

EXPENSE REIMBURSEMENT / TRAVEL POLICY

This policy was developed to serve as a reference source and give procedures for business travel for employees of the Arbor Day Foundation. It is also intended as a guide for both employees and those authorized to approve expense reports. Furthermore, it is a means of informing staff members and other authorized individuals of their privileges and obligations in the expenditure of the Foundation's funds for travel, entertainment, and other business expenses.

Travel will be authorized when it is necessary and directly related to Foundation business. Travel for training purposes may also be permitted at the discretion of the approving supervisor.

It is the Arbor Day Foundation's policy to reimburse employees for the actual and reasonable expenses incurred on the Foundation's behalf while engaged in authorized business. You are given as much freedom as possible within the guidelines of this policy to decide what expenditures are necessary and are asked to always use fiscal prudence when making your decisions. The most important travel objectives are:

Safety – Your first consideration when planning a business trip should be your safety and the safety of anyone traveling with you.

Effectiveness – Your travel should have a definite purpose and the travel and entertainment arrangements should be appropriate to complete the business objective.

Expense Management – It is your responsibility to manage the overall cost of your trip within these guidelines and try to reduce expenses wherever possible.

Representative of the Foundation

When you are traveling on official business, you represent the Arbor Day Foundation and must perform your duties in a professional manner. Your choices reflect upon our organization. Use care and discretion.

The Arbor Day Foundation reserves the right to refuse reimbursement for any travel expense it determines to be contrary to the intent of this policy or in possible violation of any laws or government regulations. When traveling, you must:

- 1) Review the proposed trip to determine whether the trip is really necessary or if there are alternatives. Plan the itinerary to accomplish the purpose with minimum time and expense.
- 2) Select the least costly mode of transportation that provides adequate service.
- 3) Schedule your departure and arrival in order to conduct business as efficiently as possible.

4) Claim reimbursement for only allowable expenses.

The following are considered reimbursable business expenses:

- Business travel expenses such as airfare, hotel, rental cars, taxi, shuttle
- Entertainment and fees relating to conducting of business
- Fees and dues for professional and business associations

The following are examples of non-reimbursable expenses:

- Cigars, cigarettes
- Haircuts, laundry, dry cleaning, valet service
- Personal recreational activities (green fees, spa fees, court fees)
- Personal entertainment (movies, concerts, sporting events)
- Damage to an employee's vehicle, parking or traffic fines
- Expenses for making personal side trips.
- Loss of personal property while traveling; this includes luggage lost before and after the trip.
- Loss of cash advance or airline tickets
- Travel expenses for employee's family members unless authorized

Where the Foundation reimburses an employee for expenses, these amounts may constitute taxable income to the employee unless the employee can substantiate the expenses as legitimate business expenses.

1) To comply with IRS guidelines, you must be able to prove that the expenses were, in fact, paid or incurred. Expenses must be substantiated as to:

- Amount
- Time and place
- Business purpose

You must submit an itemized receipt for expenses that you wish to be reimbursed. (This includes the portion of your airline ticket after the actual flight coupon has been detached; a copy of your itinerary does not meet IRS guidelines. A digital copy of your boarding pass will be acceptable for airlines which accept digital boarding passes).

2) It is important that all expenses are recorded in the month they were incurred. Therefore, expense reports need to be received in accounting no later than one week after your travel has occurred. Please allow one week for the accounting department to process your expense report and prepare your reimbursement.

Responsibilities of Approving Supervisor

All expense reimbursement requests must be signed by an authorized individual prior to submitting the request to accounting. Persons authorized to approve expense reports are as follows:

Treasurer – Authorizes Directors' expense requests

Directors – Authorize expense reports for managers reporting directly to them.

Managers – Authorize expense report for employees reporting directly to them.

As an approving supervisor, you must make certain that the travel is necessary and directly related to the Foundation's business before you authorize a travel request or reimbursement.

When you sign a travel reimbursement request, you are verifying that transportation and expenses comply with Foundation policy. You must make sure that the original supporting documents are attached to the request and that rates are reasonable, considering the area where they were incurred.

GENERAL GUIDELINES

Air Travel

The Foundation will pay only for coach fare air travel. Reservations must be made as far in advance as possible to take advantage of any special fares that may be available which apply to advance reservations and ticket purchases. However, you must be aware that certain discounted fares are subject to substantial penalty upon cancellation.

Saturday Night Stay Over

If an employee chooses to stay over on a Saturday night to secure a lower airfare and reduce the total cost of the trip, the Foundation will reimburse the employee for their extra hotel and meal expenses. A cost comparison must be documented by the employee and submitted with the employee's expense report. The additional time away from the office is not considered extra time worked. Saturday night savings must be pre-approved by the employee's supervisor and result in a net savings (including all reimbursable costs) to the Foundation.

If a business trip is extended for personal reasons, expenses incurred for the extended time are not reimbursable.

Automobile Rental

It is recommended that mid-size or smaller cars be used when feasible. The ultimate choice, however, will be left to the best judgment of the traveler, taking into consideration the purpose for which the car is to be used, the availability of a smaller car, safety, etc. Employees are always encouraged to shop around for the best deal, but we do have an agreement with Enterprise which guarantees us a fairly competitive rate at most airports. See the "Employee Discount Sheet" located in the Benefit Documents section under the Links tab on our Treehouse intranet for discount codes and other details of our agreement with Enterprise. We would encourage you to use Enterprise anytime costs are comparable, due to our long-standing partnership.

When renting a car, you must be in possession of a valid driver's license. Rental cars are to be checked for damage both before leaving the rental lot and again as car is returned to the rental lot, and car is to be returned with a full tank of gas to avoid costly refill charges. Whenever possible, avoid returning the vehicle and letting the rental company fill the tank.

There is no need to purchase the auto insurance from the rental car company. The Foundation maintains auto insurance for all our employees that are traveling on business and will pay the appropriate deductible in the event of an accident or other damage to the vehicle.

Company Credit Cards

Bank credit cards **may** be available as a convenience for employees traveling frequently as part of the job assignment. They are **not** to be used for personal use. Any personal charges inadvertently incurred will be repaid immediately by the employee, either in the form of a personal check or a salary deduction on the next payroll.

- 1) Foundation credit cards may only be used for the following purposes:
 - Authorized overnight hotel accommodations
 - Meals with Foundation guests (i.e. donors, workshop and conference speakers, trustees, corporate marketing contacts) as well as meals for employees who are traveling alone or with other Arbor Day employees.
 - Car rental and gasoline for rented vehicles
 - Expenses requiring immediate payment for seminars and conferences put on by the Foundation (i.e. audio visual, room rental, seminar refreshments)

Remaining authorized expenses will be reimbursed per our travel policy.

- 2) All itemized sales receipts and credit card receipts must be submitted to accounting with all expense reports according to travel policy.
- 3) These rules must be strictly followed. Any other uses of the card will result in loss of credit card use.

Expense Report Form/Format

Please use the Excel expense report template located W:\Human Resources\Expense Reports for submitting your expense report for reimbursement. You may use a similar reporting format as long as it contains all of the information listed on the recommended template. Please note that all columns must be totaled and project numbers and names need to be included. All expenses must be fully documented with adequate detail to substantiate all expenditures. **You must submit an itemized receipt for expenses that you wish to be reimbursed.**

Lodging

You will be reimbursed actual expenses for lodging when you travel on official business. You must attach itemized receipts supporting your lodging claim. The receipts must be from a recognized commercial place of lodging (this includes hotel, motel, or boarding house). You may not claim lodging expenses if you stay in the residence of friends or relatives

Business Meals and Entertainment

We ask that you be reasonable in the purchase of meals and beverages. On usual business trips it is considered appropriate to eat breakfast and lunch at coffee shops or cafes and dinner at standard restaurants of the type maintained by most commercial hotels and motels

Expenditures for entertainment of a business guest at a meal are allowed if related to the objectives of the trip. Generally speaking, only employees who have the responsibility requiring entertainment of guests will find it necessary to do this. Such responsibilities are, in most instances, determined in advance and are known by those involved. List on your expense report the business purpose of the meal as well as the names of all individuals participating in a business meal.

The following policy will apply to reimbursement for **Alcoholic Beverages** consumed or purchased while transacting Foundation business:

The Foundation will reimburse the reasonable costs of alcoholic beverages consumed or purchased while conducting approved Foundation business. The Foundation defines reasonable consumption in a business setting to be no more than two drinks per person.

In the course of conducting Foundation business, employees are expected to behave responsibly, lawfully and in accordance with our Drug Free Workplace policy.

Federal regulations prohibit reimbursement of ANY expenditure for alcoholic beverages with federal funds, including funds provided by federal grants. If reimbursement is requested for alcohol expenses from non-federal grant funds, additional restrictions, documentation requirements, and limitations may apply as stipulated by the grant.

Mileage

When using your personal vehicle for business travel, submit only your actual mileage, not fuel expense. The Arbor Day Foundation reserves the right to determine the mileage reimbursement rate on an annual basis.

Telephone Calls

To be reimbursed for business telephone calls you will need to reference the reason next to each.

Travel Advances

Only in special instances will we allow travel advances for those not authorized to use a Foundation credit card. If you need a cash travel advance, you must request, in writing, from your supervisor the amount you need and obtain authorization with reasonable notice. The supervisor must then obtain written approval from the Treasurer.

Within one week of your return, you must submit an expense report with appropriate documentation and itemized receipts in order to substantiate the cash advance. You must turn in any unused cash on your first day back at work.

If you are separating from the Foundation and you owe money from an outstanding travel advance, the outstanding amount will be taken from your final paycheck unless you directly repay the funds prior to the final paycheck being issued.

Deviations

If an unusual situation arises which is not directly addressed in this policy, please discuss this with your supervisor. You may be asked to submit supporting documentation that explains your specific reasons.

If it is not possible to discuss the situation in advance with your supervisor, use good judgment and keep the interests and appearance of the Foundation foremost in your decision-making.