

Travel and Expense Policy for Vendors & Board Members

June 2023



I. Purpose

RMHC is an Illinois non-profit corporation operating as a 501(c)(3) charitable organization dedicated to create, find, and support programs that directly improve the health and well-being of children and their families. Responsible stewardship of our resources is essential. This policy will:

- provide guidance on appropriate business travel procedures to applicable persons,
- describe the types of travel and entertainment expenditures that are, and are not reimbursable by RMHC and
- inform applicable persons of their responsibilities when incurring expenses in the course of their work, and
- provide direction for applicable persons for reporting travel and other expenses for reimbursement.

While this policy is intended to be comprehensive, it is impossible to anticipate every situation encountered. It is expected that this policy be applied on a conservative basis, always considering the most cost-effective and reasonable alternative possible when incurring expenses, and to avoid actual or perceived extravagance or misuse of RMHC funds. If any applicable person is uncertain as to the acceptability of an expense, they should consult with RMHC prior to incurring the expense.

II. Scope

The scope of this Policy covers all business expenses incurred and applies to all RMHC trustees, advisors, and others who are requested by RMHC management to incur expenditures on behalf of RMHC (collectively referred to as “applicable persons”). A copy of this Policy will be made available to all applicable persons.

- All reasonable travel, meal and lodging expenses incurred by **RMHC Trustees** traveling to and from Board meetings, and traveling at the request of the Chairman or President of RMHC for RMHC business, are reimbursable by RMHC, subject to the limitations of this Policy.

III. Policy

All applicable persons, conducting business on behalf of RMHC are expected to uphold the highest ethical standards and to act in accordance with these guidelines when incurring expenses in the course of their work.

IV. Procedure

A. People and Responsibilities

The RMHC Chief Financial Officer (CFO) is responsible for this policy. The policy shall be updated or revised as necessary and appropriate at the discretion of the RMHC CFO. Questions regarding this policy should be directed to your RMHC contact.

B. Travel

a. Business Purpose:

A documented business purpose for each business trip taken on behalf of RMHC is required for expenses incurred by applicable persons. A “business purpose” is defined as “the business reason for or the nature of the business benefit derived or expected to be derived from travel and entertainment expenses”. Once the travel is completed, a detailed explanation of the charges incurred, accompanied by the required receipts, must be provided by applicable persons and approved by the RMHC Global.

In order for business travel and business meal expenses to qualify as nontaxable eligible business expenses for RMHC, and not taxable income for applicable persons, the IRS requires that such business and meal expenses be substantiated pursuant to an accountable plan. An accountable plan is a reimbursement or allowance arrangement that:

- i. shows a business purpose;
- ii. requires the applicable person to account for these expenses within a reasonable period of time; and
- iii. requires the return of any excess reimbursement or allowance within a reasonable period of time.

Expenses submitted for reimbursement will meet the above substantiation requirements if the applicable person completes an expense report and attaches all supporting documentation no later than 30 days of completion of travel or occurrence of expense.

All reasonable travel, meals and lodging expenses incurred by an applicable person are reimbursable by RMHC provided that such person is traveling for RMHC business and is subject to the limitations of this policy.

b. Control of Travel Expenses

It is essential that continuing, consistent control be exercised over travel expenses. Control of travel expenses is the responsibility of each applicable person incurring the expense and each person who authorizes and approves expenditures.

Approval of expenses submitted for reimbursement is more than a formality. Persons who authorize and approve expenditures are expected to verify the following:

- The purchase is appropriate, business-related, the cost is reasonable and all receipts for the purchase are attached. The business nature of the expense must be noted on the expense report.
- Hotel and meal expenses are consistent with this policy. Any approved exceptions are explained on the expense report.

To help control travel costs, all applicable persons are expected to:

- Exercise good judgement with respect to their expenses;
- Check for accuracy of the bills and other documents;
- Report all expenses promptly (within 30 days) with the appropriate documentation;
- Claim reimbursement for necessary and reasonable expenses only. Travelers are expected to neither lose nor gain financially.

Violations to this policy, misappropriation of funds or altering or providing false receipts will be grounds for discipline, up to and including immediate termination of contracted services, or removal from governance and association with RMHC.

c. Business Travel Away From Home

Travel expenses are the ordinary and necessary expenses of traveling away from home for business purposes. In order for applicable persons to be reimbursed for business travel expenses and not be reportable gross income to them, the expenses must be incurred while the applicable person is traveling away from home; expenses cannot be unreasonable, fraudulent, lavish or extravagant under the circumstances.

An applicable person is traveling away from home if:

- The applicable person's duties require them to be away from the general area of the residence or normal place of business

If an applicable person is away from home for business travel, then travel (including air and ground transportation), lodging, meals and incidentals will be reimbursed as business expenses as long as such are not fraudulent, unreasonable, lavish or extravagant under the circumstances.

Costs related to an applicable person's daily commute from their residence to work and from work to their residence are not subject to reimbursement.

C. Transportation- Air, Personal and Rental Automobiles, Parking

a. Air Travel

All flights must be booked at the lowest reasonable available airfare that meets the business requirements of the trip.

i. Additional Air Travel Policies

- **Booking Travel Reservations:** Generally, all reasonable efforts should be made to confirm travel reservations as far in advance of the required day of departure to take advantage of discounted airfares. Flight reservations must be made as early as possible, but no less than seven (7) days in advance, unless extenuating circumstances do not allow for the advanced booking.
- **Traveler Mileage Discount Promotions:** Applicable persons may not specify particular airlines to accumulate mileage on promotion plans unless fares on these airlines are consistent with the lowest reasonable fare available.
- **Weekend Travel:** A traveler may elect to achieve a lower overall trip cost through the use of restricted discounted air fares by extending the trip for a certain duration (e.g., a weekend), at the beginning or end of a trip. RMHC will reimburse hotel and reasonable meal expenses incurred for this extension, however, such “extra” expenses are not to exceed the amount of savings realized from the discounted airfare. Only expenses actually incurred will be reimbursed. Travelers using this option will be required to provide a written analysis of the airfare savings. Documentation of the amount of savings must be obtained from the travel agency and included on the travel itinerary.
- **Refunds or Unused Tickets:** If travel plans change, and tickets will not be used or are not used, the applicable person must notify the travel agent that booked the travel or the airline directly. Airline regulations have changed and occasionally tickets may be transferred to another applicable person (with a fee) only prior to the travel date booked on the original ticket. Refunds on unused tickets are generally no longer permitted; applicable persons should check with the airline to see if the ticket qualifies for a refund or credit for future travel.
- **Trip Insurance: Any purchase of flight or luggage insurance is a personal expense to the traveler and is not reimbursable.**

b. Travel Restrictions

- i. **Class of Airline Service:** Applicable persons are only authorized to fly coach class for all travel equivalent to or less than six hours. For international flights, applicable persons are allowed to fly business class if the flight time exceeds six hours. Upgrades to business or first class are the financial responsibility of the applicable person and will not be reimbursed.
- ii. **Use of Private Aircraft** on RMHC business: Applicable persons cannot pilot, charter, lease or rent private aircrafts while on RMHC business or in support of any activity related to RMHC.
- iii. **Use of Donated Miles:** Airlines and their customers contribute unused frequent flyer miles to RMHC. The use of these miles is limited to those individual applicable persons traveling on behalf of RMHC, anyone that is utilizing the services provided by the RMHC or RMHC Chapters.

c. Automobile Rentals

Applicable persons should plan ground transportation that considers the most cost-effective available means of travel. Rental vehicles may be used if the cost is less than that of other available transportation such as taxis, Uber, Lyft, airport shuttle bus services, or when circumstances make a rental car the most reasonable means of transportation. Depending on the length of stay, limousines and taxis may be more cost-effective alternatives to car rental, especially in destinations where parking accommodations are limited and expensive (i.e., Chicago, New York City, Philadelphia).

The RMHC standard for rental cars is “mid-size” or “intermediate” unless the number of people traveling together or the nature of the work requires a larger vehicle. Rental of premium or luxury vehicles will not be reimbursed unless such a vehicle is made available by the rental car company as a non-chargeable upgrade or substitution.

Applicable persons may not rent vehicles while on RMHC business unless they have physical damage insurance coverage.

d. Personal Automobile

RMHC will reimburse an applicable person’s out-of-town travel via personal automobile at the mileage rate allowed by the IRS. The Finance team will advise travelers of changes in the rate and the effective date of the change.

- Local personal automobile travel expenses, including tolls, parking, etc. incurred by Applicable persons between their home and the RMHC main office are not reimbursable even when incurred outside normal working hours.

Mileage to and from the airport, parking fees and toll charges will be reimbursed. An applicable person driving their personal automobile on RMHC business must have a valid driver's license and proof of current personal automobile liability insurance.

IMPORTANT NOTE: In the event of an automobile accident involving an applicable person using a personal car for RMHC business, RMHC will cover the deductible for the applicable person's personal automobile insurance up to \$500, only if the accident occurred while on RMHC business. Fines and other expenses incurred as a result of traffic violations while on company business are the personal responsibility of the individual.

e. Airport Shuttle, Taxi, Ride-Hailing Apps and Limousines

Applicable persons will be reimbursed for the cost of transportation to and from airports (including applicable tips) and all other public transportation costs incurred during the course of business. Applicable persons must choose the mode of transportation that is the most efficient and cost-effective for their particular situation. **Example: the use of personal car and incurring airport parking fees may be less expensive than taking a taxi/ride-hailing apps/limousine depending on the trip length. Examples of ride-hailing apps include Uber and Lyft.**

D. Travel with Non-RMHC Companions

RMHC reimbursement of travel expenses is for applicable persons only. Expenses of others (spouses, domestic partners, children, friends, etc.) are not reimbursable.

E. Lodging – Room Selection, Connectivity and Business Meals

a. Room Selection: The RMHC standard is a single room in a business-class hotel. Costs for multi-room suites or luxury accommodations cannot be reimbursed unless there is a specific business purpose and there is approval from the RMHC CEO. Applicable persons should stay in hotels where negotiated rates are available. Lodging accommodations should not be made through AirBnB or Vrbo.

b. Internet Connectivity Reimbursement: Applicable persons will be reimbursed

for wireless laptop and high-speed internet connectivity charges when traveling on and conducting RMHC business.

Business Meals When Traveling: While out of town on RMHC business travel, Applicable persons may expense the actual, reasonable cost of meals. Alcoholic beverages are considered personal expenses and will not be reimbursed. When attending a convention or group meeting, applicable persons are encouraged to participate in group meals provided at the event whenever possible. When eating with other applicable persons while away on business, one applicable person may pay for and request reimbursement for the meal on behalf of the group.

F. Non-Allowable Expenses

RMHC will reimburse applicable persons for all reasonable and necessary expenses incurred when traveling on RMHC business. However, there are specific types of expenses that are considered to be of a personal nature and are not reimbursable. The following personal expenses are not reimbursable:

- gifts to other applicable persons
- barber, manicurist, shoeshine, masseuse or spa services
- personal credit card membership dues, fees or charges including liability insurance for lost card use by a third party
- newspapers, books, magazines or other personal reading materials while traveling
- gasoline, repairs, maintenance, or insurance on personal vehicles used during business travel (The mileage reimbursement covers these items)
- theater, pay-per-view movies, or other personal entertainment, including hotel movies and games
- transportation to and from home to regular place of work
- tuxedo, gowns or other formal wear worn for either an RMHC Global event, Chapter event or external stakeholder event
- lavish or extravagant meals
- luggage, briefcases or backpacks
- electronic devices
- tips in excess of 20%
- unauthorized club or other membership dues, subscriptions or fees
- unauthorized trips, entertainment, gifts, or donations
- car rental over midsize, premium or luxury models, unless necessary under circumstances
- laundry or dry cleaning, unless extended international travel or other extenuating circumstances
- fees for traffic violations, including parking or moving violations

G. Expense Reimbursement Reporting and Processing

Applicable persons must submit expenses for reimbursement via the Out-of-Pocket form (OOP), line items on an invoice, or some other summary document.

- The OOP form can be sent by your RMHC Contact or accessed below:



2023 OOP Form.xlsx

- All receipts for reimbursable expenses should be attached to the invoice or OOP forms, except expenses under \$25. For airline tickets paid with RMHC miles or points, the receipt should be included regardless of the amount.

a. Transportation:

- Air Travel:** Original receipts for all travel expenses, with proof of payment and proof of travel, must be presented for reimbursement. A copy of the complete itinerary and e-ticket receipt must be included when submitting expenses for reimbursement.
- Rental Vehicle Travel:** Original receipts from rental vehicles must be presented for reimbursement.
- Personal Vehicle Travel:** Miles traveled in a personal vehicle must be documented by recording the vehicle odometer reading at the start and end of the trip reimbursement. This documentation must include all locations visited. Undocumented mileage will not be reimbursed.

- Lodging:** Original receipts for hotel/lodging, with proof of payment and itemized hotel invoice must be presented for reimbursement.

- Meals:** To support the business nature of meals incurred on business travel and/or as part of the business meetings/entertainment, the IRS requires the following documentation:
 - All names and titles of the individual(s) who attended the meal;
 - The amount of the meal (including tax and tip);
 - The date of the meal and the name and location of the establishment (original restaurant receipt is required for all meals);
 - The business reason or business benefit expected to be derived from the business meeting/entertainment

Individuals submitting expenses for reimbursement assume responsibility for the following:

- Compliance with this policy
- Accuracy and completeness of cost substantiation
- that all original, detailed receipts and proofs of payment are attached to the expense reimbursement request
- business meetings are fully documented

An applicable person may not approve their own expense reimbursement.

In alignment with this policy, the RMHC Finance Team will not process any request for expense reimbursement that:

- does not have all required supporting documentation
- is not properly approved by the applicable person's supervisor
- is not submitted within 30 days of expenses incurred
- does not comply with this policy

d. Payment

The Finance team will process requests for reimbursement and make payments to applicable persons in a timely manner. In the event the Finance team initiates discussion of a disputed expense with an applicable person, the matter will first be elevated to the applicable person's RMHC Supervisor, and if further review is needed, the matter will be undertaken with the RMHC Officer of the individual's team and CFO for a final determination.

H. Exceptions

Occasionally it may be necessary for travelers to request exceptions to this policy. Requests for exceptions to this policy must be made in writing and approved by an officer of RMHC.

V. Additional Resources

- [IRS Mileage Rates](#)

VI. Definitions

N/A

Signature: _____

Name: _____

Date: _____