

TRAVEL & EXPENSES

Introduction

Overview

The purpose of ABC's Travel Policy is to establish standards for the reimbursement of travel expenses incurred by employees on behalf of the company.

Questions about the travel policy should be directed to your project manager or the accounting manager. Any exceptions to the travel policy must have prior approval from the accounting manager.

In This Policy

- ◆ Discussion of General Procedures
- ◆ Corporate Credit Card
- ◆ Air Travel Guidelines
- ◆ Refund Procedures
- ◆ Lodging Instructions
- ◆ Miscellaneous Services
- ◆ Ground Transportation
- ◆ Meal Expenses

Scope

This policy applies to all ABC employees.

Effective Date

This policy is effective August 1, 2001.

ABC Corp. reserves the right to revise this policy, in whole or in part, at its sole discretion at any time.

General Procedures

Each employee who incurs travel expenses on behalf of ABC Corp. has the responsibility to be certain that the expenses are reasonable, necessary for business purposes, and properly documented. Only those expenses essential to conducting company business should be incurred. Falsification of expenses will be considered willful misconduct and is grounds for dismissal.

Reporting of Expenses

All travel and entertainment expenses must be reported on an ABC expense report form. Expense reports must be submitted for approval within five working days of the completion of the trip, or sooner if required by the terms of a contract or project. The timely submission of expense reports on project-related travel is especially necessary for customer invoicing and collection purposes. A consistent record of failure to submit expense reports on a timely basis will be considered a performance issue, and addressed accordingly.

Approvals Required

All expenses incurred on behalf of ABC must be properly authorized and approved by the employee's project manager (for project-related travel expenses) or accounting manager (for all other travel expenses).

Approval indicates that the signer has reviewed the expenses to see that they are reimbursable, reasonable, properly classified, in keeping with ABC's guidelines, and submitted with the necessary receipts.

Reimbursement Schedule

Expense reports are processed on a weekly basis. Employees can expect to receive a reimbursement check no later than two weeks after an approved expense report with all supporting documentation is received by the accounting department.

Charging Travel Expenses

Major travel costs (airfare, lodging, and car rental) should be charged to a corporate credit card. Employees who travel infrequently and who do not have a corporate credit card may charge expenses to their personal credit cards and request reimbursement.

Receipts

Original receipts, airline ticket stubs, airline itineraries, parking receipts, etc., are required to support all requests for reimbursement, with the exception of some meals. Refer to the Meal Expenses section for additional details on the *per diem* meal allowance.

<p><i>ABC Corp. reserves the right to revise this policy, in whole or in part, at its sole discretion at any time.</i></p>
--

Discrimination in Public Accommodations If an employee encounters any discrimination in public accommodations while traveling, he or she should immediately report it to the manager or project manager. If a hotel or restaurant does not comply with discrimination laws, the company will cease doing business with that hotel or restaurant.

Corporate Credit Card

Eligibility ABC provides corporate credit cards to employees who are required to travel on a regular basis, and to those with purchasing responsibility/authority. These cards are issued in an effort to provide security and convenience while traveling, and to avoid the need for employees to use their personal credit for ABC business.

Liability Transactions on corporate credit cards result in corporate liability. This means that a bill is sent directly to ABC for payment, rather than to individual cardholders. Holders of corporate credit cards agree to refrain from using their cards for personal purchases, and to submit receipts of charges on their cards to the accounting manager so invoices can be reconciled.

Card Request Process Managers should request corporate credit cards, in writing, from the accounting manager for employees who need them. Generally, it takes the card issuer seven days to respond to a request for a new card.

Air Travel

It is the policy of ABC that employees should use airlines offering the most direct route and the least expensive fare. Air travel tickets should be purchased as early as possible to take advantage of maximum discount fares.

Reservations Employees generally make their own airline reservations through a local travel agency or via the internet using a corporate credit card. If an employee who has refused a corporate credit card reserves travel on a personal credit card for any reason (such as accumulating points or rewards), ABC is not liable for reimbursement expenses of unused or cancelled tickets.

Non-reimbursable Expenses The cost of alcoholic beverages, personal entertainment, and optional travel amenities is not reimbursable.

<p><i>ABC Corp. reserves the right to revise this policy, in whole or in part, at its sole discretion at any time.</i></p>
--

- First Class and Business Class Flights*** First class and business class travel is not authorized unless specifically agreed to by the client (for project-related travel) or by the accounting manager. Other requests for upgrades from coach class to business or first class will be granted only if the employee pays for the difference in airfare or uses personal frequent flyer points.
- Request for Specific Carrier*** Employees may request air travel via a specific carrier. However, if Bianco Hopkins determines that there is a less expensive alternative carrier, or the customer for whom travel is being done refuses to pay the higher fare, employees are encouraged to take advantage of the lower fare on the alternative carrier or may be required to pay the difference.
- Frequent Flyer Rewards*** It is the policy of ABC that frequent flyer awards accumulated by employees traveling on company business belong to the employee.
- Trips Home*** Whenever feasible, ABC will arrange for employees working on a long-term assignment (defined as longer than three weeks) to fly home on weekends. (Exceptions will be made based on customer requirements and location.)

Meal Expenses

- Meals While Traveling*** ABC expects employees to eat well, but not extravagantly while traveling on company business. Reimbursement will be made based on a *per diem* meal and incidental expense allowance (see section below). In addition to meals, this *per diem* allowance is intended to cover incidentals such as tips.
- The business day is divided into thirds, for the purposes of determining the allowed meal reimbursements. Generally, if employees are en route to or are at an out of town business destination during the listed time periods, the specified *per diem* meal allowance will apply. (Note that “en route” begins when employees leave their homes or offices to commence travel, and ends when they return to their home or office destinations.)

<u>Time Period</u>	<u>Per Diem Meal Reimbursement Allowed</u>
Midnight – 8:00 a.m.	Breakfast
8:00 a.m. – 4:00 p.m.	Lunch
4:00 p.m. – Midnight	Dinner

ABC Corp. reserves the right to revise this policy, in whole or in part, at its sole discretion at any time.

***Per Diem
Meal and
Incidental
Expense
Allowance***

Effective August 1, 2001 ABC will reimburse employees traveling on company business at the CONUS (Continental United States) *per diem* rates established and updated by the General Services Administration. Reimbursement will be at the standard rate unless the destination city is identified as an area in which higher costs result in a higher *per diem* allowance. Note that on January 1, 2001, the standard CONUS rate for meals is \$30/day.

Bianco Hopkins will reference the *per diem* rates approved by the Department of State for travel outside the Continental United States.

***Additional
Information***

Refer to the following links for additional information:

For information on the current standard CONUS rate, as well as U.S. cities approved for a higher allowance based on higher expenses, go to <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>.

For information on specific components of the Meals and Incidentals *per diem* breakdown, go to <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/MandI.html>.

For information on current *per diem* rates approved by the Department of State for travel outside the continental United States, go to <http://www.state.gov/m/a/als/prdm/>.

ABC Corp. reserves the right to revise this policy, in whole or in part, at its sole discretion at any time.