

# **Travel and Expense Policy**

## **Purpose**

The purpose of this policy is to:

- a) Describe the types of expenditures that are reimbursable by the association.
- b) Inform employees and representatives of the association of their responsibilities to control and report travel and entertainment.
- c) Describe the process for an employee or officer to file and obtain travel expenses and reimbursement.

## **Employee & Representative Travel & Business Expense Guide**

This guide is intended to aid the NC Chiropractic Association business traveler and NC Chiropractic Association Board of Directors by setting forth guidelines and reporting requirements related to NCCA expectations and IRS regulations.

All travelers bear responsibility for cost-effective business travel. Each employee or representative should carefully review Expense Reports before submitting. Items not considered reimbursable should be removed from totals prior to submission to NCCA staff for reimbursement.

While these guidelines are intended to be comprehensive, it is impossible to anticipate every situation encountered by a traveler. The traveler, is expected to apply these guidelines on a conservative basis, consistent with normal living standards and, where the policy is silent, to exercise good business judgment.

## **General Travel Policy**

It is the NCCA's policy to reimburse employees or representatives for all expenses necessary, reasonable and actually incurred when traveling on authorized association business.

Travel expenses must be properly documented and approved on a Travel Expense Report. It is each employee's responsibility to adhere to policy when involved with expenditures on behalf of the company. Further, it is the responsibility of the CEO to be familiar with the reason for the expenditures and to be satisfied that they have been reported in a manner consistent with the recognized policy.

Employees and representatives are expected to:

- a) Exercise good judgment with respect to expenses.
- b) Spend the association's money as carefully and judiciously as they would their own.

- c) Report all expenses and advances promptly and accurately with required documentation.

**Procedures:**

1) Air Travel

All employees or representatives traveling via air carrier must (where possible):

- a) Secure round trip air tickets at least 30 days in advance. .

Business and First Class travel is not allowed unless it is at the traveler's expense. Employees who are enrolled in airline incentive programs are permitted to utilize their personal upgrades along with the NCCA's booking of the lowest available fare.

Reasonable stopovers enroute may be approved provided that:

- a) They do not interfere or adversely affect achievement of the desired business objective.
- b) They do not result in any significant loss of work time.
- c) The travel expense claimed from the association does not exceed either the actual cost, or the cost of the applicable air fare between the place of departure and the business destination, whichever is the lesser.
- d) Approval must be obtained in advance from the appropriate manager.

If such a stopover is made, the association, assumes no responsibility or liability of any kind for any employee actions or activities during or occasioned by the stopover.

Employees will be required to submit all company paid airfare receipts incurred while traveling.

If at all possible arrangements should be made to arrive and be picked up from the airport. If that is not possible the NCCA will reimburse for airport parking.

2) Car Rental

All travelers should follow the listed guidelines:

Insurance should not be purchased from the rental agency and will not be reimbursed. All drivers must hold a valid driver's license or a car may not be rented.

Car rentals are generally the most expensive mode of transportation and should only be used when the nature of the trip or the locations of the party being visited is such that the use of local transportation (i.e. taxis or limousines ) is not practical or would be more expensive.

3) Personal Auto

An automobile personally owned by an employee and authorized for business use will be compensated when actually driven for such purpose and will be reimbursed a fixed amount of <\$.54> per mile. Mileage should be fully documented as to date, starting location, ending location, persons visited, the business purpose, and the business miles.

4) Taxis

Taxis should be used when other reasonable and less expensive forms of transportation are not readily available. In traveling away from home, overnight living accommodations should to the extent practicable, be selected so as to eliminate or minimize the need to use taxis or other local transportation. When taxis are used, they should be shared to the maximum extent possible by employees traveling together on association business. A receipt for the fare charged must be obtained by the taxi driver.

5) Hotels

At the time the hotel reservations are made, the best available rate with reasonable quality accommodations, at the most convenient location, will be obtained. Upon arrival, the traveler should verify that the rate that is shown on the itinerary is the rate they receive. The travel agent has an extensive list of qualified hotels worldwide that provide the most advantageous rate to the association.

6) Meals

The employee should normally select restaurants which are reasonably priced for the locality and which are consistent with normal living standards. Receipts must be attached for all meals purchase while on business.

Option 1 (per diem):

Employees or representatives traveling on behalf of the NCCA will be reimbursed a per diem rate of no more than \$100 per day. If traveling with an employee with a business credit card, that credit card is to only be used for the employee's specific meal expenses and will not be used to pay for other employees or representatives of the NCCA in order to properly maintain accurate records of reimbursable expense and payments of daily per diems. For employees using a credit card. Receipts must be submitted to Accounting for documentation.

Option 2 (per meal and expense):

The NCCA will reimburse employees or representatives traveling on behalf of the NCCA up to the following amounts:

Breakfast: \$25

Lunch: \$25

Dinner: \$50

Receipts must be submitted. If total amount is more than allowable reimbursement only the allowable rate will be reimbursed. Wine and bar tabs are not reimbursable. Tips not to exceed 20% for reimbursement.

This does not apply to employees working on behalf of the NCCA at conferences and conventions. Guidelines for those meal purchases will fall under conference & convention reimbursements.

#### 7) Education Registration

The NCCA will reimburse for registration of education events for employee or NCCA representatives that are deemed beneficial to employee development. These require prior approval from CEO with request that states name of education, dates, location and potential total expense. NC Chiropractic Association will provide registration for the following members at annual conferences:

COCSA - NCCA CEO

ACA Annual Conference - NCCA CEO & NCCA President

All other employees or representatives will have to obtain prior approvals after demonstration of NCCA direct benefit for above education registrations. Additional education opportunities will need prior board approval for all attendees.

#### 8) Business Entertainment

Business entertainment is limited to the cost of meals and beverages furnished in a hotel dining room or a restaurant.

Since the presumption is made by the IRS that entertainment is not related to the association's business, it is generally necessary to demonstrate that such expenses are associated with the active conduct association business. Therefore, such entertainment must have either directly preceded or followed a bona fide business discussion. Since the company must be prepared to substantiate this expense, the following information is required when reporting company expenses:

- a) Date and place of entertainment
- b) The party's name, title and firm must be stated on the Expense Report.

#### 12) Miscellaneous

The company does not pay for dry cleaning expenses while on a trip of less than five (5) days duration. However, where circumstances require these services, these expenses will be reimbursed. Please document your explanations on the Expense Report.

The payment of tips and gratuities should be limited to those situations and services where such payments are normal practice. The amount of percentage of any gratuity paid should not exceed that which is reasonable and customary for the particular type of category of personal service. The range of 10-20% is considered applicable to most forms of personal service, including restaurant service.

The following are **not** reimbursable:

- Annual credit card fees
- In-room or in-flight movies
- Personal reading materials
- Airline, hotel and car rental club memberships
- Restaurant country club memberships

#### Receipts (Proof of Payment)

The Company request that receipts for all expenditures be submitted, and receipts must be submitted for all expenses over \$10.00. The NC Chiropractic Association will not reimburse expenditure greater than \$10.00 without a receipt.

#### Approval

All Expense Reports must be approved by the CEO prior to reimbursement. Expense reports must be submitted to headquarters within thirty (30) days of first expenditure incurred or reimbursement can be delayed while current reports are processed

## **Business Expenses**

### **Employee & Representative's Responsibilities**

- 1) Use good judgment when incurring business expenses. Consider less expensive alternatives to a trip such as conference call.
- 2) Submit expense claims (expense reports) within 30 days for trips requiring air and or overnight travel. Advanced purchases of airline tickets may be expensed in advance if the charge card bill is received before the trip.
- 3) Obtain appropriate approval signatures, including exception approvals when required.
- 4) Provide accurate actual expense details on the appropriate reimbursement. Adequate documentation includes daily recording of actual expenses by categories in US dollars. All required fields must be completed with original receipts.

- 5) Adhere to meal guidelines.
- 6) When possible schedule travel 14-21 days in advance.
- 7) Exception approval is required if employee business expense is not clearly in accordance with policy. Any of these conditions require exception approval:
  - a. Unusual expense
  - b. Expense could possibly appear to be inappropriate
  - c. Expense exceeds guidelines
  - d. Expense reports not submitted in a timely manner
  - e. Photocopy/inadequate/missing receipt
- 8) Receipts are required for reimbursements of all authorized business expenses. The receipt must identify the name of establishment, date, actual amount incurred, description, and receipt of payment. Items considered non-receptacle such as house keeping/porter tips and some highway tolls can be reimbursed without a receipt. Photocopies and missing receipts require exception approval.
- 9) Employees are required to obtain approval from the CEO before submitting expenses for reimbursement.

### **CEO Responsibilities**

- 1) Ensure all expenses are reasonable, in support of business goals, and in accordance with Company policy.
- 2) Only authorize reimbursement for air, car, and hotel expense if booked with adherence to NCCA guidelines.
- 3) Cost effective management of business expenses.