

POLICY TITLE: TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT

ORIGINAL EFFECTIVE DATE: 4/2011

REVISION DATES: 11/2015, 11/2017, 11/2018

PURPOSE

The Company recognizes employees may be required to travel or incur other expenses to conduct company business. The purpose of this policy is to ensure that adequate cost controls are in place, travel and other expenditures are appropriate and to provide a uniform and consistent approach for timely reimbursement of authorized expenses incurred by employees.

POLICY

This policy and procedures are designed to act as a guideline for business travel, entertainment expense and miscellaneous expense reimbursements. While this policy does contain suggested expense limits, the Company challenges all employees to use professional judgment when incurring business related expenses. The Company recognizes that, in some isolated cases, business related expenses might need to be reviewed on a case-by-case basis; however, this primarily applies if the expense in question was not discussed in this policy.

- I. Incurring Business Expense Expectations
 - A. Exercise discretion and good business judgement with respect to those expenses.
 - B. Be cost conscious and spend Company money as carefully as the employee would spend their own funds.
 - C. Report expenses, supported by required documentation, as they were actually spent.

- II. Expense Report
 - A. Expenses are reimbursed upon completion and approval of a written Expense Report.
 - B. Employees should submit Expense Reports no later than 30 days following the completion of the trip or of incurring the expense.
 - C. The following documentation is required by the IRS and must be recorded on the Expense Report in order to be reimbursed for any business related meals or entertainment and travel:
 1. The date expense incurred.
 2. An itemized list of all expenses for which reimbursement is requested.
 3. Cost of each separate expense.
 4. The name and company of each person for who expenses were incurred (including self).
 5. The business purpose for the expense or the benefit gained or expected to be gained.
 6. For entertainment, also include the name and location of entertainment and type if not otherwise apparent.
 7. For travel, also include the destination, dates left and returned for each trip.

III. Receipts

- A. Receipts are expected for all expenses including expenditures billed directly to the Company, such as airfare and hotel charges.
- B. Expenses listed on an Expense Report will be reimbursed to employees when a receipt is provided and includes the following:
 - 1. Vendor's name.
 - 2. Description of the service provided (if not otherwise obvious).
 - 3. The date, and the total expenses, including tips (if applicable).
 - 4. A credit card receipt may be used to document the vendor and date of an expense, provided other required details of the expenditure are fully documented.
- C. Certain projects from time to time require each receipt to be accounted for on the Expense Sheet submitted.
- D. Missing receipts will be reviewed on an individual basis.

IV. Incorrect or Incomplete Expense Reports

- A. Expense reports that are incorrect, incomplete or include disorganized receipts:
 - 1. Will be returned to the employee for completion.
 - 2. May result in delay or non-reimbursement of specific items.

V. Company Credit Cards

- A. If a corporate credit card is issued to employees for travel (and other) company-related expenses, the requirements for regular expense reports, explaining charges, and receipts, as described above under "Expense Reports" and "Receipts" must still be met.
- B. Charges may not be made for "Non-Reimbursable Expenditures", which includes any non-work related expense.
 - 1. Failure to meet the Expense Report requirements, or making of inappropriate charges will result in the loss of the credit card and may result in disciplinary action up to and including termination of employment.
- C. The employee is responsible for all charges made on their company credit card.

VI. Employee Expense Advances

- A. Employee expense advances may be provided.
- B. An advance of Company funds is to be used only for the Company business and the expenditures for which the advance was obtained must be reported on an Expense Report within 30 days following the business activity stating cash advance on the Expense Report.
- C. Employee Expense Advance Process is to be carried out as stated below:
 - 1. The Company will provide an employee with sufficient funds to meet estimated business expenses for a reasonable period.
 - 2. The employee needing a cash advance must complete a Check Request form at least three days prior to the commencement of travel.
 - 3. The Department Manager is required to sign the check request form before turning it into accounting for payment processing.
 - 4. An employee must clear up an existing employee advance before a new employee advance is processed.
 - 5. Employees not complying with the subsequent accounting of their advances will lose the privilege of receiving cash advances.

VII. General Travel Requirements

A. Necessity of Travel

1. In determining the reasonableness and necessity of travel expenses, the employee and the person authorizing the travel shall consider the ways in which the Company will benefit from the travel and weigh those benefits against the anticipated costs of the travel.
2. The same considerations shall be taken into account when deciding whether the benefits to the Company outweigh the costs, less expensive alternatives, such as participating by telephone, video conferencing, or the availability of local training opportunities, shall be considered.

B. Personal and Spouse Travel Expenses

1. With advance approval from the Department Manager, individuals traveling on behalf of the Company may incorporate personal travel or business with their business related trips; however, employees shall not arrange business travel at a time less advantageous to the Company or involving greater expenses to the Company in order to accommodate personal travel plans.
2. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by the Company. Expenses associated with travel of an individual's spouse, family or friends will only be reimbursed for limited circumstances and must be approved in advance by the Department Manager.

C. Expenses at Home While Traveling

1. Generally, when absence on business travel causes an employee to have extra expenses at home such as, care of dependents and pets or caretaker services for an unattended residence are not reimbursable unless approved in advance by the Department Manager.

VIII. Air Travel

A. General

1. Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares.

B. Frequent Flyer Miles and Compensation for Denied Boarding

1. Employees traveling on behalf of the Company may accept and retain frequent flyer miles and compensation for denied boarding for their personal use.
2. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

C. Reservations

1. All company air travel is required to be booked through the Company's designated travel agent. Employees are not allowed to book travel using their personal credit card unless approved by their manager.

IX. Lodging

- A. Employees traveling on behalf of the Company may be reimbursed at the single room rate for the reasonable cost of hotel accommodations.
- B. Convenience, the cost of staying in the city in which the hotel is located, and proximity to the other venues on the individual's itinerary shall be considered in determining reasonableness.

C. Reservations

1. All company air travel is required to be booked through the Company's designated travel agent. Employees are not allowed to book travel using their personal credit card unless approved by their manager.

X. Meals

- A. Employees traveling away from their home overnight on behalf of the Company are reimbursed for reasonable costs of meals, including tax and a reasonable gratuity.
- B. The Company's guideline for a reasonable gratuity on meal expenses is 15% for satisfactory service and 20% for exceptional service.

XI. Ground Transportation

A. Courtesy Cars

1. Many hotels have courtesy cars, which will take an employee to and from the airport at no charge. Employees should take advantage of this free service whenever possible.
2. Another alternative may be a shuttle or bus.

B. Taxis

1. When courtesy cars and airport shuttles are not available, a taxi is often the most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved.

C. Rental Cars

1. Car rentals can be expensive, so other forms of transportation should be considered when practical.
2. Rental car insurance is not necessary to purchase; the company has coverage under the general plan.

D. Reservations

1. All company car rentals are required to be booked through the Company's designated travel agent. Employees are not allowed to book car rentals using their personal credit card unless approved by their manager.

XII. Personal Cars

- A. Employees are compensated for use of their personal cars when used for company business, unless they receive an auto allowance. When individuals use their personal car for such travel, including travel to and from the airport, mileage reimbursement will be allowed at the currently approved IRS rate per mile.
- B. In the case of individuals using their personal cars to take a trip that would normally be made by air, mileage will be allowed at the currently approved IRS rate per mile; however the total mileage reimbursement will not exceed the sum of the lowest available round trip coach airfare.
- C. Employees who receive an auto allowance and are required to travel to out-of-town jobsites that are at a drive-to location shall be reimbursed for miles after passing a radius of 75 miles from either the Company main office, or their home; whichever is closest to the project. Reimbursement shall apply to miles over the 75 mile radius in each directions of travel. Mileage will be reimbursed at the current approved IRS rate per mile.

- XIII. Parking/Tolls
- A. Parking and toll expenses, including charges for hotel parking, incurred by employees traveling on organization business will be reimbursed.
- XIV. Entertainment and Business Meetings
- A. Reasonable expenses incurred for business meetings or other types of business entertainment will be reimbursed only if the expenditures are approved by the Department Manager.
 - B. The employee must disclose on the Expense Report the date of the entertainment, the name, title and company of each person whom expenditures were incurred (including self), the business purpose of the entertainment and the location of the entertainment.
 - C. Vendor receipts (not credit card receipts or statements) showing the vendor's name, a description of the services provided, the date and the total expenses, including tips (if applicable) should be attached to the Expense Report.
 - D. The Company's guideline for a reasonable gratuity on entertainment and business meeting expenses is 15% for satisfactory service and 20% for exceptional service.
- XV. Employee Development Courses, Seminar and Conventions Expenses
- A. The costs of employee development courses, seminars and convention expenses which have a business purpose related to the individual's job are reimbursable if approved in advance by the employee's manager.
 - B. The employee must disclose on the Expense Report the name and date of the course, seminar or convention, the business purpose, and the location of the course, seminar or convention.
 - C. Vendor receipts (not credit card statements) showing the vendor's name, a description of the expenses, the date and the total expenses, should be attached to the Expense Report.
- XVI. Business Dues and Fees
- A. Fees and dues for membership in professional organizations are reimbursable if the fee is approved by the individual's manager.
 - B. Membership fees in a professional organization and professional trade publications, if approved by the employee's manager are to be submitted on an Expense Report.
- XVII. Non-reimbursable Expenditures
- A. In addition to expenditures which have been specifically identified elsewhere, costs of the following types are also not reimbursable:
 1. Gratuity amounts over 20% of the total bill on business expenses.
 2. Travel insurance
 3. First class tickets or upgrades
 4. Airline club membership dues
 5. Limousine travel
 6. Charitable contributions and gifts
 7. Expenditures which are not incidental to company business and are of a type which an employee would make, at personal discretion, whether at home or away, are not reimbursable. This includes but is not limited to personal entertainment such as movies and theater tickets, periodicals, books, haircuts, recreational activities, etc.
 8. Delinquency fees/finance charges for personal credit cards
 9. Loss/Theft of personal funds or property/lost baggage
 10. Cost of personal travel and accident insurance

11. Medical costs incurred while traveling on company business. (Company provided health insurance may cover these expenditures. The employee should discuss this with Human Resources.)
12. Employee expenses related to vacation days while on a business trip
13. Expenses for spouses, friends or relatives

XVIII. Approval/Authorization Process

- A. The employee's Department Manager must approve all expense reports.
- B. No employee is authorized to approve their own, a peer's or a manager's expense report.
- C. The manager is responsible for verifying:
 1. Business purpose
 2. Correct totals
 3. Supporting documentation and receipts
 4. Policy compliance