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# Clark Atlanta University National Alumni Association

## Travel and Expense Policy and Procedures

### 1. Introduction

Business travel and entertainment expenses are both necessary and beneficial to normal operations and continued Clark Atlanta University National Alumni Association (CAUAA) growth. This policy is designed to meet both CAUAA and Board Member/Volunteer needs, while complying with IRS regulations.

This policy is intended to provide guidance to individuals traveling and/or entertaining while conducting CAUAA business. Additionally, those working with CAUAA should exercise good business judgment in incurring expenses.

At a minimum, it is the responsibility of everyone incurring such expenses to comply with the procedures outlined in this policy. It is the responsibility of the National President, Treasurer, and Board Members to ensure adherence to the spirit and intent of this policy, maximizing cost savings whenever possible. Appropriate approvals, complete documentation, and proper receipts are required.

### 2. Travel Expense Overview

Airline reservations, car rentals and hotel bookings should be made well in advance of your travels whenever possible and have prior approval. Comparative pricing and time efficiency should be considered and the lowest fares should be incurred. Unreasonable airfares, rental car charges and hotel bills will be questioned and possibly not reimbursed if not appropriately justified.

### 3. Air Transportation

#### 3.1 Airline Reservations

Air travel should be arranged at the most economic fare available and should be made sufficiently in advance of the travel date whenever possible to ensure obtaining the best possible fares.

Generally, travelers must book reservations at least 7-14 days in advance to obtain the best available fares. Comparative pricing and time efficiency should be considered and the lowest possible fares should be incurred. **Individuals shall fly discount coach class. Upgrades to first class are not reimbursable by the company.**

#### 3.2 Airport Parking

Individuals are strongly encouraged to use off-site parking for travel lasting more than 2 days if remote parking is safe and convenient. If travel is less than two days, the individual may park at the terminal in long term parking (not hourly) and will be reimbursed at the long-term terminal parking rates.

#### 3.3 Airport Taxis

Reasonable actual expenses for airport taxis are reimbursable if a receipt is provided and attached to the expense report. Airport buses or shuttles should be used for travel to and from the airport whenever possible. Free hotel pick-up and delivery service should be used at every opportunity.



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### 4. Ground Transportation

#### 4.1 Use of Personal Vehicles

When an individual uses a personal automobile for business purposes, it is necessary that they possess a valid driver's license. Individuals are expected to drive safely and responsibly. It is that person's responsibility to notify the President if their license is suspended or revoked. One must also carry personal automobile insurance in accordance with state laws and it is the individual's responsibility to inform the President if they do not carry valid automobile insurance.

Thefts of personal property from an automobile being used on CAUAA business and damage to an automobile being used for CAUAA business are not reimbursable expenses. In addition, car washes, oil changes and other maintenance or repair services for personal automobiles will not be reimbursed.

#### 4.2 Mileage Reimbursement

Travel to local CAUAA campus locations or other local travel replacing the normal daily commute is not reimbursed unless the mileage exceeds 50 miles (each way). When this occurs, the individual may be reimbursed for the incremental mileage above 25 miles each way (50 miles round trip). Those who make excessive daily trips greater than 10 miles to multiple CAUAA locations above and beyond their normal daily commute are eligible for reimbursement of the total mileage. In order to process mileage reimbursements, a copy of a MapQuest or Google Maps printout accurately detailing the "to" and "from" distance must be included in an expense report. This policy may not apply to those who travel routinely to locations as part of their job responsibilities (e.g. mail room employees, facilities management, etc.) Persons who receive monthly car allowances do not qualify for mileage reimbursements. CAUAA will reimburse mileage at a rate equal to the IRS standard. Accordingly, CAUAA will adjust to the IRS standard as it is changed. The number of miles and the purpose of each mileage item should be clearly stated on the expense report.

In the event an individual takes mileage reimbursement, they may not, under any circumstance, expense gasoline purchases.

#### 4.3 Tolls

Toll expenses are reimbursable for rental and personal vehicles when this expense is a result of business purposes outside the individual's everyday normal commute.



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#### 4.4 Car Rentals

A. Individuals should use rental cars when other means of transportation are not available, more costly or impractical. Rental cars should typically not be used when attending CAUAA events unless a large group is traveling together and/or you are responsible for transporting event materials. Rental cars should not be used when attending CAUAA meetings unless transportation from the airport to the location is not readily available or cost efficient.

B. Midsize or smaller cars should be rented unless a larger group is traveling together.

C. The gas tank should be full before returning the car.

D. Reimbursement will be made for gasoline and tolls. In order to secure the reimbursement for gasoline, receipts must be attached to the expense report.

E. Navigation systems and electronic toll payment options may not be reimbursed.

#### 4.5 Traffic Violations

Traffic violations and parking tickets are never reimbursable.

### 5. Lodging

#### 5.1 Accommodations

A. Accommodations are expected to be appropriate for the business purpose of the trip. One should take advantage of breakfasts included in the price of a night's stay.

B. Hotel accommodations should fall within the mid-rate price range within the area the CAUAA representative is visiting. Accommodations should strike a balance between price, comfort, and security. Generally, representatives are expected to use standard accommodations at hotels and motels.

Examples of mid-rate hotels include: Best Western/Hampton Inn/Fairfield Inn/Park Inn/Comfort Inn/Quality Inn/Sleep Inn/Courtyards

C. If you are attending an event (conference, training, trade show) at a hotel that offers discounted rates as part of your attendance, the rates per night should be approved by the President in advance.

D. In-room movies, personal grooming services, health club fees, spa expenses, excessive room service charges and honor bar charges are not reimbursable expenses.

E. Hotel or motel bills should not be billed directly to CAUAA. This does not include situations when a reduced room rate has been negotiated as part of a large group meeting.

F. Whenever guaranteed reservations have been made at a hotel and travel plans are changed, reservations should be cancelled so that a charge will not be incurred.



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#### *5.2 Telephone & Internet Usage*

Expenses for business related telephone calls and internet usage charges in hotels are not reimbursable.

#### **6. Meals and Entertainment**

##### *6.1 Meals*

Reimbursable meals may include meetings with a clear business purpose, pre-established agenda, and should only be conducted if an attendee's schedule does not allow an alternative, or may be provided for all day events. All business meals are subject to department budgets and standards. Any meal consumed by a CAUAA representative while traveling away from home overnight for business related purposes will be reimbursed.

A. The actual cost of meals, including tips, while traveling away from home should not exceed \$50 per day. This is not a "Per Diem" expense structure. Reimbursement will be based on the actual meal expenses or a total of \$50 per day, whichever is lower.

B. The Internal Revenue code requires specific information be kept on file for meals when guests are included. The following elements must be documented to support deductions: 1. The amount of each separate expenditure for meals. 2. The date the expense took place. 3. The name, address, location, and type of entertainment, such as dinner, if that information is not apparent from the name or destination of the place. 4. The reason for the expense or the nature of the business derived or expected to be derived as a result of entertaining, and the nature of any business discussion or activity that took place. It is mandatory that you are very specific as to the business purpose or reason. 5. The occupation or other information relative to the person(s) entertained, including name, title or other designation, sufficient to establish their business relationship.

C. Traveling personnel will sometimes entertain other CAUAA personnel, and accordingly, incur reimbursable expenses when such expenses are incurred in connection with business related matters. The number of meals as well as the expenses associated with such entertainment should be reasonable. Those persons entertained and their positions must be listed under the entertainment expense section.

##### *6.2 Customer Entertainment*

Entertaining customers is an important part of CAUAA business. Care should be exercised to ensure that all entertainment expenses are appropriate to the event and always in good taste.

A. Customer entertainment expenses are reimbursable if they are ordinary and necessary expenses of carrying on the CAUAA's business. To be a reimbursable expense, it must be evident that: 1. There was a clear business purpose in incurring the expense, such as to obtain new business or sustain an existing business relationship. 2. There was business conducted during the entertainment period with the person being entertained. 3. The principal characteristic of the combined business and entertainment was the transaction of business. B. Any customer receptions that are expected to exceed \$500 must be approved in advance by the CAUAA National Treasurer and President.



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#### *6.3 Member Entertainment*

As a general policy, CAUAA does not expense entertainment for officers. Officers should provide their own entertainment expenses. For example, reasonable luncheon celebrations for extraordinary work efforts, morale building, new promotions or milestone performance will be acceptable. A discretionary spend budget may be given, and entertainment spend privileges may be revoked if an individual fails to spend within their given budget.

#### *6.4 Tips*

Tips should be no more than 15% for good service and up to 20% for exceptional service. Tips greater than 20% will not be reimbursed.

#### *6.5 Alcohol*

Excessive alcohol consumption is prohibited. One or two cocktails per person or a reasonably priced bottle of wine with dinner while entertaining on business may be reimbursed only if the CAUAA representative purchasing the expense has obtained approval by the President.

Excessive alcohol consumption at CAUAA gatherings is strongly discouraged.

#### *6.6 Non-Acceptable Entertainment*

You are representing CAUAA when entertaining. Please use good judgment when selecting the venue or attending an event. CAUAA reserves the right to deny any expenses deemed inappropriate. The following list provides some examples of the types of entertainment expenses that will not be reimbursed:

- o Sporting events attended by officers or members only or events with no definitive business purpose identified.
- o Bar tabs when no food is involved or outside a gathering of customers and referral sources.
- o Amusement Parks - Billiard Halls - Concert - Play Tickets - Nightclub tabs when not in a restaurant environment.
- o Inappropriate locations including but not limited to:
  - o Hooters Restaurants/Gentlemen's Clubs/Strip Clubs/Massage Parlors/ "Any Adult Entertainment"

## **7. Other Travel Expenses**

#### *7.1 Spousal/Significant Other Travel Expenses*

In general, the expenses of a spouse, significant other, family or others accompanying the business traveler are not reimbursable. Any airfares, meal charges or room upgrade charges that are not



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attributable to the individual representing CAUAA are not acceptable business expenses and will not be reimbursed.

#### *7.2 Laundry/Dry Cleaning*

Laundry and dry cleaning expenses are reimbursable generally only if travel exceeds one week or an emergency need arises.

#### *7.3 Seminars*

All seminars must be approved by the President before the expense is incurred. Seminars should include the justification of the direct business purpose related to the CAUAA representative's role.

They should be attended in a city as close as possible to the representative's home location. Rental cars should not be used when attending seminars, unless it is the only reasonable form of transportation and doing so would reduce overall transportation charges to CAUAA.

#### *7.4 Travel Advances*

If necessary, travel advances are available in advance of a business-related trip. These must be approved by the President. Travel advances will be automatically offset against the representative's expense report when submitted. Expense reports are to be submitted within 30 days of the trip the advance relates to. Any excess advance will become the personal responsibility of the employee.

#### *7.5 Extended Stays*

A CAUAA representative must determine the most cost effective airfare when scheduling travel. Obtaining the lowest possible fare should be the first objective. In all instances, the maximum additional expenses that are reimbursed are limited to one extra day's hotel and meal costs.

On occasion, a representative may choose to travel to the destination early or return later from the destination even if there are no airfare savings. In this situation, the representative will only be reimbursed for the airfare. This type of extended stay should not be scheduled if the airfare is more expensive than the fare for the required business stay. The additional meal and lodging costs will not be reimbursed. For example, if a CAUAA representative has a business meeting on Tuesday and would like to stay Wednesday and Thursday for personal reasons, they may do so if the airfare is no more expensive and that these are approved by the President. The excess expenses associated with the extended stay are not reimbursable.

All such departures from standard travel arrangements should be approved in advance.

### **8. Cellular Phone Usage**

If an employee utilizes a cellular phone that is CAUAA sponsored by a CAUAA, cellular plan program, the billing is sent directly to CAUAA. Please use good judgment and limit your calls to those that are business related.



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A. CAUAA Representatives are expected to comply with all Federal, state or local regulations restricting or prohibiting use of portable devices (i.e. cellular telephone, personal digital assistants, computers, etc.) while traveling, particularly when operating a motor vehicle. Text messaging while driving is never appropriate or acceptable.

#### 9. Employee Recognition

Individuals identified by the Board/President will receive budget allocations for CAUAA representative recognition purposes. This may be used for a number of activities:

1. Recognition for outstanding achievements.
2. Motivating team events/meetings.
3. Welcome/farewell meals

With all recognition purchases, the specific reason/achievement as well as the name of the beneficiary/recipients must always be included in the expense report.

Use your best judgment when choosing vendors and avoid such places that may come across as controversial. CAUAA representatives must not spend more than their discretionary spend budget given to them for a given time period, if applicable.

#### 10. Office Supplies

Reasonable expenses (pens, paper, batteries, etc.) which are necessary to conduct business are reimbursable.

Purchases of workspace equipment (chairs, desks, heaters etc.) are not allowed. Please contact the CAUAA Treasurer for more assistance relating to these types of items. Medicine such as pain relievers should never be purchased as they are a liability.

#### 11. CAUAA Debit / Credit Cards

##### 11.1 Issuance and Card Holder Responsibility

A corporate sponsored credit card may be issued to specified CAUAA representatives. The credit card will be issued in the representative's name and should be used for CAUAA business only. It is the card holder's responsibility to ensure all purchases are coherent with this policy and any other applicable standards. Upon receipt of the corporate card statement, CAUAA representatives must review to verify accuracy and resolve any discrepancies with the Treasurer/President. Corporate card usage may be audited or rescinded at any time. Inappropriate use and delinquencies may result in suspension of corporate card privileges or other disciplinary actions up to removal from the representative's assigned role.



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#### *11.2 Limits*

Corporate card credit limits are determined by the representative's position and may be adjusted to accommodate business requirements. Despite credit limits, individuals are responsible for adhering to standards and budgets set forth based on their specific role.

#### *11.3 Personal Expenses*

Under no circumstances should a corporate credit card be used for personal expenses. In the event a mistake occurs, it is the CAUAA representative's responsibility to rectify the situation in a timely manner, no later than 60 days after the expense was incurred. Reimbursement must be sent to the expense report approver (i.e. Treasurer/President). The expense must be included in an expense report including a detailed description of the occurrence as well as indication that a reimbursement was sent.

#### *11.4 Disputes/Unauthorized Charges*

The CAUAA representative is responsible for validating the accuracy of expenses billed on their corporate card. In the event of an unauthorized/fraudulent transaction, the individual must follow through the proper procedures with the Treasurer/President to receive credit. The reissuance of the corporate card is advisory to avoid future problems. Both the fraudulent transaction and credit must be submitted expense report. Due to timing issues, they may not always be included together in the same report.

#### *11.5 Departing CAUAA Representatives*

When an individual leaves CAUAA, it is the President/Treasurer's responsibility to ensure all outstanding corporate card expenses are reconciled prior to the individual's departure. If circumstances arise when a representative is unable to complete this prior to departure, the Treasurer/President is responsible for reconciling all unaccounted expenses.

#### *11.6 Direct Billings*

No charges should be billed to CAUAA, except for airline tickets booked through CAUAA's authorized travel agency or group meeting expenses when applicable. All expenses should be paid by the person incurring the expense and reported on their expense report.

### **12. Expense Report Submission**

#### *12.1 Officer/Representative Responsibility*

Expenditures not properly documented will not be reimbursed.

Expenses must be properly classified on expense reports. The business purpose and beneficiaries of the expense must also be disclosed on the expense report.



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#### 12.2 Treasurer/Presidential Responsibilities

Whenever possible, the senior person in the travel group should be responsible for picking up the business expense incurred.

Prior to approving expense reports, the approver should ascertain compliance with the above guidelines. Reasonable exceptions to the policy may occur. Detailed explanations for all exceptions should be included with the expense report. Please note that exceptions are subject to review.

If excess expenditures are incurred, counsel the representative where deemed appropriate. After proper counsel, travel expenses where the representative has habitually incurred excess travel expense or consistently filed expense reports in an untimely fashion may be disallowed. The Treasurer/President is responsible for compliance with the policy and for monitoring and addressing exceptions.

#### 12.3 Receipts Requirements

Receipts are required for expenses. The original receipts showing the detail of the charges must be attached to the expense report.

IRS regulations indicate that a credit card receipt alone is not always sufficient. It should be accompanied by an itemized bill from the payee whenever possible. For example, an itemized copy of a hotel bill should be attached and each charge should be entered in the proper category (lodging, meals, phone, etc.). When available, a detailed billing from restaurants instead of a summary charge should also be submitted.

Expenditures that are not properly documented will not be reimbursed.

#### 12.4 Timing

Expense reports should be filed monthly. Expense reports should be filed within 60 days of the expenditures. Expenses greater than 60 days old WILL NOT BE REIMBURSED by CAUAA.

All corporate card users are required to submit completed expense reports by the end of the following month the expense was incurred.

### 13. Non-Reimbursable Expenses

The following expenses will not be reimbursed when submitted via employee expense reports unless documented approvals are in place:

Charitable Contributions Premium Items (clothing, hats, pens, etc.)

Alcohol

Rental & Storage Fees

Gift Cards – without Name and Address of recipient



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Magazine Subscriptions

Seminars and Conferences (must be approved in advance)

Employee Gifts

Travel Club Dues

Health Club Dues

Office supplies, machinery, furniture and equipment, Professional Dues (must be approved in advance)

Organization Membership Dues (must be approved in advance)

Customer promotion items not adherent to Marketing Standards nor approved prior to purchase

#### ***14. Penalties and Exceptions***

Any violation (including timing and expense type) of the Expense Policy is grounds for the following actions:

Revocation of Corporate Expense card privileges

Disciplinary action

Removal of CAUAA representative from assigned role