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# TRAVEL EXPENSE REIMBURSEMENT POLICY

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## 1.0 POLICY

It is the Free State Project's (FSP's) policy to pay for **reasonable** costs for travel, meals, and entertainment that FSP Employees incur while conducting business on behalf of the FSP. To qualify for reimbursement, the Employee must obtain pre-approval for any event for which they will request more than routine mileage. The Employee must properly document **all expenses** and submit the expense report to their Supervisor for review and approval.

The FSP is a non-profit organization dependent on charitable donations from its members and friends. We welcome and encourage FSP Employees to pay for their own expenses without reimbursement, if they have the means to do so.

## 2.0 FUNDAMENTAL INFORMATION

### 2.1 PURPOSE

The Internal Revenue Code requires adequate documentation of travel and entertainment (T&E) expenses in order to justify the tax deductibility of these expenses. The purpose of this policy is to establish standard procedures for T&E expenses.

### 2.2 SCOPE

This policy applies to all FSP Members, Employees and Volunteers, collectively referred to as Employees for the purposes of this policy.

### 2.3 RESPONSIBILITIES

- Employees who incurred expenses must submit expense reports to their Supervisor on a monthly basis. Employees must obtain pre-approval for any event for which they will request more than routine mileage.
- The Supervisor may approve expenses totaling less than \$100. The Supervisor should monitor compliance with this policy. Supervisors should promptly review, approve and forward expense reports in a timely manner.
- The President may approve expenses totaling up to \$500. The President and at least one Board Member must approve expenses totaling more than \$500. The President and/or approving Board Member should promptly review, approve and forward expense reports to the Treasurer in a timely manner.

- The Treasurer will audit expense reports for compliance, returning incomplete or incorrect expense reports to the Supervisor for correction. The Treasurer will process reimbursements for correct and complete expense reports in a timely manner.

## 3.0 PROCEDURE

### 3.1 DOCUMENTATION OF EXPENSES

Submit T&E expense reimbursement requests on a Business Expense Report (OPS-GEN-1001.F1).

The Employee must list the business purpose for each expense in the Description of Expenses column.

The Employee is responsible for completing the Business Expense Report accurately and completely. The Employee should list expenses in the appropriate columns and total all columns.

### 3.2 ORIGINAL RECEIPTS

The Employee must provide an original, detailed receipt for each expense. A credit card receipt showing only the purchase total is not sufficient. *The Treasurer will not reimburse expenses that are not documented with an original, detailed receipt.* The Employee should tape receipts to 8.5X11 pages and attach the pages to the Business Expense Report.

### 3.3 SIGNATURES

The Employee must sign the Business Expense Report, attesting to the validity and business purpose of the expenses submitted for reimbursement. When necessary, the Employee must include the written pre-approval from the President and/or Board Member. The Supervisor must sign the expense report, signifying that the Supervisor has reviewed and approves the reimbursement. **Original** signatures are required; the Treasurer will return faxes or copies for signature.

## 4.0 REIMBURSABLE EXPENSES

Travel-related expenses include lodging, airfare, car-rental, ground transportation, and mileage incurred driving personal vehicles for FSP business.

## **4.1 LODGING**

The FSP will reimburse standard room accommodations for overnight travel. Overnight travel is defined as travel that entails drive time of two (2) or more hours from point of origin.

The FSP will not reimburse luxury or resort hotel accommodations. The hotel cap is \$150 per day (excluding taxes). Exceptions to this policy must be approved in advance by the President or reimbursements will be limited to the cap and the Employee will incur the balance.

The Employee is solely responsible for “Noshow” charges. The FSP will not reimburse “Noshow” charges unless the FSP has canceled the purpose for the travel.

Meals and telephones charges that appear on the lodging bill must be listed in the appropriate columns on the Business Expense Report.

Employees are asked to charge long distance calls to a personal calling card or cellular phone and submit the charges to the FSP for reimbursement.

## **4.2 AIRFARE**

The Employee must include the travel voucher issued by the airline with the expense report to document the travel expense.

The FSP will only reimburse airfare for commercial airlines at Coach fare. If the Employee flies at a cost greater than that covered by policy (Business or First Class), the Employee will pay for the difference.

Costs associated with extending a stay to take advantage of lower airfare, are reimbursed to the extent that they do not exceed the cost of the minimum stay.

## **4.3 CAR RENTAL**

Employees may use car rentals when traveling on FSP business where public transportation or personal cars are unavailable or inadequate.

The FSP requires that Employees insure against liability and property damage.

Prior to returning the vehicle, Employees must fill the gas tank at a normal service station, not at the rental agency. Employees should list any gasoline costs for rental vehicles in the Ground Transportation column.

Compact cars are to be used unless there are more than two (2) people traveling together or unless otherwise approved. Rental cars are to be driven for FSP business purposes only, and are not to be driven by non-FSP Employees.

#### **4.4 PERSONAL CAR USE/MILEAGE**

The FSP will reimburse \$.25 per mile for all business travel made with a personal vehicle.

Employees must detail any business mileage incurred using a personal vehicle on a Mileage Log and list the total reimbursement amount in the Mileage column of the Business Expense Report (OPS-GEN-1001.F1). A detailed explanation of business purpose, destination and odometer readings is required for reimbursement.

In the event the Employee is using his/her personal auto on approved FSP business and is involved in an accident, the Employee's personal auto insurance would assume coverage for property damage to the Employee's vehicle. There is no coverage provided by the FSP. Damage to the other party's vehicle would also be the responsibility of the Employee's personal auto insurance policy.

#### **4.5 GROUND TRANSPORTATION**

Receipts are required for reimbursement of the following business expenses: bus, subway, taxi fare, parking and tolls.

#### **4.6 MEALS AND ENTERTAINMENT**

Reasonable business meals with business associates from outside the organization are reimbursable so long as they serve a clear promotional purpose. Business meals and entertainment require prior approval from the Supervisor. The Employee must document the date, location, business purpose, organization names, associate names and titles for each business meal and/or entertainment expense. Business practice generally dictates that the Senior Employee attending business meal and entertainment functions take responsibility for expenses incurred at those functions. The FSP does not reimburse for alcoholic beverages.

The FSP does not reimburse for travel meals or for meals with FSP volunteers.

#### **4.7 TIPS**

Employees should use reasonable judgment regarding tipping. Generally 15% is considered reasonable. The tip should be included with the cost of the associated expense, if applicable.

## 4.8 TELEPHONE

The FSP will reimburse for all business calls made while on overnight travel if the Employee produces a copy of the telephone bill with business calls highlighted and totaled.

## 5.0 NON-REIMBURSABLE ITEMS

Employees may not offer meals, entertainment, gifts and similar favors to any official, military officer, or employee of any federal or state agency whose regulations prohibit the acceptance of such favors.

Items of a personal nature are *not reimbursable*:

- Personal hygiene/toiletries, newspapers, magazines, cigarettes
- Personal dues to clubs, airline membership clubs, etc.
- Flight or baggage insurance
- Costs of replacing the Employee's luggage, its contents, or personal belongings if lost or damaged while traveling on business. Claims for such losses must first be lodged directly with the airline, hotel or other business involved. The FSP may reimburse non-reimbursable losses if deemed reasonable and approved by the President.
- Personal expenses incurred at home: Expenses incurred as a result of being away on FSP business, i.e. lawn care, snow removal, baby-sitter fees, boarding for pets, laundry and cleaning services.
- Alcoholic beverages
- Charges for repairs, towing, or deductibles if the Employee's personal car is damaged while on FSP business
- Citations/tickets for moving violations or other fines
- Annual credit card fees
- Hotel movies
- Car washes
- Personal telephone calls
- Gifts to staff, without prior approval from Supervisor

## **6.0 DOCUMENTATION**

OPS-GEN-1001.F1 Business Expense Report

