz
October 4, 2016
Page 2

In addition to these changes, the Board made key replacements to appointed positions at UTA. General Counsel Bruce Jones retired from UTA in March 2015, and was replaced by Jayme Blakesley. Mr. Blakesley spent the bulk of his career working for the Federal Transit Administration (“FTA”), most recently as Acting Assistant Chief Counsel for General Law, which included responsibility for compliance issues, particularly those regarding the receipt and use of federal funds by transit agencies. During his time at FTA, Mr. Blakesley led several compliance investigations on behalf of the FTA Administrator and has recommended to UTA a number of reforms going forward, including new controls on the grant application and administration functions, annual ethics disclosures by all senior employees, executives and board members, and the development of a new transit-oriented development policy.

The Board hired a new Chief Internal Auditor, Isaac Clarke, in August 2015.¹ Mr. Clarke revised the job descriptions for the Authority’s Assistant Internal Auditors, resulting in the displacement of two incumbents in the position and the hiring of two new internal auditors with job skills and experience more relevant to the organization’s current activities and size.

The Authority adopted a risk-based Internal Audit Plan for 2016, that calls for the completion of thirteen audits, including audits of grants management, procurement management, Transit Oriented Development management, and P-Card management. See Plan attached as Exhibit A. Of the scheduled audits, six have been completed, the results of one audit will be released next week, two are in progress, and four are anticipated to be concluded by the end of the year. UTA is taking the findings of these internal audits seriously and responding appropriately. One of the completed audits, a review of Family Medical Leave Act management, found that leave was not administered consistently throughout the Authority. As a result, UTA is in the process of amending its policies, training managers, and adding organizational controls to ensure uniformity.

Former President/CEO Mike Allegra retired in August 2015 and was replaced by Jerry Benson who served as Interim President/CEO until the Board appointed him as President/CEO in August 2016. Mr. Benson has worked for UTA for over thirty years. His career at UTA has been focused on operations and service. He previously served as UTA’s Vice President of Operations, Chief Operating Officer, Chief Performance Officer, Director of Communications, and Director of Human Resources.

¹ Mr. Clarke resigned from his employment in August 2016 for personal reasons unrelated to his professional responsibilities. UTA is currently in the process of hiring his replacement.

Organizational Changes

In addition to personnel changes, the Board and UTA have made a number of modifications to the structure of the organization. In April 2015, the Board formed an Audit Committee. The Audit Committee is tasked with reporting on external audits and long-term financial matters to the Board. It is also authorized to request and direct the Authority's Internal Auditor to perform audits of UTA's business and to evaluate the organization's long-term financial decisions.

UTA eliminated the potential conflicts of interest created by having the General Counsel perform two functions—Manager of Transit Oriented Development (“TOD”) and President of Government Relations – in addition to his duties as legal advisor to UTA. During his last several years at UTA, Bruce Jones held the title of both General Counsel and President of Government Resources. After his retirement, UTA transferred the responsibility for governmental relations from the Office of General Counsel to the Office of President/CEO. Nichol Bourdeaux was hired as the Manager of Local Government Relations and Programs and reports to Mr. Benson. Ms. Bourdeaux most recently served as the Deputy Chief of Staff for Salt Lake City. Responsibility for TOD was also removed from the Office of General Counsel. TOD functions are now carried out by staff within the Capital Development Department.

Executive Compensation

UTA has taken a number of actions to address executive compensation, including altering its benchmarking standards, establishing limits for executive pay and bonuses, and eliminating employment agreements.

Following the results of the Internal Audit, UTA altered its methods for benchmarking salaries across the organization, including executive pay. Previous salary comparisons relied on surveys from both the public and private sectors. UTA began limiting its salary comparisons to other governmental agencies, transit agencies, and nonprofit organizations to ensure its salary structure was in line with these comparable organizations.

Next, UTA retained the Employer's Counsel, a Salt Lake City-based nonprofit employers' association, to review UTA's total compensation and benefits program for its administrative employees. The review began in August 2014 and took eight months to complete. It compared UTA's base pay, bonus pay, and employee benefit programs to the labor market. The results from the review were reported for four separate employee groups, including executives, general counsel, and the president and CEO. After receiving this information, UTA's Board of Trustees adopted Board Policy 2.3.1 – Compensation and Benefits, attached as Exhibit B, and UTA revised Corporate Policy 6.7.5.1, attached as Exhibit C. Pursuant to these policies, salaries for

new executives were set at 10% below the market median, with a permissible 15% variation above and below that standard.

In addition to establishing ranges for executive pay, the Board Compensation and Benefits Policy also addressed bonuses, requiring Board approval for the payment of any bonus over \$8,000.00. Revisions to Corporate Policy 6.7.5.1 further limited bonuses by restricting performance awards to a maximum of \$7,500 or 4% of an employee's annual pay, whichever is lower. Executives have declined to receive bonuses in 2016 and 2017, and there are no plans to reintroduce executive bonuses in the future. The Authority's Asset Management Plan, a 401(a) retirement plan for executives, has been closed to new participants so that new executives are not eligible to participate.

At the same time it implemented its new executive compensation standards, UTA took action with respect to employment agreements. UTA previously entered into employment agreements with Board appointees, including its former President/CEO, General Counsel, Internal Auditor, as well as employees in other key positions. Beginning in 2014, UTA discontinued entering into such agreements with any of its employees. Currently, President/CEO Jerry Benson has the only employment agreement at UTA. UTA and Mr. Benson entered into the agreement in 1998, and it was amended upon his appointment as President/CEO for the limited purpose of *reducing* the amount of severance to be paid to Mr. Benson in the event his employment is terminated without just cause. UTA voided the 2010 employment agreement with former President/CEO Mike Allegra and the 2007 and 2010 employment agreements with former General Counsel Bruce Jones. The Authority did not make the performance bonus payments or provide the enhanced retirement benefits set forth in those agreements.

Conflicts of Interest

Following the Legislative Audit, UTA moved to strengthen its ability to identify potential conflicts of interest for members of its Board of Trustees as well as employees in upper management positions. In November 2015, the Board of Trustees adopted Board Process Policy No. 4.1.10 – Annual Certification of Board Member Code of Conduct. The policy and supporting documents are attached as Exhibit D. The Code of Conduct requires Board Members to certify that they have read and understand the following: (1) Federal Transit Administration requirements for dealing with real or apparent conflicts of interests; (2) Utah's Public Transit District Act's prohibition on Board members having any interests in UTA transactions, including transit oriented development; (3) Utah's Public Officers' and Employees' Ethics Act; and (4) UTA's Board Process Policy that identifies Board members' fiduciary duties and legal responsibilities. Board Members must agree on an annual basis that they will abide by and conduct themselves in accordance with these standards.

The policy also requires Board members to complete a Financial Disclosure Report that includes the disclosure of assets, income, liabilities, outside positions, continuing or future agreements or arrangements, and gift and travel reimbursements for the Board member, spouse, and any dependent children. These disclosures are reviewed by UTA's Internal Audit staff and General Counsel.

In addition to requiring the disclosure of conflicts of interests for Board members, UTA revised its Ethics Policy applicable to employees in upper management positions. Corporate Policy 1.1.11 - Ethics requires upper level administrative employees to disclose conflicts of interests and complete financial disclosures similar to the disclosures required of Board members. Corporate Policy 1.1.11 is attached as Exhibit E. The financial disclosures made by employees are reviewed by representatives from the Office of General Counsel and the Internal Auditor's Office. Any potential conflicts of interests are addressed with the respective employees.

Travel

UTA has responded to issues regarding travel that were identified in the Legislative Audit. In Board Policy 2.3.1 – Compensation and Benefits, which was previously referenced, the Board established the requirement that all international travel must be approved by the Board in a public meeting. Policy 2.3.1 is attached as Exhibit B. Since the implementation of this policy, only one international trip – to Canada – has been authorized by the Board. The travel was made by a single UTA employee at the request of TransLink, the City of Vancouver's transit agency, to participate in a peer review regarding bus safety and was paid for by TransLink. Board members who made a non-UTA approved trip to Switzerland in 2015 that was funded by companies that built rail projects for UTA are no longer associated with the Authority.

UTA also adopted Corporate Policy 1.1.8 – UTA Travel and Reimbursement. This policy sets forth the approvals required for travel by employees outside the State of Utah and establishes a per diem allowance for travel based on location. Pursuant to the policy, within ten days of completing travel, employees are required to submit a report of the total costs of the trip as well as a request for reimbursement. The Authority's Comptroller certifies that each report is compliant with the corporate policy. Policy 1.1.8 is attached as Exhibit F.

Transit-Oriented Development

UTA has been extremely aggressive in addressing past shortcomings in its TOD program. As previously stated, organizational responsibilities for TOD were moved from Office of General Counsel to the Capital Development Department. In connection with that transition, a new manager, Paul Drake, was hired to oversee TOD projects.

In June 2014, the Board adopted Policy 2.2.4 – Transit Oriented Development to establish a four-part framework for the review and approval of TOD projects. The policy is attached as Exhibit G. First, pursuant to the policy, all projects are required to be presented by the Board's Planning and Development Committee for approval. Second, the policy established an internal, multi-disciplinary team to review TOD development and operating agreements. This team includes staff from Property Management, Service Planning, Rail and Bus Operations, Planning, Safety, and Capital Development. As part of the internal review process, UTA now requires the disclosure of all investors on TOD projects so that any conflicts of interest can be identified and addressed. This due diligence has already yielded results as it identified two former Board members who were planning to invest in a TOD project they had approved during their tenure on the Board. See Letter dated August 9, 2016, attached as Exhibit H. Third, the policy established an independent external review of TOD proposals and operating agreements. To meet this requirement, UTA issued a Request for Proposal and selected Zions Public Finance, Inc. to provide the external reviews. Fourth, the policy requires all operating agreements to be submitted to UTA's Internal Auditor for assessment. As previously noted, new Internal Audit staff were hired to ensure a robust review of TOD projects. The Board's TOD policy has been applied to all phases of all projects following its adoption in June 2014.

Outside of these measures that provide for more effective review and approval of TOD projects, UTA has been persistent in ensuring that former Board members are not involved in TOD projects they approved and do not exert influence on decisions regarding current TOD projects. In August 2015, the Authority sent Terry Diehl a cease and desist letter instructing him to stop all contact with UTA officials regarding the Authority's projects. See Letter to T. Diehl attached as Exhibit I.

In May 2016, UTA took another step toward reforming its involvement in TOD by pulling back TOD projects that lacked executed contracts and cancelling the procurement of the developer on those projects. These cancelled projects included Ballpark Station, 3900 South Station, Farmington Station, and North Temple Station. See Letters to Developers, attached as Exhibit J. Other projects may be cancelled in the future. The Clearfield TOD has a signed operating agreement with the developer. However, UTA has notified the developer that it desires to terminate the agreement based on the lack of progress on the project. Developers for two other projects, Salt Lake Central and Ogden Intermodal Hub, have exclusive negotiation agreements that expired. Because they have not met required milestones, UTA has withdrawn those projects as well.

The TOD Department is in the process of developing written guidelines to govern the involvement of regional and local government and other stake holders on each project to

optimize the use of UTA property before a developer is procured with a particular focus on the promotion of low-income housing. Additional reforms are likely as the Board evaluates the future role of TOD at UTA.

Lobbyists

In spring of 2015, the Authority's new leadership learned that many of lobbyists acting on UTA's behalf did not have contracts and the contracts that did exist were quite old. A review of invoices established that many lobbyists performing work for UTA did not provide sufficient documentation for the payments requested. Upon learning this information, UTA terminated all contracts for state lobbyist services, both written and oral.

Since that time, UTA has not used the services of any state lobbyists. UTA did continue to engage federal lobbying firms James C. Barker, PC and CHG and Associates on a month-to-month basis in order to maintain a presence in Washington D.C. with federal agencies and Utah's congressional delegation.

UTA issued a Request for Proposal for state and federal lobbying services and is in the process of awarding new contracts for these services. The Authority selected vendors to provide federal lobbying services, and the parties are currently negotiating contractual terms. UTA has identified top candidates to provide state lobbying services and will be meeting with the finalists in the next several weeks prior to making a final selection and awarding contracts for services.

Accounting

The Authority has significantly redesigned its Accounting Department to ensure adequate internal controls are in place for financial transactions. In May 2013, UTA hired a new Comptroller, Danyce Steck. She is accredited by the Government Finance Officers Association as a Certified Public Finance Officer and has over fifteen years of accounting and management experience in both municipal and county governments.

Prior to November 2013, the Accounting Department had nineteen full-time employees. Ms. Steck initiated a reorganization of the Department. In connection with this reorganization, she revised the job description for accountants, and staff were required to demonstrate mastery of required skills. Subsequent to the reorganization, twelve employees were laid-off or terminated for non-performance or failure to meet minimum requirements and three employees retired. The Accounting Department is currently fully staffed with thirteen full-time employees. The current staff has a much stronger skill set and meets the increased demands of the organization.

In August 2016, the Department finalized a policy and procedure manual. This 290-page living document, composed of fourteen sections, establishes processes for internal controls, signature authority, etc. These standards serve as effective resources to ensure uniformity among processes.

As an internal control, the Accounting Department has limited its role in the grants management process. Currently, the Department is responsible for the actual drawdown procedure, payables, and asset recognition for grant-related transactions. Prior to this change, the Assistant Comptroller identified grant eligible expenses, prepared the drawdown request, and completed the drawdown process. The Grants Management group, described below, is now tasked with the responsibility for the identification of eligible expenses and the preparation of the request.

P- Cards and Recordkeeping

In addition to reorganizing its Accounting Department, UTA has implemented new measures to ensure employees use P-Cards properly and provide supporting documentation for transactions in which P-Cards are used. A revised P-Card Policy, Corporate Policy 1.2.3 – Purchase Card Policy, was adopted on June 3, 2015. See P-Card Policy attached as Exhibit K. The policy imposes a penalty for cards that are not reconciled. If a P-Card is not reconciled by the card user or manager for two months, the card is shut off, and the offending employee must petition the Chief Executive Officer to have the card reinstated. In addition, P-Card receipts can no longer be used as a basis for drawing down grant funds.

UTA's transition to a paperless receipt storage system is another improvement designed to ensure proper documentation for each P-Card purchase. Previously, collected receipts were sent by employees using P-Cards to the Accounting Department. P-Card receipts are now scanned and submitted by users directly to Wells Fargo where they are stored electronically. The change allows for easier retrieval and review of P-Card receipts.

To build on the advances made to internal controls for P-Cards, UTA recently purchased Fiscal Technologies, an AP data forensic software. This software will analyze P-Card use for purchases that (1) exceed authorized spending limits, (2) are made from unauthorized vendors, (3) should have been made under a contract, or (4) have duplicate invoice billings. The Authority anticipates this software will be in use by January 2017.

In addition to improving its recordkeeping for P-Cards, UTA is also taking steps to strengthen recordkeeping throughout the organization. In May 2016, it hired a Records Manager, Auty Dahlquist, to assess UTA's recordkeeping needs and implement a record management program. She has undertaken a thorough review of the types of records produced by UTA and the storage

and access needs for those records. UTA has set aside funds in its 2017 budget to purchase a document management system that will meet the organization's needs and establish a repository for the access and storage of its records.

Grant Oversight

To improve the management of federal grants, the Authority conducted an internal audit of its grant management and oversight function. Based on those findings, UTA established a Grant Management group, which incorporates all parts of the organization that works with grants, including representatives from Accounting, Grants and Contracts Administration, Civil Rights, Project Controls, and Environmental. The Grants Management group holds monthly meetings with all participants to discuss the status of each of the Authority's grants and to evaluate draw downs.

The Grants Management group is led by Senior Project Manager, Mary DeLoretto, who has established written procedures for the grant management processes from identification of a grant opportunity through grant closeout. These processes have been submitted to FTA for review. Ms. DeLoretto is in the process of developing a corporate grants management policy as well. As previously stated, General Counsel, Jayme Blakesley, brings significant experience in grants management and compliance to UTA and serves as an additional resource to the Grants Management group.

Transparency

UTA has made efforts to increase transparency on multiple fronts. Most significantly, it has implemented a mechanism to take public comments prior to all Board actions. Previously, individuals seeking to provide input had to attend Board meeting to make public comments, which were limited to the beginning of each meeting. UTA now accepts public comments on-line for a week prior to each Board meeting. Additionally, members of the public have an opportunity to provide comments prior to each action item considered by the Board. This change allows more public input on decisions that affect public transportation services. UTA is in the process of identifying and budgeting for software that will allow it to stream Board meetings live on the internet.

UTA recognizes the importance of conducting its business in public. As a result, the Authority complies with Open Meeting Law requirements, and opens all Board meetings to the public where a quorum of members is present except where state statutes permit closed session discussions. UTA is currently exploring the best options for reorganizing its former Board committee structure to allow for transparency at the same time it ensures that the organization's

Mark Y. Hirata
Stewart Young
Stewart C. Walz
October 4, 2016
Page 10

business is conducted in a way that allows for open communication between Board members and staff that results in effective decision-making. The Board is reviewing various structures that will allow it to meet both of these important objectives.

To further transparency improvement efforts and as permitted by state record's law, UTA has begun placing documents requested by members of the public and the media on its website so that the general public has access to requested information. UTA also now posts performance metrics on ridership and reliability on its website, along with detailed transit information in a dashboard format for Davis, Weber, and Tooele Counties that provides residents from those counties with information on services directly funded by Proposition One² dollars.

Conclusion

As shown above, UTA has made significant efforts to implement reforms necessary to address institutional deficiencies that have occurred in the past. Moving forward, UTA has identified its overarching objectives of providing high quality transit service, valuing its employees, improving the environment, connecting communities, and being responsible with the resources entrusted by the public. The Authority is committed to using the values of integrity, accountability, continuous improvement, inclusivity, helpfulness, safety, and collaboration to accomplish these objectives. In this way, UTA can become a community partner that the public and its stakeholders can trust.

Very truly yours,

SNOW CHRISTENSEN & MARTINEAU

Max D. Wheeler



Samuel Alba

/kj
Enclosures

4826-0377-6058, v. 1

² Proposition One allows county residents to increase sale tax in their respective counties for the purpose of increasing funding for transportation.

Exhibit A

Status of Internal Audit Plan

Audit Name	Timing	Status
FMLA Management	Q1	Completed ✓
Business Continuity/Disaster Recovery	Q1	Completed ✓
Data Centers Assessment	Q1	Completed ✓
Sales Tax Collections and Reporting	Q2	Completed ✓
Davis-Bacon Compliance	Q2	Completed ✓
Grants Management	Q2	Completed ✓
Procurement Management	Q3	Reporting
TOD Management	Q3	Fieldwork
JD Edwards IT General Controls	Q3	Planning
Passenger Fares and Collection	Q4	Not started
Purchase Card Management	Q4	Not started
Operations Performance Reporting	Q4	Not started
Ridership Reporting	Q4	Not started

Exhibit B

Executive Limitations Policy No. 2.3.1

Compensation and Benefits

With respect to compensation and benefits for employees within the responsibility of the General Manager, the General Manager shall not cause or allow jeopardy to the fiscal integrity or to the public image of the Utah Transit Authority. In addition the General Manager shall not:

1. Fail to establish total compensation and benefits which represent market value for the skills employed within comparable industry labor markets made up of appropriate transit, government, and non-profit sectors. Comparisons may be expanded to include private industry when transit, government, and non-profit sector information is not available or adequate;
2. Fail to comply with the terms of the approved collectively bargained contract;
3. Fail to report to the Board for approval in a public meeting, any incentive pay awards that are not vested or contractually obligated as of January 1, 2014, in excess of \$8,000 annually;
4. Fail to report to the Board for approval in a public meeting, any international travel of UTA employees for UTA business; and
5. Fail to comply with Utah Code Ann. § 63A-3-401 et seq., along with any implementing regulations promulgated by the State of Utah Division of Finance regarding the compensation reporting requirements for transparency.

Rescinds	Executive Limitations Policy No. 2.3.1 Compensation and Benefits, previously adopted by R2003-05-462
Effective Date:	April 23, 2014
Adopted by:	462, 05/28/03
Revised:	June 25, 2014
Adopted by:	R2014-06-03

Attachment A



DATE: March 25, 2015

TO: Utah Transit Authority Board of Trustees

FROM: Michael Allegra

RE: Executive Compensation

Over the past 18 months, UTA has taken actions to ensure its compensation is within market norms and following best practices. These actions include restructuring the incentive pay program, implementing a \$7,500 maximum on any incentive payment in 2014. In 2015, the new Peak Performance Program further modified the incentive program. The new Peak Performance Program reflects UTA's culture of continuous improvement with an emphasis on driving higher performance, and makes any incentive dependent on meeting annual Board and individual goals.

Under the new program, performance requirements for incentive pay were increased. Only employees achieving an "Effective Performance" rating or higher on their annual review are eligible for a performance incentive. All administrative employees became eligible to earn up to 4% of their base salary in a performance incentive payment, with a \$7,500 maximum.

Additional actions include the elimination of the 401(a) Asset Management plan for newly-hired executives. The market median for newly hired executive staff will be set at 90 percent of the labor market and will be paid in accordance with UTA Corporate Compensation Policy 6.7.5.1 which defines the "Average median of the Labor Market" as +/- 15% of the labor market median.

UTA has been recognized multiple times for its performance and outstanding work delivering quality projects and services. As the organization looks to the future, that standard must be maintained by creating an organization and environment that attracts and maintains top talent. These actions are a positive move in achieving that objective.

Exhibit C

UTAH TRANSIT AUTHORITY
CORPORATE POLICY

6.7.5.1

COMPENSATION

Purpose. Recruiting and retaining outstanding, high performing employees is critical to our continued success. The Authority has adopted a compensation philosophy and program that seeks to fairly and consistently reward Administrative Employees throughout UTA. This Compensation Policy ensures that UTA's compensation programs comply with the federal Fair Labor Standards Act, applicable state and local law, and any other legal requirements.

I. **Definitions.** For purposes of this policy, the following terms shall have the definitions and meanings set forth below:

- A. "Administrative Employee" means an employee of UTA in a position that is not covered by the Collective Bargaining Agreement.
- B. "Authority" means Utah Transit Authority.
- C. "Average of the Labor Market" means plus or minus 15% from the Estimated Market Value.
- D. "Bargaining Unit Employee" means an employee of Utah Transit Authority in a position that is covered by the Collective Bargaining Agreement.
- E. "Base Pay" means the regular hourly rate of pay for a Non-Exempt employee or the salary for an Exempt Employee.
- F. "Career Ladder" means an advancement opportunity defined in a specific job, within a job family.
- G. "Collective Bargaining Agreement" means an agreement between the Utah Transit Authority and the Amalgamated Transit Union, Local 382, as amended and in effect from time to time.
- H. "Compensation Plan" means UTA's standard operating procedure as defined in HR SOP510 that outlines the factors used to determine compensation for Administrative Employees.
- I. "Estimated Market Value (EMV)" means the rate of pay for a job determined from applicable labor market data using the average of the salary survey median data points.

J. "Executive" means VP, Chief Financial Officer, VP, Chief Communications Officer, VP, Chief Operating Officer, Chief Technology Officer, Chief Planning Officer, Chief Development Officer, Chief Safety and Security Officer

K. "Exempt" means an Administrative Employee who is exempt from the overtime provisions of the Fair Labor Standards Act.

L. "Goal Setting and Review" means the process through which employee's individual job performance is evaluated based on setting individual job related and development goals that align with UTA's Board, Corporate Office, Business Unit, Department and/or Team goals.

M. "Hot Jobs" means jobs the hiring Executive and the Senior Human Resources Officer have determined are hard to recruit and fill due to current market forces including very low unemployment rates, high level of job/position demand in the local market for the job type, high levels of turnover in the market for the job type, and/or highly specialized skills are required.

N. "Intern" means an individual that is pursuing or has completed a college degree and has been hired by the Authority to complete an Internship program for college credit or to gain limited practical experience. "Job" means a collection of tasks, duties and responsibilities assigned to one or more individuals.

O. "Labor Market" means wages for a job that considers a combination of geographical, industrial, and/or occupational data.

P. "Market Adjustment" means a discretionary increase in an Administrative Employee's rate of pay based on new or updated market data which indicates a difference between the Administrative Employee's current rate of pay and the Average of the Labor Market.

Q. "Merit Increase" means a discretionary increase in an Administrative Employee's rate of pay based on their individual performance documented through the Goal Setting and Review process.

R. "Non-Exempt" means an employee who is not exempt from the overtime provisions of the Fair Labor Standards Act.

S. "Pay Lane" means the range of pay established for particular Jobs that outlines the minimum, mid-point and maximum rate of pay.

T. "Progression Plan" means an agreement whereby an employee progresses toward the minimum qualifications of a Job and in accordance with the milestones set out in the agreement.

U. "Professional Employee" means an employee engaged in work predominantly intellectual and varied in character involving the consistent exercise of discretion and judgment, or as defined by the EEOC.

V. "Performance Incentive" means a discretionary cash incentive and/or bonus for Administrative employees at the Authority's discretion based upon job classification, individual and company performance

W. "Slotting" means lining up jobs deemed to be of comparable worth within the organization.

X. "Supervisor/Subordinate Pay Differential" means the difference between a bargaining unit supervisor's base pay and the highest paid bargaining unit subordinate, including shift differential, within the bargaining unit supervisor's work group or the difference between a public safety supervisor's base pay and the highest paid public safety employee's base pay.

Y. "Short-Term Temporary" means temporary employment for Administrative positions not to exceed one year.

Z. "Long-Term Temporary" means temporary employment for Administrative positions for longer than one year, not to exceed five years.

II. **Policy.** The Authority's Compensation Plan is designed to pay compensation that is nondiscriminatory, competitive and internally equitable. All compensation policy decisions must be considered in light of the Authority's overall financial condition and existing budgetary resources.

III. **Standard Operating Procedure.**

A. **Job Review.** In accordance with HR SOP 310 job descriptions are created and updated. In accordance with HR SOP 310, 510 and 520 job and compensation reviews are conducted and jobs are accurately matched to labor market data or slotted according to internal factors and assigned a Pay Lane.

B. **Appeal.** In accordance with HR SOP 310, an Administrative Employee who is not satisfied with the results of a job review or Pay Lane assignment, may appeal the decision if he or she feels the job description or Pay Lane, or both are not representative of the job duties.

C. **Compensation Administrative Employees.** Individuals accepting a new position may be compensated at a rate of pay that is at least the minimum of the Pay Lane for the position, or the minimum of the Average of the Labor Market up to the midpoint of the Pay Lane or the market median.

Compensation above the Pay Lane minimum or above the minimum of the Average of the Labor Market is contingent upon a review by the Senior Human Resources Officer and the Executive over the new position to ensure no internal equity or equal pay issues exist. The

review must be completed prior to the job offer. A lower starting rate may be approved pursuant to the provisions of a Progression Plan.

D. Compensation "Hot Jobs". New or current Administrative Employees in a job identified as a "Hot Job" may be compensated up to the 75th percentile of the Estimated Market Value for the job without an exception from the President/CEO.

E. Executive Compensation – Executive compensation will align with Executive Limitations Policy 2.3.1.

F. Annual Review. An Administrative Employee's immediate supervisor is responsible for conducting a review pursuant to the Authority's Goal Setting and Review Policy No. 6.7.3.1 at least annually. Administrative Employees may be eligible for an annual Merit Increase, Performance Incentive, or both, based on their individual performance documented through the Goal Setting and Review process. A Market Adjustment may also be made when an Administrative Employee's rate of pay is significantly below the Average of the Labor Market.

G. Additional Compensation.

1. Overtime

a. Non-Exempt Administrative Employees. Non-Exempt Administrative Employees will be paid overtime compensation at the rate of one and one half times their regular hourly rate for work in excess of forty (40) hours in a work week as defined in the Administrative Employee Work Week and Schedule Policy 6.7.1.2. All overtime must be approved and authorized in advance by the Administrative Employee's manager. Non-Exempt Administrative Employees are not permitted to work voluntarily or unauthorized overtime.

b. Exempt Administrative Employees. Exempt Administrative Employees are not eligible for overtime pay except as described in section IV. D. 2 of this policy. If an Administrative Employee believes that an improper deduction was made from their salary or leave bank, he or she should promptly report their concern to the Payroll Administrator and Human Resources. If it is determined that an improper deduction was made the Authority will reimburse the Administrative Employee accordingly.

2. Labor Costs – Declared – Overtime Compensation for FLSA Exempt Employees

a. The Authority may pay exempt employees (excluding Executives) overtime pay for any hours worked over forty (40) hours in a workweek at a rate of one and one half times their regular hourly rate of pay during periods of a declared emergency. The Authority shall only make such payment when all of the following conditions occur:

1. The Authority has issued a "Proclamation of Local Emergency";

2. Exempt employees are required to work over forty (40) hours for one workweek during the Emergency period; and

3. The Authority has approved the use of available funds to cover the overtime payments.

4. The Authority shall distribute any overtime payments consistently with a pre-defined standard that treats all employees equitably. Hours worked under a declared Emergency must be paid and cannot be accrued as compensatory time.

3. Supervisor/Subordinate Pay Differential. Supervisor/Subordinate pay differential and extra compensation for acting assignments may be compensated as outlined in the Administrative Compensation Plan, HR SOP 510.

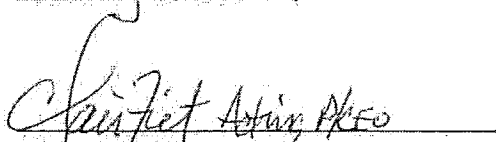
H. Compensatory Time. Compensatory time off may be granted in the same work week to reduce the hours worked in that work week to forty (40) or less.

I. Confidentiality. Except as deemed public under the Government Records Access and Management Act, individual employee compensation is confidential.

J. Policy Review. Any exception to the application of this policy must be approved by the President/CEO.

IV. Cross References. Job Evaluation Job Recruitment Policy 6.7.2.1; Hiring and Job Classification 6.5.1; HR SOP 310 Job Description Creation/Updates; HR SOP 510 Administrative Compensation Plan; HR SOP 520 Market Matching and Salary Structure

This UTA Corporate Policy was reviewed by Corporate Staff on May 19, 2015, approved by the President/CEO/General Manager on this 19th day of May, 2015 and takes effect on the latter date.


Michael A. Allegra
President/CEO/General Manager

Approved as to form:


Counsel for the Authority

Revision History	
Compensation Policy adopted	12.12.05
Revised	10.29.07
Revised	1/16/08

Revised to add provisions for overtime during a Proclamation of Local Emergency	11/16/10
Revised the new Administrative Employee starting pay rate and other modifications	11/18/2014
Revised	5/19/2015

Exhibit D

Board Process Policy No. 4.1.10

Annual Certification of Board Member Code of Conduct

The Board of Trustees of the Utah Transit Authority has adopted board process policies setting forth in detail the fiduciary duties and legal responsibilities of the Board and its members. These policies, together with certain provisions of State and federal law (more particularly identified in Attachment 1, Annual Certification of Board Member Code of Conduct) set forth standards of conduct for Board members in areas where there are actual or potential conflicts between their public duties and their private lives (hereinafter collectively "Code of Conduct").

Additionally, the Board desires to require disclosures of financial holdings or business or trade relationships that may create current or future conflicts of interest, and to provide for an internal process to evaluate any possible conflicts of interest. Thus, each member of the Board shall, in addition to the Annual Certification, annually complete a Confidential Financial Disclosure Report.

To promote the public interest and strengthen the faith and confidence of the people in the integrity of the Authority, it is the policy of the Board that each of its members disclose all actual or potential conflicts of interest when they first become members of the Board, and at least annually thereafter or sooner as circumstances justify. The Annual Certification shall be in the form of Attachment 1, and the annual Confidential Financial Disclosure Report shall be in the form of Attachment 2 hereto, as may be amended by the Board from time to time.

In the event that a conflict of interest or a violation of the Code of Conduct is reported, the procedures outlined in Board Process Policy No. 4.4.1 shall be followed.

Revision History	
Rescinds	R2005-05-02 R2010-07-01
Effective Date	November 18, 2015
Adopted By	R2015-11-04

ANNUAL CERTIFICATION OF BOARD MEMBER CODE OF CONDUCT

I, _____ (please print legibly), the undersigned, having been appointed a member of the Board of Trustees of the Utah Transit Authority, hereby certify that I have received copies of, read, and understand the following specified standards that constitute the Authority's Board Member Code of Conduct:

1. The Federal Transit Administration's Master Agreement, authorized by the Federal Transit Act, 49 United States Code §§ 5301, *et seq.*, dealing with real or apparent conflicts of interest.
2. Utah's Public District Transit Act, Utah Code Ann. § 17B-2a-814, *et seq.*, prohibiting conflicts of interest and 17B-2a-804(2)(c) prohibiting a current board member of a public transit district from having any interest in the transactions engaged in by the public transit district, including transit oriented development and/or transit supportive development, except as may be required by the board member's fiduciary duty as a board member.
3. Utah's Public Officers' and Employees' Ethics Act, Utah Code Ann. §§ 67-16-1, *et seq.*, setting forth standards of conduct for officers of the State of Utah's political subdivisions.
4. Utah Transit Authority Board Process Policy numbers 4.4.1 thru 4.4.6, regarding board members' fiduciary duties and legal responsibilities.

I agree that during my tenure as a member of the Board of Trustees I will abide by and conduct myself within the Code of Conduct. I further agree that the Board may enforce this Code of Conduct consistent with Board Policy and/or as otherwise permitted by law.

I hereby disclose the following persons, entities, or interests with which I or a relative of mine has an interest or involvement that may result in an actual or potential conflict of interest, directly or indirectly, with respect to my service as a member of the Board of Trustees.

During my tenure as a member of the Board of Trustees, should any actual or potential conflict of interest arise from any relationship or interest, direct or indirect, which has not been disclosed above, I agree that I shall forthwith notify the Board of Trustees in accordance with Board Process Policy No. 4.4.1.

Witness

Board of Trustees' Member

Date

UTA FORM _____

U T A 
CONFIDENTIAL FINANCIAL DISCLOSURE REPORT
BOARD MEMBER

COVER PAGE/General Information

This Confidential Financial Disclosure Report form is required because of the duties and responsibilities of your position. The purpose of the Report is to address and/or avoid involvement in any matter that may create a real or perceived conflict of interest in connection with or between your duties for UTA and your private financial matters. The information will only be used for the purposes stated herein. Further, this form is not a public record pursuant to the Government Records Access and Management Act, Utah Code Ann. §§63G-2-101 et seq.

IT IS IMPORTANT TO NOTE THAT YOU ARE NOT REQUIRED TO REPORT THE SPECIFIC DOLLAR AMOUNTS OR VALUES OF YOUR HOLDINGS. THE PURPOSE OF THIS REPORT IS NOT TO DISCLOSE YOUR FINANCIAL POSITION, BUT TO DISCLOSE AND ADDRESS POTENTIAL CONFLICTS OF INTEREST.

This Report, fully completed, is due no later than _____, 2015, and for the one year period ending on the date submitted and signed. Thereafter, a new Report form must be filled out and returned each year, no later than _____ of each year. Newly hired appointed Board members must submit the Report within ten (10) days from appointment to the Board.

The information is arranged in six separate categories. **Fill in all blanks** – if you have nothing to report in a category, write "N/A" or "None".

Date Received by Agency

CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

Board Member's Name <i>Print last, first, middle initial</i>		Appointing Authority
Work Phone	Reporting Status New Entrant <input type="checkbox"/> Annual <input type="checkbox"/>	If New Entrant, Date of Appointment to Position <i>(mm/dd/yy)</i>

I certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge.

Signature of Employee	Date <i>(mm/dd/yy)</i>

Exhibit E

**UTAH TRANSIT AUTHORITY
CORPORATE POLICY**

No. 1.1.11

ETHICS AND ETHICS REPORTING

I. Purpose. To ensure compliance with state ethics laws, avoid Conflicts of Interest, provide a process by which employees can raise ethical concerns, and protect employees reporting such concerns in good faith.

II. Definitions.

“Conflict of Interest” means a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

“Contract Professional” means an employee who has responsibility for developing a solicitation or grant, conducting the procurement process, or overseeing the administration or management of a contract or grant.

“Designated Employee” means Executives, Regional General Managers, Service Managers, Cost Center Managers, Senior Managers, Professionals, Purchasing Department or Procurement Employees, Grants and Contracts Administrator, and Employees of the Office of General Counsel, as amended by the Ethics Committee from year to year.

“Ethics Committee” means a committee composed of the Chief Internal Auditor, General Counsel, and the subject employee’s Executive. In the event that the Designated Employee referred to the Ethics Committee is a member of the Ethics Committee, then the CEO/President shall sit with the Ethics Committee in such Designated Employee’s stead.

“Ethics Officer” means the Chief Internal Auditor.

“GRAMA” means the State of Utah’s Government Records Access and Management Act as set forth in Utah Code Ann. §63G-2-101, et seq.

“Gift” means anything of economic value that is paid, loaned, granted, given, donated, or transferred to any employee by anyone other than UTA. Gift does not mean (1) food or refreshments in the ordinary course of a breakfast, lunch, or dinner business meeting; (2) unsolicited advertising materials such as pens, pencils, note pads, calendars, and other business-related items of nominal value; and (3) items given to Employees by individuals with long-standing social or family relationships under circumstances that make it clear the relationship rather than the employees position at UTA is the motivating factor.

“Hospitality Gift” means a token gift of minimal value, such as a pen, pencil, stationery, trinket, snack or appetizer. A Hospitality Gift does not include a meal, admission to an event for which a charge is normally made, travel, or lodging.

"Procurement Professional" means an employee who by title or primary responsibility has procurement decision making authority and is engaged in the procurement process, such as participating on a selection committee, or the process of administering a contract or grant compliance, approving contract or grant payments, or approving contract or grant change orders or amendments.

"Report" means Confidential Financial Disclosure Report.

"Substantial Interest" means the ownership, either legally or equitably, by an employee, the employee's spouse, or the employee's minor children, of at least 10% of the outstanding capital stock of a corporation or a 10% interest in any other business entity.

III. Policy.

A. Conflicts of Interest. Employees are prohibited from using their UTA positions for personal gain. Employees are responsible for disclosing all Conflicts of Interest, including, but not limited to, outside interests, financial interests, outside employment, etc., in writing to their managers.

B. Outside Business Activities and Interests.

1. Employees are prohibited from engaging in business or professional activities that might require or induce the employee to disclose controlled information gained by reason of UTA employment.
2. Employees are prohibited from accepting other employment that might impair independent judgment in the performance of UTA duties or interfere with the ethical performance of UTA duties.
3. Employees are prohibited from participating in or receiving compensation for any transaction between UTA and a business entity in which an employee is an officer, director, or owns a Substantial Interest.
4. Employees are prohibited from having personal investments in any business entity which will create a substantial Conflict of Interest between the private interest and the employee's duties at UTA.

C. Gifts.

1. Employees who are not Contract or Procurement Professionals may accept an occasional Gift having a value no more than \$50.00 per calendar year with the following exceptions:
 - a. Employees are prohibited from accepting Gifts that would tend improperly to influence a reasonable person in the Employee's position to depart from the faithful and impartial discharge of their UTA duties.

- b. Employees are prohibited from accepting Gifts as rewards for taking official actions.
 - c. Employees are prohibited from accepting Gifts if they recently have been, are now, or in the near future may be involved in any UTA action directly affecting persons offering Gifts, e.g. procurements.
 - 2. Employees who are Contract or Procurement Professionals may not accept Gifts but may accept Hospitality Gifts
 - a. If the total value of the Hospitality Gift is no more than \$10.00, and
 - b. If the aggregate value of all Hospitality Gifts from a person to the Employee is no more than \$50.00 per calendar year.
- D. Financial Disclosure.
 - 1. Confidential Financial Disclosure Report.
 - a. Within thirty days from date of hire, and each calendar year on or before June 30 throughout the term of employment, all Designated Employees shall complete and sign a Report. The current form of the Report is available on the UTA Intranet (utanet) on the Internal Auditor's site at:
<http://utanet/supportservices/internalaudit/Shared%20Documents/Confidential%20Financial%20Disclosure%20Report%20Form.pdf>
 - b. Designated Employees shall provide a copy of the Report to the Ethics Officer.
 - c. Reports are classified as a Protected and Private Records under GRAMA.
 - d. Notification of requirements or failure to respond shall be given by e-mail (with a copy to the employee's supervisor), with a 5 business day opportunity to file Report.
 - e. Failure to completely fill out, sign, and return a Report, by the extended deadline set forth in D(1)(d), shall be cause for employment action, up to and including termination as determined by the Ethics Committee.
 - f. Employees must complete a new Report within 10 business days if a material change in the information required to be disclosed in the Report creates a Conflict of Interest.

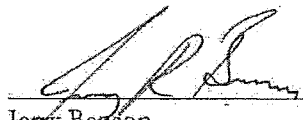
2. Review of Reports.

- a. All Reports submitted by UTA employees shall be reviewed, in confidence, by one of the following: the Chief Internal Auditor or designee and/or an attorney in the Office of General Counsel.
- b. If a reviewer determines that there may be a Conflict of Interest disclosed in a Report, the reviewer shall submit the Report to another reviewer for review. The two reviewers shall then meet and confer regarding the potential Conflict of Interest. If the two reviewers agree that there is a Conflict of Interest, the two reviewers shall confidentially report the conflict to the Ethics Committee. The Ethics Committee shall arrange a meeting with the individual filing the Report, to clarify and discuss the conflict. The Ethics Committee shall then determine the appropriate action. Such action may include, by way of example only:
 - i. Directing the employee to divest the conflicting asset, liability, position or agreement;
 - ii. Requiring the employee to be walled-off and segregated from any communication about or work on, the conflicting UTA issue;
 - iii. Terminating the employee.
- E. Ethics Committee. The Ethics Committee shall meet on an as-needed basis, but in any case, within ten (10) business days of either the referral date from the two reviewers, or the date any required Report(s) should have been, but were not, submitted. The Ethics Committee shall also meet within ten (10) business days of a report of a violation of this policy.
- F. Requests for Donations. UTA employees may not solicit vendors to make contributions that exclusively benefit UTA employees. Employees may solicit vendors to make contributions that do not exclusively benefit UTA employees if the person making the donation of property, funds, or services includes with the donation a signed written statement certifying that the donation is made without condition. This requirement does not apply to public agencies making donations of property, funds, or services.
- G. Disclosures of Information. Employees are prohibited from disclosing or improperly using controlled, private or protected information acquired by reason of a position held at UTA official position or in the course of carrying out UTA duties.
- H. Political Activity. UTA employees may not be candidates for public office in a partisan election, use official authority or influence to interfere with or affect the results of an election or nomination, or directly or indirectly coerce contributions

from subordinates in support of a political party, candidate, ballot issue, or political campaign.

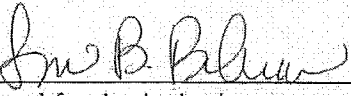
- I. Paid Expenses. Employees may receive paid expenses for activities outside of UTA employment under the following conditions:
 - 1. Outside activities must not interfere with an employee's performance or the interests of UTA.
 - 2. Outside activities must not give reasons for criticism or suspicion of conflicting interest or duties.
 - J. Reporting Ethical Violations. Employees must report any suspected illegal conduct, unethical behavior, violations of company policy, and waste or misuse of public property or funds to their supervisor, manager, executive, or other appropriate personnel. In situations in which an employee is uncomfortable reporting such conduct to a supervisor, manager, or executive the employee should contact the Ethics Officer or General Counsel. A supervisor, manager, or other personnel who receives a report of potential violations have an obligation to inform the Ethics Officer or General Counsel of the allegations.
 - K. Retaliation Prohibited. Retaliation against employees reporting suspected illegal conduct, unethical behavior, violations of company policy, and waste or misuse of public property or funds in good faith is prohibited.
 - L. Report to Board of Trustees. The Ethics Officer shall report on this Policy to the Audit Committee of the Board of Trustees at least annually.
- IV. Cross-References. Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. §67-16-1, et seq.; Executive Limitations Policy No. 2.1.9; Policy 1.1.1 – Charitable Solicitation; Policy 6.1.1 – Employee Expectations; Policy 6.1.14 – Social Media; Policy 6.1.17 – Outside Employment; Government Records Access and Management Act, Utah Code Ann. §63-2-101, et seq.; Utah Procurement Code §63G-6a-2402; Board Policy 4.4.7.

This UTA Corporate Policy was reviewed by Corporate Staff on May 3, 2016, and approved by the Interim President/CEO on this 9th day of May, and takes effect on the latter date.



Jerry Benson
Interim President/CEO

Approved as to form:


Counsel for the Authority

Revision History	
Revised	11/23/2003
Revised	12/5/2005
Revised, Renamed, and Converted from an SOP to a Corporate Policy	5/3/2016

Exhibit F

UTAH TRANSIT AUTHORITY
CORPORATE POLICY

No. 1.1.8

UTA TRAVEL AND REIMBURSEMENT POLICY

- I. **Purpose.** This policy is intended to provide guidance to UTA staff regarding travel approvals, allowable travel expense, and reimbursement of other necessary business expenses while performing their duties for UTA.
- II. **Policy.**
- A. **Travel Approvals.** All staff travel outside of the State of Utah must be pre-approved by the employee's immediate supervisor. For Board-appointed employees, pre-approved must come from the Chair or Vice-Chair of the Board of Trustees. If staff travel is outside of the United States, the travel must be pre-approved by the General Manager and by the Board of Trustees in a regular or special Board meeting. Travel requests will include the reason for the travel, the destination, and estimated costs by category (transportation, registration, lodging, meals, and other expected costs). The Travel Pre-Authorization Form is available on the UTA Intranet (utanet) under "Administration/Accounting/Requested Forms" or at <http://utanet/supportservices/accounting/SitePages/Requested%20Forms.aspx>.
- B. **Transportation costs.** Air travel shall be economy class unless otherwise approved by the General Manager (for employees) or the Board Chair or Vice Chair (for Board-appointed employees). If the employee chooses to drive rather than fly, the employee shall be paid the lower cost of air travel or car mileage (at the current IRS mileage reimbursement rate). Other necessary transportation costs (taxi, transit, tolls, parking, etc.) will be reimbursed with receipts required if the cost is greater than ten dollars (\$10.00). Staff is encouraged to use UTA's preferred travel agency, Christopherson Business Travel, to make flight arrangements.
- C. **Car rentals.** Should travel require car rental the employee shall:
1. Obtain commercial fleet discounts, if available;
 2. Purchase collision insurance (UTA will reimburse);
 3. Retain and present all receipts for the car rental and gas purchases; and
 4. Pro-rate any personal use and submit only business use costs
- D. **Lodging.** Reasonable lodging costs are acceptable during approved travel. It is understood that reasonable lodging costs can vary by destination. Employees should seek governmental rates.
- E. **Meals and Incidentals.** UTA will provide a per diem for travel (whether inside or outside of the state) and receipts are not required. Per diem amounts will be based upon U.S. General Services Administration (GSA) per diem rates by city. These are available at <http://www.gsa.gov/portal/content/101518>. Please note the daily rate

includes a small amount for incidentals and is intended to cover tips too. First and last day of travel per diems are as provided by the GSA. If a meal is provided by others, an employee must use the per meal per diem rate for that day and not seek reimbursement for the provided meal. International per diem rates (in U.S. dollars) are available at https://aoprals.state.gov/web920/per_diem.asp with the allocation of the M&IE rate at

https://aoprals.state.gov/content.asp?content_id=114&menu_id=81. Should a per diem not be available for the employee's destination, reasonable costs will be reimbursed and receipts listing the items purchased are required. Reasonable costs must be determined at the time of travel approval.

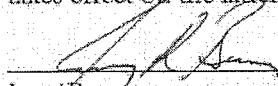
- F. **Personal automobile use.** Employees are encouraged to use transit or UTA pooled vehicles for travel. When using their personal vehicles for UTA business, employees will be reimbursed for toll, parking fees, and mileage (at the IRS mileage reimbursement rate). Employees who receive travel allowances are not eligible for reimbursement for personal vehicle use within the service district.
- G. **Other Costs.** Other necessary business costs over incidental amounts may be needed while traveling on UTA business. UTA will reimburse those expenses; receipts are required along with an explanation of the business purpose of the expense. If for a group meal, the names of those attending must be provided and a detailed receipt is required. UTA will not pay for personal expenses (e.g., use of taxi for non-business expense or entertainment such as in-room movies).
- H. **Advances.** Advances are discouraged but may be made with approval from the employee's Chief Officer.
- I. **P-cards.** Upon approval from the Chair (Board-appointed officers) or the General Manager (chief officers) or Chief Officer (all other employees), an individual's UTA P-card may be authorized for travel. Detail descriptions and receipts are required for P-card travel expenses. If a P-card is used for meals, actual costs rather than the per diem rate will be used, however, the employee will be expected to reimburse UTA for meal costs that exceed the per meal per diem.
- J. **Trips paid by others.** Employees serving other governmental agencies as part of a peer review team, or other similar assistance, may have their travel costs paid by the requesting governmental agency. Pre-approval is required and the employee should follow the other governmental agency's travel policy. After completion of the trip, the trip report is required but should note that the other agency paid the costs. Vendors may offer to pay for an employee's trip to a conference or other meeting. Employees must decline the offer (due to potential gifting or procurement issues) but may seek approval to attend the conference or meeting using UTA funds.
- K. **Trip Report.** Within ten days of the completing travel, the employee must submit a report of the total costs of the trip as well as a request for reimbursement using the form in Attachment A (this form may be updated from time to time by UTA's Chief Financial Officer). Every trip report will be submitted to the Comptroller who will ensure each trip report fully complies with this policy. Once the Comptroller

certifies policy compliance, and before reimbursement can be made, the Comptroller will seek review and approval by the same level of authority who approved the travel. If actual expenses were less than the advance provided, the employee will return the difference to UTA with submittal of their travel report.

L. **Expenses not eligible for reimbursement include:**

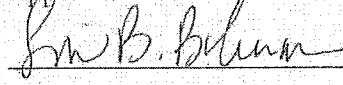
1. Fines and penalties, including parking fines or other moving violation.
2. Personal expenses, including transportation costs unrelated to Authority business, alcoholic beverages, entertainment, gifts, or other personal expenses.
3. Political expenses, including contributions, donations, or other payments made by the employee to a political candidate, an elected official, a political party, or a political fundraiser, or for any other expense related to other political purposes.

This UTA Corporate Policy was reviewed by the Executive Team on September 8, 2015, and approved by the Interim President/CEO on this 25th day of September, 2015, and takes effect on the latter date.



Jerry Benson
Interim President/CEO

Approved as to form:



Counsel for the Authority

Revision History	
Adopted	9-8-2015

Attachment A

TRAVEL PRE-AUTHORIZATION FORM 2016

(Effective for all travel after 10/1/2015)

To receive authorization to travel, this form must be complete and signed by management prior to travel.



Traveler Name: _____ Badge #: _____ Dept #: _____
 Destination: _____ Dept Name: _____
 Purpose: _____ Trip Dates: _____ to _____

TRAVEL ESTIMATES

CONFERENCE/REGISTRATION FEES

Amount _____ Subtotal \$ _____

TRANSPORATION

Airfare

Amount _____ \$ _____

Rental vehicle

Rate estimate _____ # of days _____ \$ _____

Personal vehicle

of miles _____ IRS Rate 0.0575 \$ _____

Subtotal \$ _____

LODGING

Hotel

Daily rate estimate _____ # of days _____ \$ _____

Subtotal \$ _____

MEALS & INCIDENTALS (PER DIEM)

Find the U.S. GSA per diem rate for your location and enter the rate.

First and last day of travel will automatically to 75% of the rate per U.S. GSA guidelines.

United States www.gsa.gov/portal/content/104877

Per diem rate _____ # of days _____ \$ _____

International www.aoprals.state.gov

Per diem rate _____ # of days _____ \$ _____

Choose Foreign Per Diem Rates on the menu on the left.

Subtotal \$ _____

Do you want per diem to be advanced based on this estimate?

☐ Yes ☐ No

How would you prefer to receive this advance?

☐ Check ☐ Payroll check

UTA-SPONSORED MEETING

(with individuals not employed by UTA)

Amount _____ Subtotal \$ _____

MISCELLANEOUS COSTS

Amount _____ Subtotal \$ _____

TOTAL ESTIMATED TRAVEL COST \$ _____

AUTHORIZATION

Employee Signature: _____ Date: _____

Manager Signature: _____ Date: _____

For all international travel: Signature of the President/CEO/General Manager is required and indicates Board approval of such.

President/CEO/GM Signature: _____ Date: _____

TRAVEL EXPENSE REPORT 2016

(Effective for all travel after 10/1/2015)



This form is to be filled out after travel, attached to the Travel Pre-Authorization Form, and sent to Accounting for reporting and reimbursement purposes. Instructions for this form can be found in the Accounting Policy and Procedure Manual and on the UTA Intranet under Administration/Accounting/Forms.

Traveler Name: _____ Badge #: _____ Dept #: _____
 Destination: _____ Dept Name: _____
 Purpose: _____ Trip Dates: _____ to _____

CONFERENCE/REGISTRATION FEES

Vendor	Cost:	Paid by Employee	Paid by UTA	TOTAL COST	P-cardholder's name:	Purchase date:
Vendor	Cost:			\$ -		
Vendor	Cost:			\$ -		

TRANSPORTATION

Policy: Lower cost of airfare or mileage reimbursement. Air travel must be economy class unless otherwise approved.
 Employees are encouraged to use the preferred travel agent: Christopherson Business Travel

		Cost:	Paid by Employee	Paid by UTA	TOTAL COST	P-cardholder's name:	Purchase date:
Airfare	Carrier: _____	Cost:			\$ -		
Personal Car	All Miles: _____ x \$ 0.575 (IRS rate)	Cost:	\$ -		\$ -		
Rental Car	Vendor: _____	Cost:			\$ -		
	# of Days: _____ Avg rate: _____						
Transit	Vendor: _____	Cost:			\$ -		
Taxi	Vendor: _____	Cost:			\$ -		
Other	Describe: _____	Cost:			\$ -		
	Describe: _____	Cost:			\$ -		
	Describe: _____	Cost:			\$ -		
	Describe: _____	Cost:			\$ -		

LODGING

		Cost:	Paid by Employee	Paid by UTA	TOTAL COST	P-cardholder's name:	Purchase date:
Hotel	Vendor: _____	Cost:			\$ -		
	# Nights: _____ Avg rate: _____						
Other	Describe: _____	Cost:			\$ -		

PER DIEM (MEALS & INCIDENTALS)

Choose your type of travel from the drop down box (U.S. or International):

Policy: Per diem amounts will be based upon US GSA per diem rates by city. Tips are included in this rate.

You can find the per diem rate for your location at: For travel within the U.S. www.gsa.gov/portal/content/104877
 For international travel https://aoprals.state.gov/web920/per_diem.asp

If a meal is provided by others, you must use the per meal per diem rate and not seek reimbursement for the provided meal.

Enter the per diem rate based on travel type:

Instructions: Choose Yes or No from the drop down box under each question for each day. The rest will auto calculate.

	Were you out of town?	Were any meals provided?			Breakfast	Lunch	Dinner	Incidentals	Allowance	TOTAL
		Breakfast	Lunch	Dinner						
Day 1									75%	\$ -
Day 2									75%	\$ -
Day 3									100%	\$ -
Day 4									100%	\$ -
Day 5									100%	\$ -
Day 6									100%	\$ -
Day 7									100%	\$ -

TRAVEL EXPENSE REPORT 2016

(Effective for all travel after 10/1/2015)



Traveler Name: _____ Destination: _____

UTA-SPONSORED MEETING (must include individuals not employed by UTA)

Policy: The name(s) and organization(s) should be included with the detailed receipt.
If employee(s) are included, per diem is adjusted above.

Description	Paid by Employee	Paid by UTA	TOTAL COST	P-cardholder's name:	Purchase date:
Vendor: _____	Cost: _____	_____	\$ -	_____	_____
Vendor: _____	Cost: _____	_____	\$ -	_____	_____

MISCELLANEOUS BUSINESS COSTS

	Paid by Employee	Paid by UTA	TOTAL COST	P-cardholder's name:	Purchase date:
1) Vendor: _____	Cost: _____	_____	\$ -	_____	_____
Description: _____					
2) Vendor: _____	Cost: _____	_____	\$ -	_____	_____
Description: _____					
3) Vendor: _____	Cost: _____	_____	\$ -	_____	_____
Description: _____					
4) Vendor: _____	Cost: _____	_____	\$ -	_____	_____
Description: _____					

TOTAL COSTS and ACCOUNTING

Is this travel capital-related? ☐

If yes, what is the capital code?

	Paid by Employee	Paid by UTA	TOTAL COST	GL Account Code
Conference/Registration	\$ -	\$ -	\$ -	_____
Transportation	\$ -	\$ -	\$ -	_____
Lodging	\$ -	\$ -	\$ -	_____
Per Diem (meals & incidentals)	\$ -	\$ -	\$ -	_____
UTA-Sponsored Meeting	\$ -	\$ -	\$ -	_____
Miscellaneous costs	\$ -	\$ -	\$ -	_____
TOTAL COSTS	\$ -	\$ -	\$ -	

BALANCE DUE / FROM THE EMPLOYEE

Amount previously reimbursed to the employee (for example: conference fees, airfare, advanced per diem)

Amount due UTA for any non-business related costs paid by UTA

Amount due employee (for example: per diem not advanced)

AUTHORIZATION

Employee Signature: _____

Executive Signature: _____

Date: _____

Date: _____

Manager Signature: _____

Accounting Review: _____

Date: _____

Date: _____

Exhibit G

Executive Limitations Policy No. 2.2.4

Transit-Oriented Development

The General Manager shall not fail to:

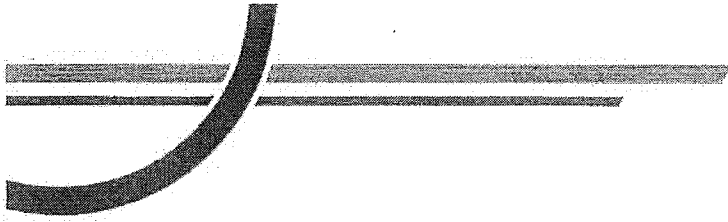
1. Develop and present to the Board's Planning and Development Committee projects for approval;
2. Establish an internal, multi-disciplinary team to review proposed TOD development and operating agreements for adequacy, completeness and best practices;
3. Establish independent external reviews of proposed TOD development and operating agreements and provide comments to the Planning and Development Committee;
4. Provide TOD development and operating agreements to the Internal Auditor for review and an independent reporting to the Planning and Development Committee; and
5. Ensure compliance with internal Board and Corporate TOD policies.

Effective Date: June 25, 2014

Adopted by: R2014-06-02

Revision History	
Executive Limitations Policy 2.2.4 Adopted	06/25/14

Exhibit H



669 West 200 South

Salt Lake City, UT 84101

August 9, 2016

TGC SoJo Partners, LLC
The Thackeray Garn Company
Attention: Michael Christensen
748 W. Heritage Park Blvd., Suite 203
Layton, UT 84041
mike@thackeraygarn.com

Re: SoJo Hotel Partners, LLC ("SoJo Hotel")

Dear Mr. Christensen:

Last week, pursuant to a request for a list of investors in SoJo Hotel Investment Partners, LLC, Utah Transit Authority (UTA) learned that two former UTA board members—Chris Bleak and Sheldon Killpack—have been invited to invest in the hotel project to be constructed by SoJo Hotel at the UTA South Jordan station. Both of the former board members were serving on the UTA Board when the SoJo Hotel project was discussed and came before UTA for approval. This causes us great concern.

You will recall from our past communications that ethical conduct is of paramount concern to UTA. It is inappropriate for a UTA board member, officer, or employee to be on both sides of a transit-oriented development project.

This is not the first time a former member of UTA's Board of Trustees has participated (or otherwise become involved to their personal financial benefit) in a Thackeray Garn Company-UTA transit-oriented development project. In the recent past, UTA raised concerns about another former board member's participation in these transit-oriented development projects. You were informed of the same and asked to certify that the former board member (and other former UTA board members, officers, and employees) would not be involved in any current or future Thackeray Garn-UTA projects.

More recently, on the SoJo Hotel, you will recall that we have had significant discussion and negotiation over UTA's desire to ensure that no current or former UTA board members, officers, or employees are profiting from the SoJo Hotel project. We have discussed this concern in person, over the telephone, and through the exchange of draft documents. UTA made it clear that this was a significant issue.

Mr. Killpack and Mr. Bleak were serving as members of UTA's Board of Trustees, with Mr. Bleak serving as Vice Chair, at the time the SoJo Hotel project was presented to the UTA Board of Trustees for approval. Mr. Killpack actively participated, as a UTA Board Member, in meetings to discuss the terms and conditions of the SoJo development. Chris Bleak was a participant in the ongoing discussions about the UTA transit-oriented development program for years while he was a Board member, was a member of the UTA Board of Trustees when UTA selected The Thackeray Garn Company to develop certain UTA-owned properties, including the SoJo Hotel property, and was a member of UTA's Board of Trustees right up to the time UTA approved the SoJo Hotel project. Both of these individuals had (or at least had the opportunity to review) information about UTA's transit-oriented development program, policies, strategy and goals that may not have been available to the general public. Both signed UTA's Board Member Code of Conduct, which imposes a duty of care, loyalty, and confidentiality, and demands the type of ethical conduct required of someone trusted with the care for public resources. Mr. Killpack had direct information about this SoJo project that was presented only in closed board sessions.


The involvement of Mr. Killpack and Mr. Bleak as investors in the SoJo Hotel project raises significant questions fundamental to UTA's understanding of our relationship with The Thackeray Garn Company and its affiliates. This is exactly the type of concern that UTA repeatedly gave voice to in discussions with you – and we do not believe there is any question that you understood UTA's concerns.

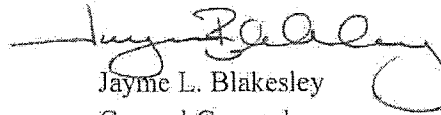
While the Operating Agreement for the SoJo Hotel has not yet been executed, the terms, as negotiated provide that UTA has the right to consent (or withhold consent) to any former board member being a participant in this SoJo Hotel project. Simply burying the names of those board members in a secondary investment entity does not remove or mitigate the conflict.

UTA is weighing its options at this juncture. At a minimum, UTA will review whether it makes sense to delay moving forward with the Operating Agreement for SoJo Hotel or related documents while we further evaluate the former UTA Board members' participation, whether individually or as investors in other entities. UTA will review and propose revised language for the SoJo Hotel Operating Agreement that more fully protects UTA from future ethical concerns similar to this matter.

We are available to discuss this matter further.

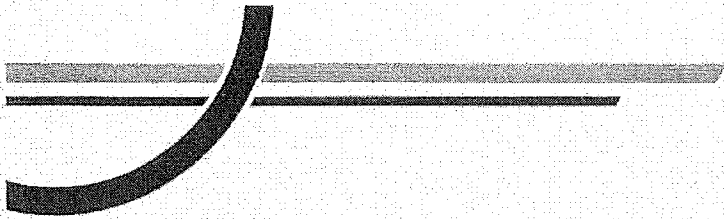
Sincerely,


Jerry Benson
Interim CEO/President


Jayme L. Blakesley
General Counsel

cc: John Thackeray
Kevin Garn
Dean Smith, Esq.
Steve Meyer
Paul Drake

Exhibit I



669 West 200 South

Salt Lake City, UT 84101

August 20, 2015

Terry Diehl
Wasatch Pacific, Inc.
PO Box 711879
Salt Lake City, UT 84171-1879

Dear Mr. Diehl:

I recently learned that you have been contacting Utah Transit Authority (UTA) board members, executives, and staff in an attempt to influence certain UTA projects. As you may be aware, pending legal matters call into question the propriety of your ongoing contact with UTA. For this reason, I write to request that you cease and desist from any and all contact with UTA, effective immediately. I have instructed UTA officials to decline your requests for meetings and not to accept your telephone calls. Any contact between you and UTA should be directed to my office.

Sincerely,

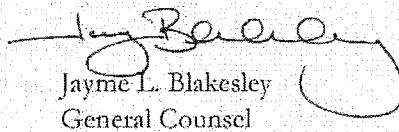
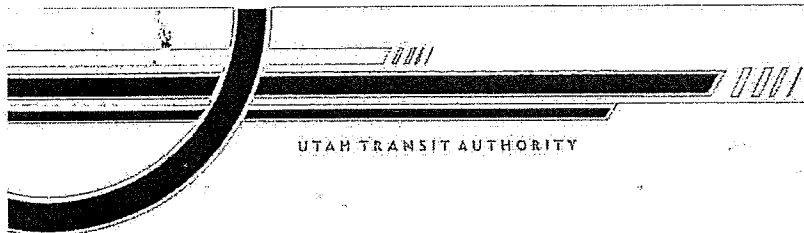

Jayme L. Blakesley
General Counsel

Exhibit J



UTA 

669 West 200 South
Salt Lake City, UT 84101

May 3, 2016

The Thackeray Garn Company, LLC
Attention: Mike Christensen
1165 E. Wilmington Avenue, Suite 275
Salt Lake City, UT 84106

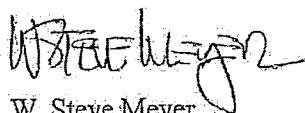
Re: Ballpark Station

Gentlemen:

As you know, pursuant to a Request for Proposals dated August 1, 2011 issued by UTA, and your response to the same, UTA selected The Thackeray Garn Company, LLC as the developer for a planned transit-oriented development at the Ballpark Station.

As a result of the passage of time, and modification to UTA's transit oriented development plans, UTA is cancelling the selection made pursuant to the RFP described above. UTA thanks you for your interest and participation in development projects. In the event that UTA determines to issue a new procurement opportunity in the future, we will let you know.

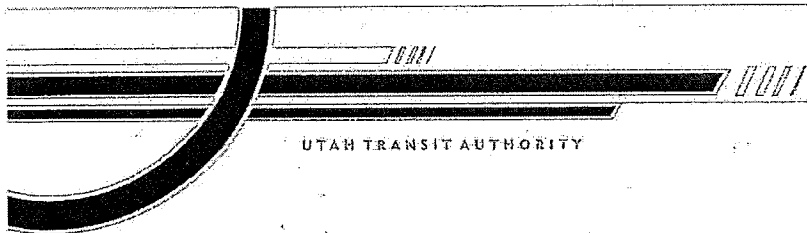
Regards,



W. Steve Meyer
Chief Development Officer

cc: Paul Drake





UTAH TRANSIT AUTHORITY

UTA 

669 West 200 South

Salt Lake City, UT 84101

May 2, 2016

The Thackeray Garn Company, LLC
Attention: Mike Christensen
1165 E. Wilmington Avenue, Suite 275
Salt Lake City, UT 84106

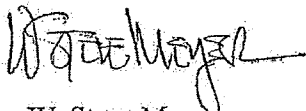
Re: 3900 South Station

Gentlemen:

As you know, pursuant to a Request for Proposals dated April 29, 2013 issued by UTA, and your response to the same, UTA selected The Thackeray Garn Company, LLC as the developer for a planned transit-oriented development at the 3900 South Station.

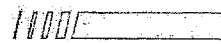
As a result of the passage of time, and modification to UTA's transit oriented development plans, UTA is cancelling the selection made pursuant to the RFP described above. UTA thanks you for your interest and participation in development projects. In the event that UTA determines to issue a new procurement opportunity in the future, we will let you know.

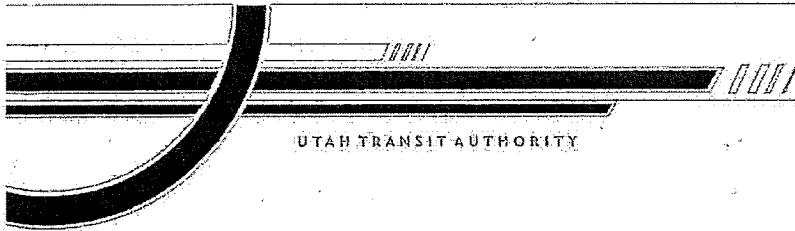
Regards,



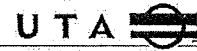
W. Steve Meyer
Chief Development Officer

cc: Paul Drake





UTAH TRANSIT AUTHORITY



669 West 200 South

Salt Lake City, UT 84101

May 3, 2016

The Thackeray Garn Company, LLC
Attention: Mike Christensen
1165 E. Wilmington Avenue, Suite 275
Salt Lake City, UT 84106

Re: Farmington Station

Gentlemen:

As you know, pursuant to a Request for Proposals dated August 1, 2011 issued by UTA, and your response to the same, UTA selected The Thackeray Garn Company, LLC as the developer for a planned transit-oriented development at the Farmington Station.

As a result of the passage of time, and modification to UTA's transit oriented development plans, UTA is cancelling the selection made pursuant to the RFP described above. UTA thanks you for your interest and participation in development projects. In the event that UTA determines to issue a new procurement opportunity in the future, we will let you know.

Best regards,

W. Steve Meyer
Chief Development Officer

cc: Paul Drake



May 3, 2016

The Thackeray Garn Company, LLC
Attention: Mike Christensen
1165 E. Wilmington Avenue, Suite 275
Salt Lake City, UT 84106

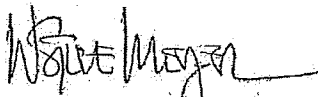
Re: North Temple Station

Gentlemen:

As you know, pursuant to a Request for Proposals dated August 1, 2011 issued by UTA, and your response to the same, UTA selected The Thackeray Garn Company, LLC as the developer for a planned transit-oriented development at the North Temple Station.

As a result of the passage of time, and modification to UTA's transit oriented development plans, UTA is cancelling the selection made pursuant to the RFP described above. UTA thanks you for your interest and participation in development projects. In the event that UTA determines to issue a new procurement opportunity in the future, we will let you know.

Regards,



W. Steve Meyer
Chief Development Officer

cc: Paul Drake

Exhibit K

**UTAH TRANSIT AUTHORITY
CORPORATE STANDARD OPERATING PROCEDURES**

No.1.2.3

Purchase Card ("P-Card") Policy

INTRODUCTION TO UTA PROCUREMENT CARD PROGRAM

*Welcome to the Utah Transit Authority/Wells Fargo Bank MasterCard
Purchasing Card Program.*

The Purchasing Card (P-Card) Program is one of several purchasing methods available at Utah Transit Authority. Use of the card is intended to facilitate timely purchases while retaining necessary accountability. As with other procurement methods, all Utah Transit Authority Procurement Policies and Procedures apply to P-card purchases.

This policy will provide you with the specifics of the Program, including general overview, reconciliation and record keeping procedures, and customer service information. Please read the following information carefully as you must meet all P-Card requirements.

Questions regarding the P-Card program should be addressed to a Supply Chain Department P-Card Administrator.

GENERAL OVERVIEW

The need for a P-Card is determined by and requested through your Department Manager. As the cardholder, you will be required to complete the User Agreement Application Form available from the Supply Chain Department, or on the UTA Intranet ([link](#)). The request for a card must be approved by your Department Manager; Executive approval may be required for specific authorizations.

Key points:

- Prior to receiving your P-Card you must complete the P-Card training class and test found on the UTA Intranet site under "Administration/Supply Chain/P-Card Information".
- You are responsible for the physical security of your card.
- It is your responsibility to verify all goods and services purchased with the card were received.
- UTA reserves the right to rescind an issued P-Card at any time, for any reason.
- By signing the application you agree to adhere to the policies and procedures as stated in this document.
- It is your responsibility to know the transaction and monthly limits assigned to your P-Card and stay within them.

DEPARTMENT OR STATUS CHANGES

Cards are linked to department account codes; therefore, your card must be updated by the Supply Chain Department if you are transferred to another department. If you leave UTA you must surrender the card to Human Resources or your department manager on your last day and provide receipts and reconciliation for any outstanding purchases in the current billing period. If there is a need to change any information on your card (i.e. your name) contact the Supply Chain Department.

CARD USE LOCATIONS

- Your P-Card can be used at any authorized MasterCard merchant (see "Authorized Purchases" below)
- Use your card for in-store purchases when possible.
- Your P-Card may be used for an over-the-phone or internet transaction, however an itemized receipt must be obtained. Online orders must be delivered to your correct UTA address. Deliveries to a home address are not allowed unless approved by your manager. (UTA's receiving team cannot accept P-Card order shipments. Exceptions may be made but must be pre-arranged with the warehouse manager).
- P-Cards should not be used to pay suppliers with whom UTA has a contract or open line of credit (i.e. blanket PO) unless approved by Supply Chain.

UTA CODE OF CONDUCT/CONFLICT OF INTEREST

Purchasing with your P-Card is part of the purchasing function at UTA and you must follow UTA's Purchasing Code of Conduct ([link](#)), specifically with regards to gratuities, discrimination and conflicts of interest. UTA is a transparent public entity which must follow both state and federal procurement laws. These laws include, but are not limited to:

- You must encourage broad base competition on all items purchased and deem the price to be fair and reasonable for each item procured.
- No UTA employee, former employees (until after one full year of separation from UTA) or Relative shall have a financial interest in any purchasing transaction.
 - Relative includes:
 - Parent, Step-Parent
 - Spouse
 - Child
 - Grandparent, Great Grandparent
 - Grandchild, Great Grandchild
 - Siblings
 - In-Laws
 - Domestic partner
- You have a duty to disclose to your manager any conflict of interests you might have prior to procuring any item.

LIMITATIONS AND RESTRICTIONS

A single transaction limit is assigned to your card based on the UTA Spending and Contracting Authority Policy (LINK). Your card will be declined if you attempt to purchase more than your single transaction amount at one time. You also have a monthly transaction dollar limit. If you have reached your limit for a single month your card will be declined until the first of the next reporting cycle.

Certain actions must be avoided and may result in disciplinary actions:

- Splitting transactions to avoid the single-transaction limit.
- Lending your card to others
- Using another employee's P-Card.

The Wells Fargo Bank MasterCard Purchasing Card Program also allows for Merchant Category blocking. If a particular Merchant Category is blocked (e.g., jewelry stores) and you attempt to use your card at such a merchant, your purchase will be declined. Vendors used during the normal course of business are not restricted.

- If your card is refused at a merchant where you believe it should have been accepted, contact Supply Chain and they can review the purchase in the Wells Fargo system to determine why the card was denied. Your manager may request the Supply Chain department Card Administrator to modify the restrictions.
- Wells Fargo Bank will change existing cardholder restrictions only after a written request is received from the UTA Supply Chain Department Card Administrator.

LOST OR STOLEN CARDS

If you believe you have lost your card or that it may be stolen, it is extremely important to act promptly to avoid liability for UTA on fraudulent transactions. Report the loss to the Wells Fargo Bank Customer Service at 800-932-0036, to your Office Coordinator and to the Supply Chain Department Card Administrator. Wells Fargo will cancel the card upon notification. Supply Chain will order you a replacement card after receiving authorization from your Manager or RGM. Replacement cards are delivered to Supply Chain and issued to you upon receipt.

AUTHORIZED PURCHASES

The Wells Fargo Bank MasterCard Purchasing Card Program is intended to be used for business related Micro purchases under \$3,000. Approved purchases include, but are not limited to:

- Office supplies and forms
- Dues, books and subscriptions
- Copy services
- Hotel reservations (when authorized)*
- Airline tickets (when authorized)*

- Shop supplies (not carried in inventory)
- Purchases against blanket purchase orders and/or contracts with approval from Supply Chain, and verification of contracted pricing.

*** RGM's and Executives may approve travel and lodging for employees in their department, and have the option to make the approval permanent.**

UNAUTHORIZED PURCHASES

In accordance with the Executive Limitations Policy 2.3.2, individuals must not make P-Card purchases that do not enhance the objectives of public transit. (Link) Unauthorized purchases include, but are not limited to:

Limits:

- Any single transaction for goods or services that exceeds, in the aggregate, the Micro Purchase limit set in the most current edition of FTA Circular 4220.1F. (\$3,000 as of December 6, 2013).
- Leased equipment where the total order will exceed the Micro Purchase limit of \$3,000.
- Items exceeding Card Holder purchase limit as set by their manager, or authorized spending limit according to UTA Spending and Contracting Authority Policy 3.1.1

Travel:

- Travel, meals, and/or lodging for the cardholders' Approver. (The Senior employee's P-Card must be used)
- Laundry services (unless business travel is greater than 7 days).
- Alcoholic beverages

Other procurements:

- Any Inventory parts with a JDE part number and tracked through the inventory system. Exceptions may be allowed for one-time purchases and Inventory Control must be notified immediately with the part number, quantity and reason.
- Any supplier with whom UTA has a contract or blanket PO, unless approved by Supply Chain.
- Fuel for company vehicles where on-site fueling is available at a UTA Division.
- Construction of any type (excludes construction materials for facilities maintenance).
- Services of any type where the contractor performs work on UTA property, safety or property may be at risk, or UTA determines contractor insurance is required.
- Items utilizing Grant money

Personal Use:

- Cash advances.
- Any items for personal use. These include, but are not limited to:
 - Entertainment (including in room movies)
 - Use of taxis for non-business purposes
 - Gifts (including flowers or donations)
 - Alcoholic beverages

*As with any company purchase, the card is not to be used for any product, service or with any merchant that may be considered an inappropriate use of company

funds.

Any unauthorized purchases are violation of the Policy and may be subject to disciplinary action!

TRAVEL EXPENSES AND RESTRICTIONS

When traveling for UTA business you may use your P-card for travel expenses if authorized by your RGM or Department Executive. Authorization requests need to be emailed to Supply Chain so the coding on your card can be updated; this authorization is generally temporary (permanent authorization can be approved by your RGM or Executive). Travel arrangements may be made through the state contracted travel agency (Christopherson) or through reputable internet travel websites. Use of the state travel agency is strongly encouraged.

- Reasonable airfare and accommodations should be booked in line with the expected purpose of travel.
- When comparing travel through an internet travel site you must ensure that the posted quote includes all taxes and fees associated with the ticket.
- All air travel shall be economy class unless other accommodations cannot be made and a higher class ticket is approved by an executive.
- If it is necessary to cancel or change an airline reservation, all credits are applied to the P-Card. Under no circumstances should the employee receive cash or personal credit.
- Meals will be approved for purchase on P-Card during travel at a reasonable cost per meal, plus tip. Alcoholic beverages are not permitted with UTA funds.
- Car rentals are discouraged and employees should use public transit when possible. If car rental is necessary, it must be booked through the state contracted travel agency (Christopherson) to receive insurance coverage. If you are unable to book through the state agency then additional insurance coverage should be purchased.
- Most hotels have "government rates" which should be utilized whenever available.
- Personal companion airfare, meals or hotel reservations may not be charged on the UTA P-Card.
- You must have an itemized receipt for meals and items purchased while traveling. (You may be required to reimburse UTA for items not on itemized receipts).

RECONCILING PURCHASES AND PAYMENT

Each month you will be required to reconcile your P-Card charges and approve them in the Wells Fargo online system.

RECEIPT RETENTION/RECORD LOG: You must keep itemized receipts of all purchases. Receipts must be scanned, saved as a file and then uploaded into the Wells Fargo Imaging system during the Reconciling period at the end of the month. (See also "Reconciling Purchases"). Itemized receipts are the only auditable documentation UTA has of the purchase; therefore it is extremely important that you request, scan and submit a legible,

itemized copy of the receipt from the merchant. Internal and external auditors may come directly to you with questions about charges on your P-Card.

RECONCILING PURCHASES: A Purchasing Department P-Card Administrator will provide you with a log-on name and password to access the Wells Fargo Commercial Card Expense Reporting (CCER) website to reconcile your account. On the 26th of the month you will receive an email statement from Wells Fargo notifying you that your account is now available for month-end reconciling. The online statement reflects the transaction date, vendor/merchant name and the total amount of each purchase.

To reconcile your account:

- 1) log on to the Wells Fargo website:
(<https://wellsoffice.wellsfargo.com/ceportal/signon/index.jsp?RC=811>), or from your smartphone or tablet at <https://ceomobile.wf.com>
- 2) Verify that the billings are for legitimate transactions made by you and that the each of the charges is correct.
- 3) Add a **detailed description** for each purchase and verify that the account code charged is correct. Be as detailed as possible in the description and include any associated Project Names. "Misc" is not an acceptable description
- 4) Select "receipt attached" for each item.
- 5) When everything is correct, finalize the reconciling process by clicking on the "Review Complete" button. This sends an automatic email advising your card Approver that you have completed the reconciliation process and the account is now ready for their review and approval.
- 6) Print the statement and cover sheet.
- 7) Scan all receipts, the printed statement, and the cover sheet and email them to the email address listed on the Wells Fargo cover sheet. This will allow your approver and the accounting department to view all receipts.
 - a. Excluding rare exceptions, **Paper receipts and statements will no longer be accepted by accounting.** (Instructions for scanning documents are in the Supply Chain library on the Intranet). ([link](#))
- 8) You may keep the originals for your reference, however they are no longer needed once scanned into the Wells Fargo system. If retained, you must comply with UTA's record retention policy.

*** If you lose, or are unable to obtain a receipt you will need to create a memo stating the item that was purchased, as well as the date, quantity and total dollar amount. Please sign and date the memo, then scan and submit it with all other receipts.**

Monthly statement cycles end on the 25th of each month. You have four (4) calendar days to reconcile your account, after which your approver has four (4) calendar days to review/approve your account. You may assign a 2nd reconciler for your account if you will be unavailable during this time. See a Supply Chain P-Card administrator to set them up.

***Procedure for non-reconciled P-Cards**

- ❖ Cards not reviewed and approved by both cardholder and Approver within the eight (8) day approval period will receive a copy and reminder of the policy.
- ❖ Any cards not reviewed by the cardholder or approved by the approver for two (2) consecutive months may be suspended. Cardholders who fail to scan and submit legible receipts for two consecutive months may have their cards suspended. Suspended cards will need VP/Finance and Chief Financial Officer's approval prior to allowing card privileges again.

FRAUDULENT CHARGES

An obvious, or suspected, illegal misuse of your Card must be reported immediately to the Supply Chain Department P-Card Administrator. Prompt reporting will help limit the company's liability. "Suspected" fraudulent charges should be handled the same as an "obvious" fraudulent charge.

- Your card will be immediately turned off and reported as fraudulent to Wells Fargo.
- Wells Fargo and a Supply Chain department P-Card Administrator will assist you in resolving the charges to the best of their ability, and within the MasterCard policies.
- Wells Fargo may require a written statement of account depending on the circumstances.

DISPUTED CHARGES

A Disputed Charge is an incorrect charge from a Merchant. If there is a discrepancy between your records and the statement you must resolve the issue immediately. If you believe the merchant has charged you incorrectly, or there are any outstanding quality or service issues, you must first contact the merchant and try to resolve the error or problem.

- Disputes must be resolved in a timely manner to ensure proper credits are received (60 days or less).
- If you are able to resolve the matter directly with the merchant, and the error involves an overcharge, request a credit be applied to your card account. Make sure the credit shows on a future Statement.
- If the merchant disagrees that an adjustment is necessary, the Supply Chain department can assist you in resolving the situation with the merchant.
- If the dispute is not resolved to your satisfaction, and you believe the merchant has unfairly treated you, notify your manager with the relevant details.
- You will need to work with the Merchant involved as much as possible, however the final determination is governed by MasterCard regulations.
- Wells Fargo Bank can only act as a go-between on disputes. Never assume that a dispute will be resolved in your favor.

SALES AND USE TAX

All UTA purchases are tax-exempt. The tax identification number may be embossed on your card or may be obtained from anyone in Supply Chain. Remind merchants that UTA is tax exempt and present them with the tax ID number. If you or the vendor has any questions concerning tax issues contact the P-card Administrator in Accounting.

PROGRAM ADMINISTRATORS

The Program administrators for the P-card program are in Supply Chain and Accounting.

The Supply Chain Department:

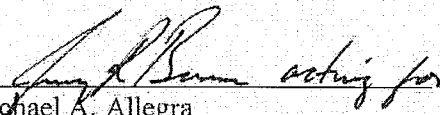
- Acts as liaisons between UTA and Wells Fargo
- Orders and issues all Purchasing Cards
- Conducts training for cardholders
- Assists with questions, problems and/or vendor disputes
- Maintains records of departments with individuals issued cards
- Retrieves returned cards from HR for de-activation through the bank
- Addresses issues of lost or stolen cards, or fraudulent charges.

The Accounting Department:


- Maintains electronic copies of all reconciled statements and purchase receipts.
- Assists in answering questions about taxation
- Pays the charges against your card (Monthly electronic funds transfer [EFT] to Wells Fargo.

Cross References: Spending and Contracting Policy No. 3.1.1.; Executive Limitations Policy No. 2.3.2.

This UTA Corporate Standard Operating Procedure was reviewed by the Corporate Staff on June 2, 2015 and approved by the President/CEO/General Manager on this 3rd day of June, 2015 and takes effect on the later date.


Michael A. Allegra
President/CEO/General Manager

Approved as to Form:


Legal Counsel for UTA

Revision History	
Adopted	
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