



Expense Report Guidelines from the Employee Handbook

- Employees must properly substantiate all business expenses submitted for reimbursement.
- Employees are expected to submit original receipts (photocopies) or other supporting documentation for all business expenses incurred on behalf of the Company.
- The company will not reimburse employees for any of the following:
 - Alcohol
 - Traffic tickets incurred with traveling on business
 - Parking tickets incurred with traveling on business
 - Laundry services,
 - Hotel movie charges
 - Personal entertainment
 - Grooming
 - Repairs or maintenance of personal vehicles
 - Travel/accident insurance
 - Excess baggage charges for personal baggage outside of what is reasonable
 - Expenses for any other persons specifically authorized to do business for MCUL & CUSG
- The company will not reimburse employees for any expenses that are not required or that primarily benefit employees, rather than the company. This includes but is not limited to, expenses employees incur by purchasing smartphones or other electronic devices that the employees own, voice or data plans on such devices, internet service at employees' residence, other home-office equipment or furniture, and like expenses. Even if items or services such as these are used for business purposes at times, employee are generally not required to purchase them in order to perform their job duties, and the are primarily for the employee's benefit rather than for the Company's.
- Any expense that, at the Company's discretion, are unreasonable, extravagant, or not business-related, will not be reimbursed by the Company.

Expenses that violate any of these guidelines above will not be reimbursed unless the employee received approval from accounting, in writing, prior to incurring the expense.

The Company assumes no responsibly to reimburse employees for expenses that are not in compliance with this policy.

Supervisory Responsibility – all expense reports require the approval of the appropriate supervisor. Each supervisor should carefully examine each expense report to ensure that expenses fall within guidelines, are reasonable, and have the required documentation. Additionally, vice presidents and senior vice presidents should regularly spot check expense reports of their department's employees to ensure compliance with this policy.



Spousal/Family Travel – As a general practice, MCUL & CUSG does not reimburse expenses for spousal/family travel. Exceptions to this require the approval of the President/COO.

Meals (per diem) - Total daily meal expense should not exceed \$5- per day and should only be submitted with traveling 45 or more miles away from the employee's primary worksite.

Laundry and Valet – Valet charges are allowable when justified by the duration of the trip or other special circumstances. Laundry and dry-cleaning expenses will not normally be reimbursed unless the trip exceeds one week's travel.

Lodging/Accommodations - Accommodations should be comfortable and adequate. Single room rates should always be used. When no work is scheduled on a weekend, employees are expected to return home if the round-trip travel expense is less than the room and board expense that would be incurred by remaining at the site for the weekend. Accommodation expenses must be validated using a receipt when document in the MCUL & CUSG expense reporting system.

Transportation General – In general, if travel is required, employees should use the most economical form of transportation. No allowance will be given for en-route expenses other than those that would have been incurred had the employee used the economical form (i.e., if choosing to drive incurs mileage reimbursements more than cost of airfare, reimbursement will not exceed the cost of airfare). In addition, travel time more than is required will be considered personal time.

Transportation Air Travel – It is recommended that all employees arrange their air travel by using the most cost-effective means. Any air travel arranged in conjunction with company business is acceptable if expenses are minimized and kept to the equivalent value of commercial carriers. Employees should travel economy class, taking advantage of any special airfares or super savers.

Frequent Flyer Programs and Airline Clubs – Employees may join frequent flyer programs and use the travel awards for personal use. Employees are expected to utilize the carrier that will get an employee to the destination in the most practical and economical way.

Transportation – Ground Personal Automobile – the current mileage rate for the use of personal automobiles is the maximum rate allowed by the Internal Revenue Service and is calculated on the Employee Expense Report. This applies to local business trips, trips to the airport, meetings away from the office, pickups and deliveries, etc. Employees must hold a valid driver's license and have adequate liability insurance. MCUL& CUSG will not be liable for any damage to or loss of a personal vehicle, including accidents, theft, or vandalism while an employee is traveling on company business.

Mileage Reimbursement – Business mileage is the travel an employee incurs beyond normal commute mileage (from home to the office and home again) on a normal workday. Employees may request reimbursement for any business mileage incurred. If an employee does not report to their primary work location during a business



day, full mileage between home and meeting location is reimbursable at the IRS mileage rate. The mile rate includes gas, vehicle maintenance, insurance, and other personal vehicle-related costs.

Rental Cars – Rental car expenses may be incurred if the use of a rental car is considered a business necessity and can be done at a reasonable cost. A compact or intermediate-sized vehicle should be chosen. Major rental car agencies provide liability, property damage, and deductible collision insurance that are included in the rental fee. Rental car companies offer to cover the deductible on collision for an additional daily fee. This coverage should not be purchased for travel in the United States and will not be reimbursed; however, collision damage coverage should always be accepted when traveling in other countries. Employees may opt to consider added risk protection provided by the rental company at their own expense.

In case of accident, MCUL & CUSG will cover the deductible for collision under the automobile rental agency's policy as an ordinary and necessary business expense. If there is an accident and a loss does occur while using a rental car, copies of the following must be supplied:

- Car rental invoice
- Accident loss notice to the car rental agency
- Policy report

Travel Accident Insurance – If an employee travels on company business, they are covered by a blanket travel policy. Additional (car rental, for example) coverage will be the employee's responsibility.

Taxis, Limousine Services – Employees will be reimbursed for the reasonable costs of taxis, shuttles, bus or train fares incurred while traveling on company business. No reimbursement will be provided for use of private limousines. When traveling to and from airports, consideration should be given to using a Shuttle bus as they usually cost less than taxis.

Personal Travel in Conjunction with Business Travel - All personal expenses related to extended business travel will not be reimbursed and is the responsibility of the employee. MCUL & CUSG will reimburse expenses associated with business travel as described above. Employees who choose to extend their travel for personal reasons will be responsible for lodging, meals, and other personal expenses associated with the extended stay. Frequently, airline travel is reduced when purchased in conjunction with a Saturday night stay. MCUL & CUSG will reimburse for lodging and meals over the weekend when the savings on air travel exceeds the rate for lodging and meals.

Business Entertainment & Group Meals – Vice Presidents and above, and sales employees, will be reimbursed for appropriate entertainment/group meals (vendor or employee lunches) expenses incurred in the conduct of company business. All other employees must have approval for the appropriate department head or president prior to incurring these expenses. All such expenses are subject to budget limitations.



Tips – All tips should be reasonable and in line with accepted standards and documented on an Employee Expense Report. Tips should not be broken out if employees can report them at the primary charge (e.g., meals, taxi, etc.). Other incidental tips (e.g., hotel employee tips) should be separately identified as incidental items.

Advances – Employees who do not have a company-issued credit card may obtain a temporary travel advance of up to \$250 from the accounting department, provided the employee's expense reports are current. The employee's supervisor must approve cash advances. The President/CEO must approve advances for more than \$250. Whenever possible, allow 2-3 days advance notice to the accounting department. Employees receiving a temporary travel advance are required to submit an expense report within 30 days, or by the first of the month following completion of business travel or event for which the funds were requested. No more than one temporary travel advance will be issued to an employee at one time. Each advance must be settled with accounting before the next one is issued.

Corporate Credit Cards- A corporate credit card may be issued to employees if employees regularly travel thirty or more days in a calendar year, employees have a company vehicle, or there are other bona fide business reasons for doing so. The President/CEO must approve other requests for company credit cards wherein the requester is able to demonstrate a bona fide business need. All purchases made with a company credit card should be documented in the MCUL & CUSG expense reporting system. Direct reimbursement by employees to the credit card company is prohibited. To facilitate efficiency through automation of accounting and reduction of the volume of necessary employee reimbursements, employees issued a corporate card are expected to use this corporate card for all business-related expenses in lieu of personal credit card/funds.

Any personal charges on company credit cards are strictly prohibited as company cards are intended for business use only. The following actions can result in the removal of an employee's company credit card:

- Failure to submit an employees completed monthly expense report to Accounting by the due date on more than two occasions.
- Failure to submit any completed monthly expense report to Accounting within 60 days.
- Intentional use of employee credit cards for personal purchases or other abusive behavior.

If an employee incurred a loss of company credit card privileges for any of the above reasons, reissuance may be reconsidered after one year, provided all expense reporting has been current over the past year. If employees receive a company credit card, employees will be required to sign an acknowledgement identifying the terms of employee responsibility. As a safeguard to the company, employees will also be required to sign a business expense deduction form that authorizes the company to deduct monies owed from employee paycheck in the event that the employee owes the company money and has not made the appropriate reimbursement.



Expense Report Q&A

Please see the Q&A below for clarification on the proper use of certain expense categories and expense reporting practices.

Q: Am I required to use my corporate credit card, or can I use my personal credit card?

- It is the organization's policy that, if you have been issued a corporate credit card, you are required to use this card for business purchases. It helps us track expenses more easily and plan for future payments.

Q: When is my expense report due?

- Expense reports are due on the 20th of the month. Corporate credit card transactions are uploaded and available in Nexonia by the 10th of each month.

Q: Is alcohol an allowable expense?

- The organization does not allow for the purchase of alcohol for staff only meals or gatherings. Reasonable alcohol expenses will be allowed when dining with customers, partners, or vendors.

Q: What is the difference between Business Meals and Employee Meals Expense Categories?

- **Business Meals** – meals with other NON-staff. This expense category is to be used when you are dining with clients/partners/vendors and the system will prompt you to add names of individuals.
- **Employee Business Meals** – meals that are only for yourself or with other staff. (No clients/partners/vendors). Although the system does not prompt you for names, it is helpful if you add the names to the memo field in Nexonia.

Q: How do I enter a hotel bill with combined room costs and food costs?

- If you have a hotel bill where food purchases have been combined with room expenses on the hotel bill, you will need to SPLIT the hotel and food costs between different expense categories. (Note: this is required as the organization is taxed differently for food vs. lodging expenses).
 - **Hotel/Lodging expense** code should be used for the hotel room portion of the total bill.
 - **Employee Business Meals or Business Meals** expense codes should be used for the food portion of the total bill.

Click [here](#) to learn how to split expenses on the Nexonia Web application.

Click [here](#) to learn how to split expenses on the Mobile app.



Q: What are some common travel expenses that are not permitted?

- Excess baggage fees
- Travel/accident Insurance
- Traffic/parking tickets
- Laundry services
- Hotel movie charges
- Personal entertainment
- Grooming
- Repairs or maintenance of personal vehicles
- Expenses for anyone other than persons specifically authorized to do business for MCUL & CUSG

Should you have any questions on expense categories or completing your expense report, please feel free to contact Heidi at ext. 209 or email at Heidi.kubinski@cusg.com