

TRAVEL EXPENSE ANALYSIS BY DEPARTMENT

Summit Digital Solutions, Inc.

Fiscal Year 2023 (January 1, 2023 - December 31, 2023)

Document Reference: FIN-2023-TE-001

1. EXECUTIVE SUMMARY

This analysis presents a comprehensive review of travel-related expenses across all departments of Summit Digital Solutions, Inc. ("Company") for fiscal year 2023. The data has been compiled and verified by the Finance Department in accordance with the Company's Travel & Expense Policy (Policy #FIN-2022-03) and Generally Accepted Accounting Principles (GAAP).

2. METHODOLOGY

1. Data collection was performed through the Company's Concur expense management system.
2. Expenses were categorized according to:
 - Air travel
 - Ground transportation
 - Lodging
 - Meals & entertainment
 - Conference & training fees
 - Incidental expenses
3. All amounts are reported in USD and have been reconciled with corporate credit card statements and employee reimbursement records.

3. DEPARTMENTAL ANALYSIS

3.1. Professional Services Division

Total Annual Expenses: \$2,847,500

- Air Travel: \$1,125,000
- Lodging: \$892,500
- Ground Transportation: \$385,000
- Meals & Entertainment: \$275,000

- Conference Fees: \$120,000
- Incidentals: \$50,000

Primary Travel Purposes:

- Client implementation projects
- On-site consulting engagements
- Technical training delivery

3.2. Sales & Business Development

Total Annual Expenses: \$1,925,000

- Air Travel: \$785,000
- Lodging: \$525,000
- Ground Transportation: \$245,000
- Meals & Entertainment: \$290,000
- Conference Fees: \$65,000
- Incidentals: \$15,000

Primary Travel Purposes:

- Client acquisition meetings
- Industry conferences
- Partner relationship management

3.3. Research & Development

Total Annual Expenses: \$685,000

- Air Travel: \$285,000
- Lodging: \$195,000
- Ground Transportation: \$75,000
- Meals & Entertainment: \$45,000
- Conference Fees: \$75,000
- Incidentals: \$10,000

Primary Travel Purposes:

- Technology conferences
- Innovation workshops

- Partner technology integration sessions

3.4. Executive Management

Total Annual Expenses: \$495,000

- Air Travel: \$225,000
- Lodging: \$125,000
- Ground Transportation: \$55,000
- Meals & Entertainment: \$65,000
- Conference Fees: \$15,000
- Incidentals: \$10,000

Primary Travel Purposes:

- Board meetings
- Investor relations
- Strategic partner meetings

4. COMPLIANCE ANALYSIS

1. Policy Adherence

- 98.5% of expenses submitted within policy guidelines
- 1.5% requiring senior management approval for policy exceptions
- Zero instances of material policy violations

2. Documentation Compliance

- 99.2% of expenses properly documented
- 0.8% requiring additional documentation
- All expenses over \$5,000 verified with supporting documentation

5. COST OPTIMIZATION INITIATIVES

1. Current Programs

- Preferred vendor agreements yielding 15% average savings
- Advanced booking requirements resulting in 22% air fare savings
- Virtual meeting policy reducing non-essential travel by 30%

2. Recommended Actions

- Implement additional preferred hotel agreements in top 10 destinations
- Expand use of corporate travel booking platform
- Enhanced expense analytics for pattern recognition

6. CERTIFICATION

The undersigned hereby certifies that this analysis accurately reflects the travel expenses incurred by Summit Digital Solutions, Inc. for the period specified, as recorded in the Company's financial systems and verified against source documentation.

Prepared by:

/s/ Jennifer Martinez

Jennifer Martinez

Senior Director, Financial Planning & Analysis

Date: January 15, 2024

Reviewed by:

/s/ David Thompson

David Thompson

Chief Financial Officer

Date: January 16, 2024

7. DISCLAIMERS

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