

SOP # _____ Revision: _____
Effective Date: _____

Prepared by: _____
Approved by: _____

Title: TRAVEL AND ENTERTAINMENT

Policy: All reservations required for business travel and entertainment will be made through the designated Travel Coordinator(s). Expenses are to be within established Foundation guidelines and will be reimbursed with proper documentation. Employees are expected to spend the Foundation's money as carefully and judiciously as they would their own.

The Foundation recognizes that employees who travel far from home to represent the Foundation's business interests must forego their living accommodations and may forfeit personal time. Accordingly, the Foundation will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for employees. However, these items are not intended to be perquisites and the Foundation reserves the right to deny reimbursement of expenses that are considered lavish or extravagant.

Purpose: To provide guidelines for travel and entertainment expenses as they were actually spent, account for all advances promptly and accurately and to communicate the procedures for reimbursement.

Scope: This procedure applies to all departments and individuals who travel or entertain for the Foundation.

Responsibilities:

Travel Coordinator is responsible for making arrangements needed for business travel.

Accounting Personnel will receive and review the expense report documentation and process necessary employee reimbursement.

Procedure:

1.0 TRAVEL ARRANGEMENTS

- 1.1 All arrangements required for business travel are to be made through the Travel Coordinator. The coordinator can solicit better corporate discounts and rates for hotels, airlines, car rental agencies and travel agencies. Employees benefit because they do not have to spend their own time comparing rates and making their own arrangements.
- 1.2 To arrange for travel, complete the travel arrangements form with all pertinent information and receive departmental approval. The form should then be forwarded to the staff responsible for coordinating travel (Travel Coordinator). For maximum savings on airfares, this form should always be completed at least 15 days in advance unless an emergency trip is required.
- 1.3 It is preferable that all employees travel during non-working hours to maximize efficiency. The Travel Coordinator will make arrangements for the trip as required and will return a travel itinerary and any tickets or reservation forms to the employee.

- 1.4 **Cash Advances** - To help ensure accurate and timely expense report preparation and reduce the additional paperwork required to process and track Cash Advances, the Foundation generally discourages cash advances unless special circumstances apply. Employees are encouraged to use credit cards with a grace period to provide float time between incurring the expense and receiving reimbursement from the Foundation.

If an employee requires a cash advance, the amount should be completed on the travel arrangements form with a supporting explanation for the advance. The advance request will then be forwarded to accounting for processing. Travel advances should be no less than \$100 and no more than \$500 (for international travel).

When a cash advance is received, the employee will reduce their expense reimbursement by the amount of the cash advance. In the case where the cash advance exceeds the expenses for the report submitted, the remaining cash must be turned into the accounting department with the expense report. Amounts owed the Foundation cannot be carried forward to future expense reports. Any advance outstanding will be deducted from the employee's paycheck.

- 1.5 **Direct Billings** - Direct billings to the Foundation from motels, restaurants, etc. are not permitted unless previously authorized.

2.0 EXPENSE GUIDELINES

- 2.1 Air Travel - The Travel Coordinator will make airline reservations based on the following criteria:

- Expediency: Getting the employee to their destination in an expedient way. (Direct flights when possible or connecting flights if necessary for faster flight schedules).
- Cost: Employees will fly coach class unless extenuating circumstances apply.
- Air Carrier: An employee's preferred airline can be utilized as long as expediency and cost factors are equal. In most cases, airfare will be directly billed to the Foundation's travel agency account.

On occasion, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. This may mean that employees will fly at times that are not always the most convenient for them.

- 2.2 Lodging - The travel coordinator will make lodging arrangements based on value, convenience for the traveler and according to what is usual and customary Foundation guide lines.

Whenever multiple employees are traveling to the same location, employees will be required to share accommodations if possible (i.e. male/male or female/female). Lodging accommodations will then be made for double rooms accordingly. If an employee is accompanied by a non-employee such as family or a friend, and therefore requires separate accommodations, the employee will be responsible for payment of any excess lodging accommodations.

- 2.3 Meals - Employees will generally be responsible for obtaining their own meals while traveling. Meals do not include entertaining guests, which should be itemized as entertainment expenses.
- Meals and miscellaneous sundry items will be reimbursed according to the lesser of actual expenses or \$45.00 per day.
- Occasionally, an employee may be traveling to a location with a higher than normal cost of living. For these locations, including foreign travel, an employee can request an increase in the daily per diem rate, but should have it substantiated and authorized prior to departure.
- 2.4 Car Rentals - Advance arrangements should be made by the Travel Coordinator if a car is required at the destination. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s) and any demonstration equipment.
- Supplemental auto insurance coverage offered by car rental agencies is to be declined as Liability and Collision coverage is provided by the Foundation's insurance policy.
- 2.5 Personal Vehicles - An employee required to use their own automobile for business will be reimbursed at the prevailing rate per tax guidelines for per-mile deductions. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.
- The Foundation assumes no responsibility for personal automobiles used for business. Further, any parking or speeding violation is the sole responsibility of the employee.
- 2.6 Telephone - Business-related telephone charges on an itemized lodging receipt and/or telephone charge card should be itemized under telephone expense.
- If an employee is out-of-town on business for several days, the employee may make personal telephone calls home, as long as the charges and length of call are reasonable.
- 2.7 Entertainment - In order for entertainment to be a valid deductible entertainment expenses it must be an ordinary and necessary expense directly related or associated with the active conduct of business. For tax purposes, it is very important to properly document entertainment expenses and substantiate the following elements:
- The date.
 - The place (name and location).
 - Description or type of entertainment.
 - The business purpose and the nature of the business benefit expected to be gained by the Foundation.
 - The business relationship to the Foundation of the persons entertained (name, occupation, title, etc.).
- 2.8 Miscellaneous Expenses - Any additional business expenses that are not categorized above should be listed under miscellaneous expenses and documented with all pertinent information to substantiate the expense.
- 2.9 Non-Reimbursable Expenses - Some expenses are not considered valid business expenses by the Foundation, yet may be incurred for the convenience of the traveling individual.

Since these are not expenses for the business then they are not reimbursable. (The following can be used as a guide of expenses, which are not reimbursable)

Examples include:

- Airline or travel insurance
- Airline or travel lounge clubs
- Shoe shine or Dry-cleaning (except for extended travel beyond 5 days)
- Movies or personal entertainment
- Books, magazines or newspapers
- Theft or loss of personal property
- Doctor bills, prescriptions, or other medical services
- Parking tickets, traffic tickets or Car towing if illegally parked
- Health club memberships
- Baby sitter or Pet care fees
- Barbers and Hairdressers

3.0 EXPENSE REPORT PREPARATION AND REIMBURSEMENT

3.1 All business travel and entertainment expenditures incurred by employees of the Foundation are reimbursed through the use of the. Expense reports should be completed and turned in within two (2) weeks of return or incurrence of expenses.

Expense report forms must be filled out and totaled completely. Use the appropriate headings and total on a daily basis. Required receipts for items charged must be attached to the report. Any questions regarding completion of the report should be directed to the employee's supervisor or the accounting department.

3.2 Upon completion, the expense report along with all attachments should be turned into the employee's supervisor for approval. After approval, the expense report is submitted to the accounting department for processing and reimbursement. In order to expedite reimbursement, the employee should ensure that the report is completed properly, required documentation is attached, proper authorization is obtained, and any unusual items properly explained and documented.

Authorized expense reports will be reimbursed by a Foundation check, normally within two or three weeks after receipt by the accounting department.

4.0 ADDITIONAL INFORMATION RESOURCES

More information is available from the following resources:

- VISA Corporate Card Best Practices
http://www.visa.com/pd/comm/us/corp/best_practices.html
- American Express Corporate Services
<http://www47.americanexpress.com/corporateservices/>
- MasterCard Business Programs
<http://www.mastercardbusiness.com/mcbiz/smallbusiness/index.jsp>

Revision History:

Revision	Date	Description of changes	Requested By
0	11/06/02	Initial Release	