

Family First Credit Union

Travel and Expense Reimbursement Policy

Purpose

The travel and expense reimbursement policy will set forth the guidelines and process for reimbursing officials and employees for expenses incurred on official business for Family First Credit Union.

Responsibility and Authority

Major costs for travel and conference expenses will be authorized by the Board of Directors (for employees and officials). This includes travel and lodging expenses and registration fees. Once authorized by the Board of Directors, the reimbursement for these expenses may be approved by the officers of the credit union (CEO and CFO).

Other employees' expenses such as mileage and certain office operation costs must be authorized by management. Managers' expenses must be authorized by an officer. Employees' expenses must be authorized by a manager or an officer.

Reimbursements will be made by a credit union check or by a deposit to the individual's credit union account. Reimbursement transactions will be processed by the accounting department. Reimbursement will be made after the following procedures are completed:

1. Expenses must be itemized by date and amount on a properly prepared credit union expense report. The expense report must include the individual's name, purpose of the trip, description of expenditures, and signature.
2. Expenses must be properly supported by attaching receipts or other documentation.
3. The expense report must be approved by the signature (and date) of an authorized person on the expense report.

Officials and employees may obtain advances for expenses. Advances must be authorized by management and processed by the accounting department.

Conference and Seminar Costs

Registration fees for attendance at conferences, conventions and educational seminars attended by officials and employees of Family First Credit Union are to be approved and paid in advance.

Travel, lodging, meals and certain other expenses incurred while attending these functions are to be submitted for reimbursement on a credit union expense report using the guidelines set forth in this policy.

Expenditures for transportation, tolls, parking, lodging, meals, and tips are examples of expenses normally incurred on overnight business trips. Expenditures for traffic tickets, clothing, in-room movies and recreational activities not associated with the conference or seminar are considered personal expenses and are not reimbursable under this policy. When combining business and personal travel, the expense report should include only the business expenses that are reimbursable.

Credit union officials and employees are expected to exercise sound judgment in distinguishing between business and personal expenses, and between comfort and extravagance when incurring business expenses.

Officials may attend two conferences per calendar year with one of those being out of state. Officers (CEO and CFO) may attend more than two conferences per calendar at the discretion of the Board. These conferences will be approved by the Board of Directors in advance.

Transportation

Officials and employees will be reimbursed for transportation to and from authorized business functions. Reimbursement for use of a personal vehicle will be at the current IRS mileage rate.

The use of a rental car is acceptable but should be approved by management in advance.

Air transportation is acceptable in certain instances. Air transportation must be coach class and must be approved by management in advance.

Taxi and airport shuttle expenses (and tips) are reimbursable. Receipts should be obtained for costs in excess of \$20.

Lodging

Lodging will generally be reserved and paid in advance. Lodging expenses not paid in advance are reimbursable with a copy of the receipt attached to the expense report.

Meals

Personal meal expenses are reimbursable expenses when incurred on an authorized business trip. Reimbursable meals generally include the cost to the individual and paying for other credit union officials and/or employees. Receipts are required for meals over \$25 (including taxes and tip).

Spouse or Companion Travel Expense

Meals for the spouse or companion are considered reimbursable expenses when incurred with an employee during business related travel. Flight purchase for the spouse or companion is considered a non-reimbursable expense.

Other Official and Employee Expenses

Mileage Reimbursement

Officials and employees are required to use their personal vehicles from time to time in the ordinary course of credit union business. Examples include attending board meetings, attending staff meetings, attending local association meetings, attending local educational classes, trips to the post office or bank, and travel to one of the branch offices. Officials and employees will be reimbursed for transportation to and from authorized business functions. Reimbursement for use of a personal vehicle will be at the current IRS mileage rate.

Meal and Entertainment

Business meals are defined as meals taken during which a specific business discussion takes place. Business may include employee meetings, meetings with vendors and meetings with other credit union industry staff members. The details of business meals must be documented on the expense report. Reimbursable business meals should be approved by management.

At management's discretion, the credit union may pay for employees' meals in certain instances (i.e., special occasions and special work days (after hours or on weekends). Employees' meals paid for by the credit union will be approved by management in advance.

Entertainment is defined as expenses incurred to promote credit union business through entertainment of non-employee business associate and/or members. Reimbursement under this policy will only be made for entertainment expenses for which there is a specific documented business purpose. To be reimbursable, the non-employee business associate's trade or business, and the business relationship of the entertainment to the credit union's business must be clearly shown. Entertainment expenses may not be lavish or extravagant.

The following documentation is required on the expense report for business meals and entertainment:

1. Date
2. Cost
3. Name and location
4. Names, titles and business relationship of all persons attending
5. Detail explanation of business purpose.

Other Expenses

Other expenses that are specifically related to credit union business are reimbursable to employees (i.e., office supplies). Other business expenses must be approved by management.

Review

This policy must be reviewed at least annually by the Board of Directors.

Adopted _____ Date ____05/24/2007 _____

Reviewed _____ Date _____