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Travel And Business Expense Policy

Summary

This policy applies to all employees and non-employees traveling for the purpose of conducting business for the benefit of the SEG, SEG TX and A-1 Express Institution. This policy outlines how employees and non-employees procure various travel or business-related goods or services, types of expenses that SEG, SEG TX and A-1 Express will reimburse, required documentation and the timing and procedures for submitting reimbursement requests. This policy also adheres to good stewardship of our donor's funding.

Policy

SEG, SEG TX and A-1 Express participates in the Internal Revenue Service (IRS) accountable plan as it eliminates the need for employees to report reimbursements as income on their tax returns. The IRS outlines accountable plan rules as follows:

1. Expenses must have a business connection incurred while performing services as an employee or affiliate of the SEG, SEG TX and A-1 Express Institution.
2. Travelers must adequately account for expenses and return any excess reimbursement/allowance within a reasonable period of time to payroll; 90 days per SEG, SEG TX and A-1 Express reimbursement timeframes and guidelines.

All travel and business expenses must be authorized and approved by SEG, SEG TX and A-1 Express prior to any expenses being incurred. The traveler must consult with their manager to obtain approval, including appropriate project and activity codes to charge. Travelers should always use the lowest priced transportation and lodging options that are reasonably available.

This policy was developed with the intent to cover the most common travel-related situations but does not address every travel-related situation. If a situation arises that is not covered by this policy, the traveler should contact Human Resources for guidance. Exceptions to this policy may only be made with the approval of the Operations Manager.

Travel Arrangements

Travel arrangements should be made as far in advance as possible, thereby allowing travelers to take advantage of the most inexpensive flights.

Travelers may retain frequent flyer and hotel program benefits. Participation in these programs must not influence flight or hotel selections resulting in additional cost to SEG, SEG TX and A-1 Express beyond the lowest available airfare or hotel.

Air Travel

All air travel must be in economy class. At the traveler's personal expense, upgrades, above economy class, are allowable.

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First class air travel is not allowed under SEG, SEG TX and A-1 Express policy; the Operations Manager may pre-approve first class travel on a case-by-case basis.

Business class must be pre-approved by the Operations Manager and only for the following situations:

- Non-continental U.S. or international air travel, with a flying time exceeding 6 hours one-way.
- For a documented medical condition. Requests must be forwarded for review and approval to Human Resources in advance of purchase.
- If less expensive than an economy class ticket (full documentation will need to be submitted with expense report showing that it was a lower fare).

In the event of an extenuating circumstance, business class tickets (for domestic travel with a less than 6-hour travel time) may be pre-approved by the Operations Manager.

Should an airline delay necessitate an overnight stay, the traveler should attempt to secure complimentary lodging from the airline.

The ultimate responsibility for retrieving and compensating for lost baggage lies with the airlines. SEG, SEG TX and A-1 Express will not reimburse travelers for personal items lost while traveling on business.

Rental Cars

Travelers may rent a car to their destination when driving is more convenient and less expensive than airline or it is necessary to transport equipment or materials.

Travelers should make rental car reservations for an economy, compact or standard car through National/Enterprise using Express Travel. When there are three or more travelers, an upgraded car to accommodate the travelers may be procured.

Rental cars should be refueled before returning it to the agency to avoid gas surcharge fees. Travelers will be reimbursed for fuel purchased only, not on a per mileage basis.

Travelers should not purchase the additional car rental insurance offered through the rental company. SEG, SEG TX and A-1 Express provides additional coverage for travelers. Please contact Accounting for more information.

Personal Vehicles

Employees using their personal vehicles for business are required to carry the minimum automobile insurance required in their state of residence. SEG, SEG TX and A-1 Express reimburses mileage at the [federal government rates](#). Travelers must provide their start and end location. Travelers will not be reimbursed for any parking or traffic violations.

Travelers should exercise utmost care towards their safety as well as the safety of others, including following all federal, state, and local laws and regulations. While driving a personal or rental vehicle, travelers should avoid distractions, such as texting, using a handheld cell phone, and other activities that interfere with a driver's due care and attention. Travelers should also limit their use of hands-free devices for cell phones. Travelers traveling on SEG, SEG TX and A-1 Express's business should always use the

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reasonable safety measures available to them, including but not limited to wearing their seatbelts.

Lodging

Travelers must reserve low cost, reasonable room rates as defined by the domestic and foreign lodging per diem rates. The lodging per diem rates are based on location of travel and time of year. Lodging per diem rate guidelines can be found at the [GSA Website](#)

For domestic travel, if lodging is not available at the lodging per diem rate, travelers may procure lodging for up to \$150 in addition to the published lodging per diem.

Lodging costs above the maximum allowable amount must be pre-approved by the Operations Manager and include a documented reason for the exception.

Before and during check-in, travelers should:

- Present a personal credit card or SEG, SEG TX and A-1 Express credit card for incidentals.

Use available hotel transportation to and from airports in lieu of rental cars or cabs when available.

If travelers stay in a private residence while traveling on business and if additional expenses are incurred to extend appreciation to friends or relatives for their hospitality, travelers may expense up to \$75.

Meals & Incidentals

Employees travelling 50 miles or more from their official worksite are eligible for per diem.

Employees will be reimbursed according to the federally published [domestic \(CONUS\)](#), per diem rates for meals and incidental expenses (M&IE) applicable for the city and dates of travel. The M&IE per diem on the first and last day of travel is 75 percent of the total M&IE rate.

When another source provides a meal(s), per diem will be reduced accordingly. A traveler entitled to per diem may not receive reimbursement for a non-per diem meal unless it is business related.

For non-employees, please confirm eligibility for M&IE reimbursement with the program.

Business Meals & Entertainment

Business meals & entertainment are expenses incurred when a specific business discussion takes place. IRS guidelines limit business meals and entertainment expenses to situations where the expenditure "directly precedes, includes or follows a substantial and bona fide business discussion for the purpose of obtaining income or other specific trade or business benefit". Travelers may request reimbursement for actual documented expenses. For business meals that involves SEG, SEG TX and A-1 Express employees only, alcohol expenses will not be reimbursed. The traveler must provide the names of individuals present, their titles, affiliation, and the business purpose of the meeting.

In instances when the IRS guidelines are not met above, such as social occasions, these expenses are not classified as business meals & entertainment and will not be reimbursed as such. Examples include social occasions, employee birthdays, employee morale events, and holiday or

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employee farewell parties.

Alcoholic Beverages

If alcoholic beverages are consumed at a function at which SEG, SEG TX and A-1 Express can expect to derive a specific business benefit and non-employees are present, reasonable costs will be reimbursed. Alcoholic beverages consumed in route to a destination, in a hotel room, during functions not of a direct business nature, or with employees only, will not be reimbursed as a business expense and are considered a personal expense.

Technology Equipment

SEG, SEG TX and A-1 Express Technology has a variety of laptops, tablets, and smartphones available for employee travel. To request a loaner, contact your IT resource two weeks in advance of your trip. Items may be provided on shorter notice if available. A fee for late returns or lost/damaged equipment may apply.

Safety Precautions

Prior to traveling on SEG, SEG TX and A-1 Express business, travelers should research the area(s) they are traveling to and make all necessary precautions. Travelers on SEG, SEG TX and A-1 Express business should pay specific attention to any potential safety or security risks associated with the travel location(s). Such information can be found in a number of sources, such as reviewing news coverage or other media, or consulting the [State Department travel alerts and advisories](#).

Travel Insurance

SEG, SEG TX and A-1 Express has various types of insurance, which may cover individuals traveling on behalf of the institution in the event of illness or injury. Employees with a corporate card may be eligible for additional insurance provided by our banking partners.

Spousal/Family Member Travel

Expenses related to an employee's spouse or other family members are not reimbursable unless there is a bona fide business purpose for their presence while traveling. A bona fide business purpose would qualify when:

- The spouse/family member who attends a function has a significant role in the business proceedings or is involved in fund-raising activities. In such cases, SEG, SEG TX and A-1 Express will reimburse the traveler for the spouse/family member non-personal expenses.

A bona fide business purpose would not qualify when:

A spouse/family member attends a meeting or conference as a companion and has no significant role or performs only incidental duties of a social, clerical or medical nature, then the attendance does not constitute a business purpose. If the program still wishes to reimburse the family member's business expenses, they must be processed as additional pay to the SEG, SEG TX and A-1 Express employee.

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Use the table below to determine if spousal/family travel is taxable or non-taxable. This is not a complete list of circumstances that may be considered.

EXPENSES MORE LIKELY TO BE TAXABLE WHEN:	EXPENSES MORE LIKELY “BONA FIDE” (NON- TAXABLE) WHEN:
No formal request for family member to attend event(s) Family members are not required to attend meetings, given assignments in advance, or make presentation at the event(s)	Formal or official correspondence requests spouse or other family members of SEG, SEG TX and A-1 Express employees to make the trip or attend event(s) Spouses or other family members are required to attend meetings, given assignments in advance, or make presentations at the event(s)
Family member performs only “helpful” services, such as social, medical assistance, etc. Only SEG, SEG TX and A-1 Express employees and family member attend event(s)	Family member performs “necessary” services by acting as a representative of SEG, SEG TX and A-1 Express in a substantial manner Non-SEG, SEG TX and A-1 Express individuals (donors, panelists, etc.) attend event(s)
Family members participate in substantial tourist activities	Family members do not participate in tourist activities

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Process and Procedures

Receipt Guidelines

Receipts Required

Itemized receipts are required for all non-M&IE per diem expenses. Copies of receipts must be legible. In the rare occurrence that a vendor does not provide an itemized receipt (predominately foreign vendors), the traveler shall ask for the vendor to sign documentation stating which services were provided, amount paid and date; see [authorized sample receipt](#). Expenses which require detailed documentation include:

- Airline or train tickets
 - Documentation of the ticket purchased with the traveler’s name, total amount of fare and status of “paid”; and Itinerary
- Hotel Bills
 - Itemized hotel bill showing dates stayed and rates; and “paid in full”
 - Room Service in Hotels (for business meals, not M&IE per diem expenses):
 - Itemized receipt as provided by room service; “Meals” listed on the hotel bill will not suffice
 - Names of individuals present, their titles and affiliation
 - Business purpose of the meeting
- Business Meals
 - Names of individuals present, their titles, and affiliation; and Business purpose of the meeting

Reimbursable Expenses

Travelers will be reimbursed for the following reasonable expenses in accordance with the preceding guidelines:

- Airline baggage fees (up to 2 bags)
- Airfare upgrade to economy plus
- Business office expenses such as phone, internet and copy services
- Calling cards for business purposes
- CLEAR Membership fee
- Currency conversion fees
- Fare penalties
- Foreign transaction fees
- Gasoline for rental car
- Global entry fee

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- GPS for rental car
- Ground transportation (including taxis, uber, metro, bus, etc.)
- Fitness center use (your hotel only) (\$10 per day max)
- Laundry and dry cleaning; only for domestic trips lasting five days or longer
- Parking
- Personal car mileage
- Rental car insurance
- Tips for baggage handling up to \$1.00 per bag (if you are not claiming a M&IE per diem)
- Tolls
- Travelers checks fees
- TSA Pre Membership fee
- Vaccination fees
- Visa and passport fees

Expenses Requiring Pre-Approval

Documented pre-approval is required for the following expenses; otherwise, the expense will be considered non-reimbursable:

- Lodging costs above the maximum allowable threshold, within reason, requires pre-approval from the Operations Manager.
- Any business class travel requires pre-approval from Operations Manager or from HR if there are medical reasons.

Non-Reimbursable Expenses

The following expenses will not be reimbursed:

- Airline club memberships
- Alcoholic beverages except as covered in "Alcoholic Beverages"
- ATM fees
- First Class Travel
- Fitness center use outside your hotel or over \$10 per day
- Frequent flyer miles (purchase of or redemption of)
- Hotel mini-bar/ honor bar refreshments
- Laundry and dry cleaning
- Lost baggage
- Travel Insurance
- Parking/traffic violation fines
- Personal entertainment (ex: movies)
- Personal meals, actual expenses incurred (M&IE per diem will be issued for employees; non-employees may be eligible for a per diem)
- Rental car upgrades (unless three or more individuals traveling)

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- Spa services
- Items in excess of reasonableness

Unreasonable Expenses

If the traveler's Operations Manager determines that expenses submitted for reimbursement are unreasonable, the expense will be reimbursed up to a reasonable amount.

Submitting for Reimbursement

Upon the completion of travel, the traveler shall submit an expense report Expense Track, along with the appropriate documentation for payment. All travelers should submit their reimbursement request within 30 days of travel; reimbursement requests over 90 days will not be approved.

If the traveler extended travel for personal or non-SEG, SEG TX and A-1 Express business, or if the traveler received a cash travel advance, the traveler shall adjust their expenses to reflect expenses incurred while traveling on behalf of SEG, SEG TX and A-1 Express.

Employees will be reimbursed within a reasonable timeframe from Procurement approval via bank transfer.

Responsibilities

Traveler:

- Abides by this policy and the accompanying procedures.

Expense Report Approver:

- Has primary responsibility for ensuring that reimbursement requests for travel are compliant with this policy.
- Verifies all expenses have a SEG, SEG TX and A-1 Express business purpose.
- Verifies all submitted information and supporting documentation is accurate and in accordance with this policy.
- Verifies that all expenses are charged to the appropriate general ledger account(s) and project(s).
- Contacts the Operations Manager for instructions and/or approval if travel expenses exceed the guidelines of this policy or if expenses seem excessive or unreasonable.

Accounting:

- Ensures that the program abides by this policy and the accompanying procedures.
- Ensures that individuals involved in the process of reimbursing travel expenses are properly trained.
- Ensures that the travelers understand the requirements of this policy.
- Maintains an appropriate hierarchy for review and approval of travel and travel-reimbursement requests.
- Answers any questions on "reasonable" costs. If necessary, follows up with the Controller for guidance.
- Reviews and approves requests for lodging costs above the maximum allowable threshold and requests for business class travel.

Procurement:

- Audits travel reimbursement requests to ensure compliance with SEG, SEG TX and A-1 Express policy and with IRS and other regulations.

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- Processes reimbursements in a timely manner.
- Provides training to travelers and approvers on this policy.
- If needed, follows up with Controller and CFO for guidance on reasonable expenses.

Human Resources:

- Reviews and if applicable, approves documented medical reasons as they relate to business air travel requests.
- If necessary, consults with the Operations Manager on a case-by-case basis.

Definitions

Accountable Plan - An Internal Revenue Service (IRS) term for a plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business purpose, substantiate expenses, and return any amount of allowance in excess of substantiated expenses to the employer.

CONUS - The 48 contiguous states in the United States.

Flying Time - The period of time that a flight (from departure city to destination or connecting city) is expected to take per the airline’s posted schedule. Layover time(s) are not included when calculating flying time.

Meals & Incidentals (M&IE; Per Diem) - An allowance determined by the U.S. government to cover meals and incidentals while traveling for business purposes. Per diem amounts are published by the [General Services Administration](#) .

- Incidentals domestic include tips for services (e.g. porters, baggage carriers, bellhops, and hotel maids)

Reasonable Expenses - An expense that is ordinary and reflects a prudent decision to incur the expense on behalf of SEG, SEG TX and A-1 Express business. Not extreme or excessive.

Travel - To go from one’s home or normal place of employment to another destination. Travel does not include commuting to and from work.

Worksite – primary office location.