
TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

It is [EMPLOYER NAME]'s practice to reimburse employees for reasonable and necessary expenses incurred during the period they are employed by [EMPLOYER NAME] in connection with travel and other business on behalf of [EMPLOYER NAME], subject to the guidelines and procedures set out in this policy. The specific types of expenses that may be reimbursed and procedures for requesting reimbursement are set out below. Employees must obtain [advance] written approval from [the [DEPARTMENT NAME] Department/[POSITION]] and receipts or other appropriate substantiating documentation for all travel and other business expenses incurred. For expenses in excess of \$[AMOUNT], employees must obtain prior written approval from [the [DEPARTMENT NAME] Department/[POSITION]].

Reimbursable Expenses

Expenses that may be reimbursed under this policy are:

- Business travel expenses, including transportation, lodging, and meals.
- Business meals and entertainment.
- Miscellaneous business expenses[, including [EXAMPLES]].

[EMPLOYER NAME] will only reimburse expenses that meet the substantiation requirements set out below. Expenses not addressed in this policy, such as child care costs and personal entertainment, are not reimbursable. Furthermore, voluntarily incurred expenses, such as an employee's expenses related to working from home (which is offered as a benefit to the employee), are not reimbursable.

Travel Expenses

[EMPLOYER NAME] will generally reimburse employees for business travel expenses incurred in accordance with the guidelines set out below. Employees should always use the lowest-priced transportation option that is reasonably available.

Air Transportation. Employees must travel on the lowest-priced coach airfare available, taking into consideration preferred airports, preferred arrival and departure times, connection times, and other restrictions, including cancellation and change fees.

Baggage Fees. Airline charges for checked baggage are reimbursable in each of the following circumstances:

- The employee is transporting materials belonging to [EMPLOYER NAME].
- The employee is traveling for longer than [NUMBER] days.
- [The [DEPARTMENT NAME] Department/[POSITION]] has approved the charge in advance of the flight.

[EMPLOYER NAME] reserves the right to determine whether to reimburse employees for penalties and other charges for flight cancellations or changes, taking the particular circumstances into account.]

Automobile Transportation and Parking.

Personal Vehicles. If use of an employee's personal vehicle is required for business purposes, [EMPLOYER NAME] will reimburse employees at the mileage rate set by the Internal Revenue Service (IRS). Tolls and reasonable parking fees are also reimbursable. However, [EMPLOYER NAME] will not reimburse employees for expenses not necessary for business purposes, such as:

- Parking tickets.
- Vehicle repairs and maintenance.
- Fines for moving violations.
- Vehicle towing charges.

Rental Cars. If use of a rental car is required for business purposes, [EMPLOYER NAME] will reimburse employees for the reasonable cost of the rental car, gasoline, tolls, and parking fees. Employees must reserve an economy or standard-sized vehicle. Upgrades to full-size vehicles are permissible only with advance approval by [the [DEPARTMENT NAME] Department/[POSITION]] and if required due to the number of passengers.

[[EMPLOYER NAME]'s insurance will cover both the employee and the vehicle when a vehicle is rented for business purposes. Accordingly, employees should not purchase additional insurance coverage from the rental car company.]

Ground Transportation. Employees will be reimbursed for ordinary and reasonably priced ground transportation, including buses, shuttles, taxis, and car services to and from airports or railroad stations and between the employee's hotel and other business-related locations.

Rail Transportation. Employees may use rail travel when it is less costly than air travel. Employees are expected to choose the lowest, most reasonable fare available, taking into account preferred arrival and departure times, applicable connection times, and other restrictions, including cancellation and change fees. Reimbursement of penalties and other charges for cancellations or changes is governed by the rules applicable to air transportation, as set out above.

Hotels and Lodging. [EMPLOYER NAME] will reimburse employees for the cost of standard accommodations in a reasonably priced hotel for overnight stays during business trips. Employees seeking reimbursement for lodging expenses must submit an itemized hotel receipt or statement which indicates that full payment has been made and contains:

- The name and location of the hotel or other lodging.
- The date or dates of the employee's stay.
- Separately stated charges for lodging, meals, telephone, and other expenses.

[A maximum nightly rate applies in certain geographic locations, including a maximum of \$[AMOUNT] per night in [LOCATION]. Employees must obtain prior written approval from [the [DEPARTMENT NAME] Department/[POSITION]] before incurring rates that exceed the listed maximum for a specific location.]

[EMPLOYER NAME] will pay room cancellation fees for guaranteed room reservations only in extenuating circumstances, as determined by [EMPLOYER NAME] in its sole discretion.

Meals. [EMPLOYER NAME] will reimburse employees for the reasonable cost of their own meals while on overnight travel or where an employee is away from their normal work location for an entire day [up to a maximum of \$[AMOUNT] per day]. However, [EMPLOYER NAME] will not reimburse employees for meals that [EMPLOYER NAME], in its sole discretion, determines are lavish or extravagant [or for the cost of any alcoholic beverages].

Employees must provide receipts or other appropriate substantiating documentation for each meal taken throughout the trip[, unless the meal costs less than \$[AMOUNT]]. Employees may include the expense of reasonable gratuities [of up to [NUMBER]%].

This section does not apply to meals purchased for purposes of business entertainment. Reimbursement of business meals and entertainment is covered below.

Business Meals and Entertainment

[EMPLOYER NAME] will generally reimburse employees for the costs of business meals and entertainment as set out below.

Business Meals with Clients, Customers, and Business Affiliates. [EMPLOYER NAME] will reimburse employees for the ordinary and necessary costs of meals with clients, customers, and other business affiliates if the purpose of the meal is business related. However, [EMPLOYER NAME] will not reimburse employees for meals that [EMPLOYER NAME], in its sole discretion, determines are lavish or extravagant [or for the cost of any alcoholic beverages].

When submitting expense reimbursement forms for business meals, employees must submit receipts specifying the names of the attendees and the business purpose served by the meal. [For business meals in excess of \$[AMOUNT] per person, employees must get advance written approval from [the [DEPARTMENT NAME] Department/[POSITION]].]

Business Entertainment. Meals and functions are considered business entertainment if they are intended to provide hospitality to non-employees which, although partly social in nature, are necessary and customary in furtherance of [EMPLOYER NAME]'s business. Expenses for business entertainment should be reasonable in relation to the nature of the meal or function and the resulting business benefit that is anticipated. [For meals and functions in excess \$[AMOUNT] per person, employees must get advance written approval from [the [DEPARTMENT NAME] Department/[POSITION]].] [In addition, [EMPLOYER NAME] will not reimburse employees for the cost of any alcoholic beverages.]

Employees seeking reimbursement for business entertainment should submit a description specifying:

- The date of the event.
- The name and location of the venue.
- The names of each attendee.
- An itemized list of expenditures.
- The business purpose served by the entertainment.
- The nature of the business discussions before, during, or after the entertainment.

Miscellaneous Expenses

Conferences and Professional Development. [EMPLOYER NAME] will reimburse employees for the cost of attending professional development or continuing education programs approved in advance by [the [DEPARTMENT NAME] Department/[POSITION]], including travel costs and registration fees, provided that the content of the program is of a substantive nature that relates directly to the employee's current job responsibilities. [EMPLOYER NAME], however, will not reimburse any costs for continuing education programs required to maintain a professional certification or license not directly related to the employee's current position.

Conference registration fees and other similar expenses should be paid directly by the employer in advance of the event, but may be reimbursed following the event if prior payment by the employer is not possible.

Communications. [EMPLOYER NAME] will reimburse employees traveling on business for the reasonable costs of business-related:

- Phone calls.
- Internet service fees.
- Faxes.

Employees must present receipts and other substantiating documentation itemizing costs and identifying the parties contacted.

Other Miscellaneous Expenses. As noted below, [EMPLOYER NAME] will not reimburse an employee for any other miscellaneous expenses, unless the employee has received written pre-approval for the expense. If the employee's expense exceeds the amount for which the employee received written pre-approval, the employee will not be reimbursed for such expenses beyond the pre-approved amount.

Expense Reimbursement Requests

Employees must receive written pre-approval from their managers prior to incurring any expenses on [EMPLOYER NAME]'s behalf. ***Employees will generally not be reimbursed for expenses incurred without prior written approval.***

Upon obtaining written prior approval, employees may request reimbursement for business-related expenses incurred in accordance with this policy by completing an expense reimbursement form and submitting the completed form, including all receipts and appropriate substantiating documentation as required by this policy, to the [DEPARTMENT NAME] Department. All expense reimbursement forms must be signed and verified by both the employee and [the employee's supervisor/[POSITION]]. Expense reimbursement forms are available [on [EMPLOYER NAME]'s intranet/from the [DEPARTMENT NAME] Department].

Expense reimbursement forms must include original receipts or other appropriate substantiating documentation for each expense showing:

- The amount paid.
- The date the expense was incurred and paid.
- The vendor or provider name and location.

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- The nature of the expense.
 - Other information required by this policy.
 - [OTHER REQUIRED INFORMATION.]

Expense reimbursement forms relating to the business use of an employee's personal vehicle must list the:

- Miles driven.
- Origin and destination.
- Date.
- Business purpose.

If a receipt or other substantiating documentation is not available, the employee must submit a written explanation of why the documentation cannot be provided. [EMPLOYER NAME], in its sole discretion, will evaluate the explanation and determine whether the expense is reimbursable. Receipts or other supporting documentation, however, are not required for expenses less than \$[AMOUNT].

Employees must submit expense reimbursement forms to the [DEPARTMENT NAME] Department within [INSERT, but no longer than 60] days of incurring the expense.

[The [DEPARTMENT NAME] Department/[POSITION]] will verify that expenses are permissible and that documentation is adequate and accurate. [EMPLOYER NAME] reserves the right to refuse any expense reimbursement request that is inaccurate, does not include the appropriate substantiating documentation, is submitted late, or otherwise fails to fully comply with [EMPLOYER NAME]'s policy, as determined by [EMPLOYER NAME] in its sole discretion. Expense reimbursement forms may be subject to audit by [EMPLOYER NAME] [or by government agencies].

Return of Excess Reimbursements

If an employee receives an excess reimbursement, the employee must report and return any excess amounts to the [DEPARTMENT NAME] Department within 120 days.

Expense Reimbursement Payment

Payment Date. [EMPLOYER NAME] will reimburse an employee for reimbursable expenses promptly following the date on which the employee submits a complete expense reimbursement form that includes all required approvals and substantiating documentation, but in any event no later than December 31 of the calendar year following the calendar year in which the expense is incurred.

Section 409A of the Internal Revenue Code. Reimbursements under this policy are intended to comply with Code Section 409A and applicable guidance issued thereunder or an exemption from the application of Section 409A.

Accordingly, all provisions of this policy shall be construed and administered in accordance with Section 409A. The amount of reimbursements provided under this policy in any calendar year shall not affect the amount of reimbursements provided during any other calendar year and the right to reimbursements hereunder cannot be liquidated or exchanged for any other benefit.

Notwithstanding any provision of this policy, [EMPLOYER NAME] shall not be liable to any employee for any taxes or penalties imposed under Section 409A on any reimbursements hereunder.

[EMPLOYER NAME] Issued Credit Cards

[EMPLOYER NAME] may, in its sole discretion, issue [EMPLOYER NAME] credit cards to certain employees for business-related purposes. Employees may only use their [EMPLOYER NAME] credit card to incur expenses that are reimbursable under this policy. Employees may not incur personal expenses on [EMPLOYER NAME] credit cards. Employees must [pay the credit card bill directly and] submit reimbursement requests for expenses incurred on their [EMPLOYER NAME] credit card in the same manner as expense reimbursement requests for other expenses as set out in this policy, including by submitting all necessary receipts, substantiating documentation, and approvals and complying with applicable deadlines[, including the [EMPLOYER NAME]'s credit card payment due date]. [EMPLOYER NAME] will not reimburse employees for expenses that are not reimbursable under this policy, including personal expenses and late fees.

Use of [EMPLOYER NAME] credit cards is a privilege and may be withdrawn by [EMPLOYER NAME] at any time in its sole discretion.]

Administration of This Policy

The [DEPARTMENT NAME] Department is responsible for the administration of this policy. If you have any questions about this policy or [EMPLOYER NAME]'s travel and business expense reimbursement procedures, please contact the [DEPARTMENT NAME] Department.