

TRAVEL AND EXPENSE POLICY
for
BOARD MEMBERS
of
Member Companies of the Nonprofits Insurance Alliance Group

GENERAL POLICY:

Each company in the NIA Group covers the cost for board members of normal and reasonable expenses while on travel for board business. This policy is intended to provide basic guidelines for cost-effective travel, which should be supplemented by the good judgment of each board member.

We understand that business travel often requires significant financial resources, both in the form of credit and cash. Consequently, whenever possible, we urge board members to allow the AMS Executive Assistant to arrange for travel under the guidelines provided below and pay for it using company funds. When it is necessary for the board member to arrange his or her own travel or to pay for travel costs during the course of travel, the following policies also apply.

Exceptions to this policy are only to be considered when unique and important business or health circumstances are present. Where additional expense to the company is involved, exception to this policy for reasons of personal preference or benefit (such as mileage programs) is not permitted. CEO or CFO must approve exceptions to this policy in advance and in writing.

Spousal/dependent traveler expense reimbursement requires prior CEO or CFO approval.

A. TRAVEL EXPENSE REPORT FORM

1. All travel related expenses incurred by the board member should be listed on a travel reimbursement request form and submitted at the end of each trip or when the expense is incurred. Reports must include necessary original expenditure receipts with the appropriate documentation as outlined in this policy. Original receipts are expected as verification for most expenses; however, to comply with IRS requirements, original receipts are required for any expenditure over \$75, except for lodging receipts which are always required.. If a receipt is lost or cannot be obtained, a brief note as to the nature of the expense, the amount and the reason that there is not a receipt should be prepared, approved by the CEO or CFO, and attached to the expense report.
2. Travel reimbursement expense reports are to be reviewed and approved by the CEO or the CFO.
3. Travel expense reports submitted by the close of business each Friday will be reimbursed by the following Friday.

B. AIR TRAVEL

Airfares are significant discretionary costs. Therefore, board members are responsible for exercising good business judgment in deciding when to travel and in booking in advance and in selecting fares and routes.

1. It is the policy of this Group to use the lowest logical airfare consistent with business objectives. Class of service for air travel should be coach or economy fare. Board members may use their frequent flier miles to upgrade to business or first-class. Frequent flyer program benefits provided by the airline may be retained by the board member, but should not be the basis of selecting the air carrier.

The company encourages early booking of known travel events/plans. If prior advance booking cannot be accomplished, the following price guidelines should be followed:

Inside California – not to exceed \$250 roundtrip
Outside California - not to exceed \$500 roundtrip

Airfares in excess of these guidelines require CEO or CFO approval in writing prior to booking.

2. First-class or business travel may only be used if the board member upgrades at no additional expense to the company.
3. The CEO or CFO must approve in writing first-class or business travel if it is necessary due to extraordinary circumstances in advance. Whenever first-class or business airfare is charged due to special situations, the board member must include or attach a written justification on the travel expense report for use by Finance in the event of an audit.
4. Travel insurance and unapproved upgrades are not reimbursable.
5. Saturday overnight stay flights are encouraged (but not required) whenever possible if net expense to the company (including hotel, meals, etc.) is lower than non-Saturday overnight stay flights.

D. OVERNIGHT LODGING AND INCIDENTALS

1. Hotel/motel accommodations are to be in the moderate price range. Board members should use good judgment in selecting moderate accommodations, which will provide the board member an acceptable degree of comfort, security and convenience.

2. The maximum nightly hotel room expense is \$200 per night. The CFO or CEO must approve in writing exceptions in advance.
3. The detailed hotel folio and copy of charge receipt must accompany the travel expense report for reimbursement.
4. Valet laundry expenses are only appropriate for travel in excess of five business days, and may be approved under special circumstances during shorter duration travel.
5. Telephone: Board members should use cell phones to cover telephone costs while on business travel. Board members who do not have cell phones or do not wish to use them are required to use pre-paid calling cards. Pre-paid calling cards are available through the company and should be requested from the Executive Assistant prior to the travel date.

E. PERSONAL MEALS

1. When business travel requires overnight stay, the company reimburses the board member for reasonable and customary food expenses. Only actual expenses with receipts will be reimbursed up to \$60 per day. The CEO or CFO must approve in writing exceptions in advance.
2. When participating in business meals with other board members of the company and reimbursement for the expense is expected, the expense must be approved in writing by the board President in advance. Business meals amongst board members must be for a worthy business purpose and noted on the expense report.

F. ENTERTAINMENT

It is generally not anticipated that board members will entertain for business purposes and expect reimbursement from the company. If a board member expects to be reimbursed for any entertainment expenses related to board business, he or she must obtain prior written approval from the CEO or CFO

G. TRANSPORTATION TO/FROM AIRPORTS

1. Board members should consider all alternatives (i.e., taxi, shuttle services, personal car, etc.) and select the one that best meets the economic business needs of the company.
2. Board members will be reimbursed for personal car mileage to/from the airport at the current mileage allowance rate established by the Internal Revenue Service.

H. PARKING & TOLLS

1. Travelers are expected to select the most cost-beneficial parking alternative. As a general rule, “long-term” parking, which is considerably less expensive than “short-term”, should be used whenever the time to access such parking is not significant.
2. Tolls required for business travel are reimbursable.

I. RENTAL CARS

1. Rental car reservations should be made when alternate transportation such as taxis or shuttles are not cost effective or are not reasonable alternatives. In general, if travel exceeds one-day, rental cars are a more economical solution.
2. The company encourages board members to reserve the most economical rental car service that provides satisfactory service for business travel. (We have Avis and Hertz accounts, but competitive pricing is easily obtained via the Internet.)
3. Board members should not accept “full tank” option when checking out a rental car simply as a means of convenience. As a rule, travelers should make every attempt to refuel prior to returning the rental car to avoid high refueling costs.
4. The company’s corporate automobile insurance policy coverage includes all rental car transactions within the United States; therefore, board members should decline rental car insurance.
5. When the rental vehicle is used to extend a business trip for personal purposes, costs of the rental beyond those associated with returning the vehicle in the most direct manner to the rental agency will be borne by the board member.

J. NON-REIMBURSABLE EXPENSES

The following items are not reimbursable:

- Personal reading materials such as books, magazines, newspapers, etc.
- Tobacco or cigarettes
- Personal entertainment such as movies, theater, sporting event tickets, etc.
- Fines and penalties such as traffic citations, parking tickets, tow charges, etc.
- Mileage for local lunches
- Laundry expenses with exception to section D-4

K. MISCELLANEOUS CHARGES

1. Reasonable gratuities to bellmen or porters may be charged if the employee is transporting heavy luggage or bulky equipment, not to exceed \$2 per item. Housekeeping gratuities not to exceed \$2 per day.
2. Reasonable meal and bar gratuities (15%) are reimbursable as part of the daily per diem allowance.
3. Insurance - There is no insurance provided for the loss of personal belongings while traveling on business. Board members would need to seek restitution through their own homeowner's, renter's, or travel insurance, if applicable.