

**National Laboratory for Education Transformation (NLET)
TRAVEL POLICY, CREDIT CARD and EXPENSE REIMBURSEMENT
POLICY and PROCEDURES**

1.0 STATEMENT OF PURPOSE AND RESPONSIBILITIES:

1.1 This document establishes policies governing the reimbursement of travel, entertainment and other business expenses ("business expenses") incurred during the conduct of NLET business, as well as the issuance and use of credit cards. It is NLET policy to reimburse employees for ordinary, necessary and reasonable expenses when directly related to the transaction of NLET business

1.2 Directly related means:

- there is the expectation of deriving some current or future benefit for NLET
- the employee is actively engaged in a business meeting or activity necessary to the performance of the employee's job duties
- there is a clear business purpose for entertainment

1.3 Employees are expected to exercise prudent business judgment regarding expenses covered by this policy.

1.4 Reimbursement for expenses that are not in compliance with this policy requires the prior written approval of the CFO or the President.

1.5 NLET employees are responsible for complying with this policy. Employees submitting expenses that are not in compliance with this policy risk delayed, partial or forfeited reimbursement.

2.0 DOCUMENTATION

2.1 Requests for reimbursement of business expenses and requests for payment of credit card bills, must be submitted on the proper "Expense Report and Credit Card Reconciliation Form", an example of which is included as Exhibit I.

2.2 While original receipts are recommended for all expenses submitted for reimbursement, they are required for all expenses greater than \$15.00. Requests for exceptions to this policy should document extenuating circumstances and be approved by the CFO or the President.

2.3 NLET complies with IRS regulations, which require that all business expenses be substantiated with adequate records. This substantiation must include information relating to:

- (1) the amount of the expenditure
- (2) the time and place of the expenditure
- (3) the business purpose of the expenditure
- (4) the names and the business relationships of individuals other than yourself for whom the expenditures were made.

2.4 Requests for reimbursement lacking this information will not be processed and will be returned to the originator.

3.0 APPROVALS

3.1 Expense reimbursement forms, together with required documentation, must be submitted to the employee's immediate supervisor for review and signature approval.

3.2 In the absence of the immediate supervisor, approval from the next higher level of supervision is required.

3.3 The President or CFO may approve expense reimbursement if the above mentioned supervisory approvals cannot be obtained due to the supervisors' absences.

3.4 Supervisors approving expense reports are responsible to ensure the following:

- (1) Expenses reported are proper and reimbursable under this policy
- (2) The expense report has been filled out accurately and has the required documentation
- (3) The expenses are reasonable and necessary

4.0 REIMBURSABLE EXPENSES

4.1 The following are reimbursable expenses assuming they are in compliance with section 1.0 of this policy: Hotel or motel and related tips; Travel expenses including airfare, train fare, bus, taxi and related tips; Meals, including tips between 15-20%, Business telephone calls from personal phones; Car rental; Personal vehicle mileage (32.5 cents per mile); Gasoline and oil for NLET owned, leased or rented vehicles; Tolls; Conference and convention fees; Business entertainment expenses; Travel expenses for a spouse, partner or friend if it can be shown that the person's presence was both essential and directly related to the effective accomplishment of company business (in these limited instances, the employee must obtain written approval IN ADVANCE from their functional the President or CFO); Parking; Other reasonable and necessary business expenses, not specifically excluded by section 4.2.

4.2 The following expenses are not reimbursable under this policy:

Baby-sitter costs; Airline club dues; Barber/hairstylist; Traffic fines; Tips in excess of 20% & tips in addition to pre-applied gratuity; In-flight movies/refreshments; Hotel room movies and other forms of personal entertainment; Luggage, briefcases; Alcohol, unless consumed during legitimate entertainment activities with or for others beyond the NLET community; Meals including only NLET employees, unless traveling; on NLET business or approved in advance by the President; Parties and gifts for employees, including work study students Reimbursement for personal miles in excess of the cost of airfare to the same destination; First class airfare; Sales tax from which the NLET is exempt (see Section 6.0); Tuxedo rentals.

4.3 No policy can anticipate every situation that might give rise to legitimate business expenses. Reasonable and necessary expenses, which are not listed in section 4.1, may be incurred. Each employee and supervisor must use his/her best professional judgment in determining if an unlisted expense is reimbursable under section 1.0 of this policy.

4.4 Personal vehicle: Employees who utilize personal cars for business travel will be reimbursed at the per mile rate established annually by the NLET. Miles submitted for reimbursement should be net of any normal commuting miles. The CFO will make the current rate known to the NLET community. The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee.

5.0 CREDIT CARDS

5.1 Credit cards issued in the name of NLET, which include but are not limited to VISA, MasterCard, gasoline and telephone cards, will be provided to those employees whose jobs require a sufficient amount of travel and/or entertainment. Employees in need of a credit card must submit a properly completed and approved "Request for Credit Card" form to the CFO and must sign the "Employee Statement of Responsibility" (attached as Exhibit II). Credit cards represent an extension of credit to the NLET and, accordingly, may only be issued with the approval of the CFO. Cards issued in the name of the NLET are a privilege for convenience and must not be used for personal expenses.

5.2 Employees are expected to process credit card bills and present them to Accounts Payable for payment not later than eight (8) business days before the payment due date so as to avoid late fees and interest charges. Late fees and/or interest charges resulting from late submission to Accounts Payable will be paid by the employee.

5.3 For employees who have a temporary need for a credit card, loaner cards are available through the Purchasing Department. As with all credit cards issued in the name of the NLET, loaner cards will not be used for personal expenses.

6.0 SALES TAX

6.1 As a not-for-profit organization, NLET is exempt from certain sales taxes and it is the employee's responsibility to be familiar with this exemption. It is the employee's responsibility to indicate to the vendor that is a tax- exempt organization.

6.2 A Tax Exempt Certificate (attached as Exhibit III) will be issued to each employee to whom a credit card is issued, and will be made available to employees utilizing loaner credit cards. Use of the certificate to avoid sales tax on personal transactions is strictly forbidden.

6.3 Sales tax, from which the NLET is exempt, is not reimbursable under this policy, and if paid by the employee, remains the obligation of that employee.

7.0 PROCEDURES

7.1 Cash advances: Since NLET credit cards can be made available to virtually any employee, it is unusual for a cash advance to be necessary. The NLET recognizes that some incidental expenses cannot be paid by credit card (i.e. tolls, tips, and taxis). Requests for cash advances (\$250 limit) must be submitted to the Cashier's Office on the proper Cash Advance form, attached as Exhibit IV. The Cash Advance form must be approved in a manner consistent with section 3.0 of this policy. Generally, no subsequent advance will be made available if the accounting for a previous cash advance has not been completed.

7.2 Parking tickets and moving violations: The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets. NLET, if billed, will pass the bill onto the driver to be paid. If the driver is unverifiable, the person to whom the vehicle has been rented or signed out will be held responsible.

7.3 Instructions for making travel arrangements: NLET employees should purchase all airline and rail tickets through an NLET approved travel agency. The NLET will not reimburse individuals or pay other travel agents for airline or rail tickets unless there is written confirmation from the NLET approved agency that they cannot match a quote from another agency/internet provided for the same itinerary. Payment should be made with a personal credit card and will be reimbursed based on original receipts, boarding passes and submitted travel forms..

AIR TRAVEL: All employees are expected to travel coach class. Personal frequent flyer credits may be used to upgrade travel class, however, no reimbursement will be made and no contribution recorded on behalf of the employee for the business use of frequent flyer credits.

Delays/Layovers: If you are unable to make a connecting flight because the first flight has been delayed for any number of reasons including mechanical failure, weather, etc., the burden of responsibility in this case rests on the carrier whose flight has been delayed. Most carriers will book you on to your final destination on the next available flight even if it is not their airline, however, this is not a written regulation. If a mealtime and/or overnights involved, they will provide vouchers for dinner and hotel room as compensation. This action is not a written regulation. Employees should seek to obtain as many services as possible through the carrier and are urged to inquire about these services should an event such as this occur. NLET will cover those expenses not covered by the airline, if ordinary, necessary and reasonable.

LODGING: Prudent judgment should be used when selecting a hotel. A single room with a private bath in a moderately priced business class hotel or motel is the NLET standard. Reimbursement for suites or luxury accommodations requires the written permission from the President or CFO prior to booking the lodging. If two persons, one of who is not on NLET business (spouse, friend), occupy a double room only the single rate may be charged to the NLET. Always ask for corporate, conference, or educational discount. "No-show" charges will be the responsibility of the employee.

CAR RENTALS: It is expected that reservations will be made for a compact vehicle, depending on the type of travel. Occasionally a mid-size vehicle may be appropriate when more than one employee will be using the vehicle and in a small number of other circumstances. The cost of premium, luxury or four-wheel vehicles will be charged to the individual renting the vehicle and reimbursement will be made at the compact or mid-sized rates as appropriate. While it is not necessary to purchase additional coverage for domestic travel because the NLET's insurance will apply, it is recommended that additional coverage be purchased when traveling internationally. Employees are expected to refuel rental cars prior to returning them to the rental agency in order to avoid their excessive price for gasoline. Do not use the prepaid gas option.

7.4 Method of reimbursement: All reimbursements in excess of \$50.00 will be made by check issued by the Accountant with the exception of cash advance settlements.

8.0 POLICY EXCEPTIONS

Generally, any exception to this policy must have the prior written approval of the President or CFO. Requests for exceptions should document extenuating circumstances or proposed overall savings to NLET. At certain times, under unusual circumstances, exception may be made after the fact; however, payment by NLET will not be made without the approval of the President or CFO.