

## REIMBURSEMENT POLICY

*Adopted February 8, 2017; and amended February 22, 2018 and July 23, 2018*

### General Policy Statement

The purpose of this policy is to emphasize that it is the responsibility of all those who do business on behalf of Klamath River Renewal Corporation (“KRRC”) to exercise good stewardship of the organization’s resources, provide management with records of all expenses incurred in connection with corporation business, and ensure that corporation funds are expended in line with the constraints placed upon KRRC by the IRS and other government agencies and funders.<sup>1</sup>

KRRC will reimburse reasonable expenses incurred on its behalf. Expenses will be evaluated on the basis of what is reasonable and necessary to conduct the organization’s business. The basic principle is that you should incur expenses on behalf of KRRC as if you were paying for them yourself; use good judgment. This policy applies to anyone doing business on behalf of the corporation. Any exception to this policy requires the approval of KRRC’s Chief Financial Officer.

### Travel Expenses

**Airfare:** Please make airline reservations at least two weeks in advance to qualify for lower fares.

- Travelers will be reimbursed for economy fares for air travel up to 4 hours and economy premium for air travel 4 hours and over (travel time is based on total flight time from origin to destination on a given day).
- Travelers may book their own tickets or use a travel agent, provided use of such a service is cost-effective.
- At the request of a traveler, KRRC will reimburse for an extra hotel night when a lower airfare the following day is more cost effective.
- At the request of a traveler, KRRC will reimburse for an extra hotel night near the airport for those who live more than two hours from an airport and must catch an early flight; KRRC will also reimburse for an extra hotel night for travelers who must remain at meetings too late to catch a return flight, over four hours, that would arrive very late.
- KRRC will reimburse for an extra hotel night in the event of significant weather events.
- Travelers are expected to choose the most direct route and least costly fare that meets their scheduled needs. Specific carriers and/or frequent flyer advantage to the traveler should be of secondary consideration.
- KRRC will cover the cost of change fees for flights in the event of a personal or family emergency or a meeting change initiated by the organization; KRRC will not reimburse the cost of change fees to cover non-emergency personal needs or other client work needs.

<sup>1</sup> KRRC funding agencies include Public Utilities Commission of Oregon, California Public Utilities Commission, and California Natural Resources Agencies.

**Airport transportation/parking:** For trips of several days' duration it may be more cost effective to use a car or van service than to drive and park your own automobile. You are always encouraged to take public transportation when this is a reasonable option.

**Mileage reimbursement:** KRRC reimburses for business use of personal automobiles at the current rate allowed by the IRS. Note that the IRS does not allow reimbursement of mileage for travel to and from one's principal place of work. See Exhibit A for current year mileage rates.

**Car rental:** Please request the corporate rate. If you are an AAA member or member of another organization, there may be additional discounts. Types of vehicles rented must be reasonably economic based on distances, safety, driving conditions, and number of passengers. Any upgrades in terms of car size must be justified with a valid business reason. All travelers are expected to hold a current valid driver's license and carry basic automotive insurance.<sup>2</sup>

Tickets, fines, towing charges, and other expenses are not reimbursable regardless of whether incurred while using a rented vehicle or a personal vehicle. Deductibles for non-caused accidents with a rental car will typically be covered at \$250.

KRRC recommends that, if your credit card does not cover rental car insurance, you purchase additional insurance from the rental car company. KRRC will reimburse coverage of such insurance.

**Lodging:** KRRC will negotiate group rates at or below GSA rates for lodging in locales where regular meetings are expected. You will need to reserve in advance to obtain these rates, and if you cancel prior to the meeting, you may be responsible for the room cost if it cannot be cancelled or used by another traveler. If you choose not to stay at the preferred facility, KRRC will reimburse you up to the GSA rate. If you are traveling to a locale where KRRC does not have a negotiated rate, you should investigate whether you can qualify for the U.S. General Services Administration rates.

The organization does not reimburse for in-room movies, personal entertainment, laundry (except on trips over four days long) or personal phone calls made from your hotel room. Purchases from room service or in room refrigerator systems will be considered food and capped at the appropriate GSA rate. Travelers should use a cell phone or telephone credit card rather than the hotel billing for long-distance calls.

If you cannot obtain GSA rates, you are expected to use your judgment in adjusting these rates as appropriate for a standard room in a reasonably priced hotel, giving consideration to location, safety and availability. Travelers are expected to select hotels based on the above principles. For example, for a meeting in Oakland, California, a traveler would be expected to book a hotel in Oakland or Berkeley versus a hotel in San Francisco. KRRC expects documentation for room costs above GSA rates, including lack of availability of a reasonable GSA hotel. Travelers should contact KRRC with any questions. If in an extenuating circumstance you are requesting reimbursement above the GSA rate, you must provide the business reason for any overage with your reimbursement request.

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<sup>2</sup> KRRC carries secondary insurance coverage for automobiles. Driver insurance is primary.

**Meals:** When meals are not provided at meetings, KRRC will reimburse expenses for meals at GSA rates. Alcohol included on a receipt is not reimbursed. To simplify and expedite payment, request of per diem rates, versus submission of many smaller receipts, is preferred and more economical for the organization.

Lodging, meals, and incidentals rates for specific California and Oregon destinations may be found here: <http://www.gsa.gov/portal/category/100120>.

### **Other Expenses:**

**Subscription and Registration Fees:** For KRRC Staff, from time to time, it will be beneficial to the organization for a staff member to have a subscription to a service or pay a registration fee. These expenses will be reimbursed so long as there is a justifiable business reason for these expenses and they are incurred to benefit the organization.

**Business Meals:** A business meal must have a business purpose, be necessary and reasonable in order to accomplish a business objective, and be fully documented in compliance with IRS regulations.

The IRS requirements include all of the following:

- Receipts for meals if not a per diem expense
- Date and location
- Names and titles of individuals in attendance if more than one
- Purpose/Objective

Spouses and children: Expenses that are attributable to a traveler's spouse, partner, or children are not reimbursable. The traveler is responsible for the incremental costs. Transportation and meal expenses for the spouse or children will not be paid by the organization.

Supplies and Services: On occasion, a staff member will have to use personal funds to purchase supplies or services. Staff are encouraged to first work through KRRC's Administrative Assistant to order needed supplies within budget; if that option is not available, the second option would be for staff to use their corporate card if they have one; expending personal funds and requesting reimbursement should be the last option. In the event that personal funds are expended, KRRC will reimburse reasonable expenses with a valid business justification,

### **Expense Reporting**

KRRC has a standard form for reporting sponsored travel for reimbursement.

Forms and receipts should be submitted within 15 business days of the trip or expenditure end date. Forms and receipts can be submitted by email to [payables@klamathrenewal.org](mailto:payables@klamathrenewal.org). Print-outs of on-line transactions confirmations can be used for Internet purposes. Scanned copies are acceptable. Use of GSA per diem rates for meals do not require receipts; any expenses for lodging or business expense over \$75 require a receipt.

Please use the attached expense form, note that it is available in excel, providing an option that automatically sums and allows drop down choices. Once validated for accuracy and approved outside of the accounting function, payments are made within 15 days (though it is typically sooner). For expedited payment, please sign up for ACH.

**Notes:**

- The first and last day of travel is calculated at 75 percent of meals and incidental expenses.<sup>3</sup>
- Lodging rates are before taxes. All M&IE rates include taxes and tips.
- You must adjust per diem if a meal is provided as part of the meeting or event.
- All other KRRC travel policies and guidelines remain in place
- With only one exception in our area, GSA rates surpass IRS rates. You can use the IRS rates for Sacramento.

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<sup>3</sup> Meals and Incidental Expenses Breakdown: <https://www.gsa.gov/mie>