

**KLC Travel and Meeting Expense
Reimbursement Policy**
(Reviewed & Revised 8/17/09)
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Policy Purpose

The purpose of this policy is to document the allowable business expenses eligible for reimbursement. Included is additional reference information that may be useful to KLC employees in submitting employee business expense reports in order to receive timely reimbursement. If an employee is not sure how to classify a certain expense, he or she should contact the accounting department for assistance.

In certain cases, a KLC board member or other city representative may travel on behalf of KLC. Such travel must be approved by the board. These travel expenses are subject to the terms of this policy with final oversight provided by the Executive Board or Finance Committee.

Documentation Requirements

All expenses must be accompanied by a receipt or supporting documentation. The information submitted must include the business purpose, date, location, amount and persons present and covered by the purchase. Failure to provide receipt or supporting documentation will result in denial of reimbursement.

Falsification of Expenses

Submitting fraudulent receipts or falsifying your expense report will result in loss of your reimbursement privileges, termination or other disciplinary action.

Travel Authorization

Budgeted Travel

All employees, with the exception of the Executive Director, must receive approval from their supervisor prior to in-state travel. All employees must receive written approval from their supervisor prior to out-of-state travel. The completed form must be approved by Executive Management.

Exception Travel

All out-of-state exception travel not otherwise approved during the budget process for the upcoming budget year will require approval at the appropriate level from Executive Management or the Finance Committee.

Conference and Meeting Registration Fees

Registration for conferences and meetings will be performed by administrative staff unless an employee has received written permission from the Executive Director/CEO or Deputy Executive Director/COO to self-register. Every effort should be made to obtain the lowest conference or meeting fee. Employees should give administrative staff as much notice as possible to take advantage of early registration discounts.

Airfare and Baggage Fees

Airline reservations will be performed by administrative staff unless an employee has received written permission from the Executive Director/CEO or Deputy Executive Director/COO to make his or her own reservations. Every effort should be made to obtain the lowest airfare available for coach or tourist class on domestic flights, if

possible. Considerations will be made for number of stops, preferred carrier, time constraints, meeting times, and layovers. An employee may use his or her personal frequent flyer miles to upgrade fares. Additional expense for first class travel or upgrades will not be reimbursed. Employees should give administrative staff as much notice as possible to take advantage of early purchase discounts. Itineraries are not valid receipts. Standard minimum baggage fees for up to two bags within weight limits will be reimbursed. Charges for extra or overweight baggage are not reimbursable unless prior written approval has been given by the Executive Staff.

Electronic tickets and paper tickets carry a dollar value. As a result, all cancelled trips must be reported immediately. To ensure that no unnecessary costs are incurred, cancellations must be made prior to the departure day and time. Related re-issuance fees are reimbursable.

Car Rental

Rental car reservations will be performed by administrative staff unless an employee has received written permission from the Executive Director/CEO or Deputy Executive Director/COO to make his or her own reservations. The following guidelines should be followed when renting cars:

Standard, full-size, mid-size, compact or economy models must be rented unless more than two persons are traveling together. Higher upgrades are allowed if transporting materials and cargo space is a factor, or if three or more persons are traveling together.

The refueling option should be taken if extensive driving is planned. If the refueling option is declined, the car must be returned with a full tank of gas.

Rental cars should be returned to the original rental location, except in extraordinary circumstances, in order to avoid costly drop-off charges.

Additional collision insurance offered by the rental company should be purchased with the rental.

Upgrades not authorized by this policy are not reimbursable.

Mileage

Whenever possible, employees must use a KLC owned vehicle for travel. If a KLC vehicle is available and it is determined that it was reasonable under the circumstances for the employee to have used the KLC vehicle for travel, then mileage for use of the employee's privately owned vehicle will not be reimbursed. When a KLC vehicle is not available, employees will be reimbursed for mileage when driving their privately-owned vehicles on KLC business. Transportation to and from a person's home to the assigned workplace is considered commuting miles and shall not be reimbursed. When an employee does not report to his or her permanent location (office) during the day or makes business trips before or after reporting to the permanent work location, the allowable mileage is:

1. the lesser of the mileage from the employee's residence to the first stop or from the office to the first stop;
2. all mileage between points visited on KLC business during the day; and

3. the lesser of the mileage from the last stop to the employee's residence or from the last stop to the office.

Also, mileage will not be paid to and from KLC events held outside of the workplace, unless the employee has been assigned to work at the event. Employees will be reimbursed at the mileage rate allowed by the Internal Revenue Service for business expense deductions, unless otherwise determined by the Executive Director/CEO. To receive mileage reimbursement, an employee must submit a voucher with the number of miles traveled on KLC business, the starting point and the destination, and the purpose for the travel. If an employee does any traveling of a personal nature while also traveling on KLC business, the employee must deduct the personal travel from the total miles traveled.

Mileage is not reimbursable while using company provided vehicles. Parking violations are not a reimbursable expense. Traffic citations and other moving violations are not reimbursable expenses. If an employee is involved in an auto accident while on company business, he or she should do the following:

Accident reporting requirements

Any accident involving a KLC owned, rented or leased vehicle or privately owned vehicle used in the performance of KLC duties shall be reported as follows:

- Summon medical care for any injured parties.
- Notify appropriate law enforcement authorities.
- Notify employee's immediate supervisor.
- Do not admit responsibility or fault or offer settlements.
- Cooperate with police and emergency medical personnel.
- Obtain names and addresses of witness/involved parties.
- The employee's supervisor shall be responsible for initiating any departmental investigation of the accident, completing all required KLC reports and recommending any follow-up preventative actions.

Parking

At airports, long-term parking should be used for travel. Reimbursement for short-term parking and valet fees will only be reimbursed up to the amounts equal to long-term parking fees.

At hotels, parking for business-related meetings or lodging are reimbursable business expenses. When other standard hotel parking is available, valet parking will only be reimbursed up to an amount equal to standard parking rates.

All other reasonable business-related parking fees are reimbursable upon submission of a valid receipt.

Taxi/Shuttle/Public Transportation/Rapid Transit

Employees should evaluate their individual circumstances and select the safest, most economical alternative when traveling to and from all destinations.

Business-related taxi, shuttle, and public transportation expense reimbursement requests must be accompanied by a receipt.

Lodging/Hotel

Out-of-state lodging and hotel reservations will be performed by administrative staff unless an employee has received written permission from the Executive Director/CEO or Deputy Executive Director/COO to make his or her own reservations. In-state lodging can be made by administrative staff or employees with supervisor approval. Reservations should be made in such a manner as to secure the best available rate. Employees should stay in safe, clean and secure accommodations as close to the meeting location as possible. Every attempt should be made to stay in the hotel hosting the conference or meeting and to pay the conference room rate.

In-room movies, room service, mini-bar, and the use of hotel gym, massage services, and sauna facilities will not be reimbursed, only usual and ordinary expenses will be reimbursed.

A copy of the hotel folio showing proof of payment is required for expense reimbursement documentation.

Meals

Except as otherwise set forth in this policy, meals purchased out-of-state and/or during overnight lodging will be reimbursed. Reimbursable allocation for breakfast, lunch, dinner and incidentals will be established and updated on October 1 each year by the U.S. General Services Administration at www.gsa.gov. An updated listing of these amounts will be made available from the accounting department upon request.

Employees will not be eligible for a per diem or pro-rated per diem for travel not requiring an overnight stay except as covered in meeting and group functions with KLC Guests described below. Expenses included in the per diem rates include meals and tips. No additional amount above the federal rates identified will be reimbursed; i.e. actual meal cost reimbursements for overnight travel will be eliminated and replaced by the Federal Per Diem allowance.

Employees will be responsible for identifying the city of travel and the associated Federal Per Diem rates. Employees will receive a prorated per diem rate on both the day travel begins and the day travel ends. The rate will be based upon the employee's departure and return time, as well as the destination city, according to the schedule below:

Overnight Travel *(first & last day only)*

Time Schedule Meal Rate

Leave before 7:30 a.m. Breakfast *based upon Federal Per Diem schedule*

Travel through 2:00 p.m. Lunch

Return after 7:00 p.m. Dinner

The traveling employee is required to complete the appropriate travel forms and provide detailed information relating to the trip. As a matter of convenience, an employee can submit for reimbursement of a group meal check for all other employees present if the dining establishment is unable to provide individual checks. KLC will not reimburse a meal per diem allowance for any meal that is included in a registration fee for a conference or is subject to a Meeting and Group Function as set forth below. No receipts are required for reimbursement using the federal per diem rate.

Meeting and Group Functions with KLC Guests

Executive Management or employees receiving prior written approval from Executive Management will be reimbursed for reasonable business expenses incurred in meetings with guests of KLC. Reimbursement will be for official business expenses incurred by the guests and employees. It is the responsibility of each employee to use good judgment to ensure that meeting expenses are budgetarily sound and are compatible with the goodwill of KLC. Receipts detailing the business purpose, date, location, amount and persons present and covered by the purchase must be submitted with the expense report. This information should be written on the front or back of the receipt itself and on the expense report. Personal entertainment expenses will not be reimbursed for employees traveling on business without KLC guests.

Tips

Meal tips may not exceed 20% of the cost of the meal. Baggage handling at hotels should not exceed \$2.00 per bag handled. Baggage handling at airports should not exceed the curbside required fee plus \$2.00 per baggage handled. Valet tips should not exceed \$2.00 per cab hailed and \$3.00 per vehicle retrieved from valet parking. Concierge assistance tips should not exceed \$3.00 per task handled. Where hotel housekeeping tips are appropriate they should not exceed \$3.00 per day per room. Tips must be itemized on the expense report.

Family Member/Spouse/Guest Travel

When a family member/spouse/guest joins an employee on official travel, the employee will be responsible to pay all travel costs, including airfare and meals. For certain events it may be reasonable and customary for a family member/spouses/guests to attend the event and their attendance may provide benefit to KLC, and in such situations spouse/guest travel may be reimbursed if prior approval is obtained by Executive Management or the Finance Committee.

Non-Reimbursable Expenses

Except for travel-related expenses set forth above, all other travel-related expenses are deemed non-reimbursable unless approved in writing by the Executive Director/CEO or Finance Committee.

Travel & Expense Reimbursement

All allowable travel-related expenses paid by the employee should be submitted for reimbursement. Travel & Expense Reimbursement Forms are due monthly within 15 days of the end of the month that the expense was incurred.

Travel Advances

In case of extreme financial hardship, an advance for out-of-state travel may be granted by the Executive Director/CEO. However, advances should be rare and only due to extreme circumstances. The request must be made in writing with ample time to approve and process an advance check. When submitting an expense report, the advance must be deducted from the total expenses and employee must submit a check for any remaining amounts owed to KLC.

Expense Reports and Approval Requirements

Business expenses may be charged to KLC on a credit card issued to the employee, or paid for from the employee's private funds and reimbursed upon the submission of appropriate documentation. Regardless of the method, an employee must submit, receipts, vouchers or other documentation with a completed expense report signed by a supervisor to the KLC employee assigned the responsibility of reviewing, compiling and maintaining business expense information. The information submitted must include the business purpose, date, location, amount and persons present and covered by the purchase. Credit card statements will not be accepted as evidence of a receipt.

All expense reports must be approved and signed by an immediate supervisor and then submitted to accounting within 15 days after the end of the month in which the expense was incurred.

The Executive Director/CEO's expense report must be submitted to the Chief Financial Officer and signed by the Chair of the Finance Committee.

KLC reserves the right to withhold reimbursement while it investigates or verifies expense report reimbursement requests.