

Title:	Travel & Expense	Effective Date:	06/01/2007
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Functional Area:	Accounting/Payroll		

POLICY

This policy covers payment of travel and other business expenses for employees and independent contractors. Exceptions must be approved as specified herein. The purpose of the policy is to be fair. Payments for expenses should neither favor nor disadvantage employees financially for incurring work related expenses. Expense limits are to allow for reasonable food, lodging and transportation costs. Expenses should not be lavish or extravagant.

PROCEDURE

The policy is organized into the following sections:

- I. General
- II. Air Travel
- III. Car Rental
- IV. Hotel
- V. Meals and Entertainment
- VI. Phones
- VII. Other Reimbursable Expenses
- VIII. Other Non-reimbursable Expenses

General

1. **Timely and complete expense reports required.** Requests for expense reimbursements must be on detailed expense reports substantiated by valid original receipts filed within sixty [60] days of incurrence.
2. **Local Policies.** Local policies may be adopted (with written Corporate approval) to comply with customer, regulatory or other business requirements. Local policies modify, but do not replace this policy. Please contact the local program manager to determine whether a local policy applies.
3. **Exceptions.** Exceptions must be justified in writing on the expense report. Exceptions will be disallowed unless validly approved in writing by the Contract Manager and the Corporate Controller. Exceptions paid will be reported to the President, Chief Operating Officer and Chief Financial Officer.
4. **Income tax considerations.** Recipients are responsible for complying with federal, state and local income tax requirements with respect to any payments made to them by the Company. The Company may be required to report certain expense payments as taxable income to the recipients. Recipients of payments reported as taxable income are responsible for maintaining sufficient documentation to support any deductions the recipients determine to be appropriate. The Company provides no tax advice and recipients should consider consulting a professional tax adviser. Examples of payments which may be reported to recipients as taxable income include:
 - a. Allowances or other payments not based on actual expenses.
 - b. Expense reimbursements not supported by receipts.

- c. Expense reimbursements (whether or not supported by receipts) for living expenses related to an assignment away from home which lasts or is expected to last more than one year.
 - d. The portion of any expense deemed to be lavish or extravagant.
5. **Professional Judgment.** Personnel should exercise judgment before incurring any business expense. A good “rule of thumb” is to spend Company or customer funds as if they were your own. Further, persons submitting expenses are presumed to be comfortable with possible later scrutiny of such expenses by auditors, regulators, customers or the media.
6. **Business Connection Required.** Expenses must have a business connection – that is, expenses must have been incurred in the performance of services for the Company.
- a. All travel expenses must indicate which Company customer or activity the travel relates to.
 - b. No person shall incur or charge expenses related to a customer or activity for which he or she has not been authorized to perform services and incur expenses.
7. **Incentives.** Travelers may keep non-cash incentives earned while traveling on Company business if the incentives are a secondary benefit of complying with this policy. The use of personal incentives for business expenses is not reimbursable. Incentive-generating vendors should not be used unless the cost is less than or equal to available alternatives. No traveler shall alter cost-effective travel plans to achieve these incentives.
8. **Purchases of Equipment and Other Company Property.** Purchases of computers, furnishings, leasehold improvements, software and other property are to be purchased by the Company, not by employees and are not reimbursable. Property paid for by the Company (directly or via reimbursement) shall immediately become Company property. Company property not returned to the Company upon request or separation of service may be reported as taxable income to the recipient up to the amount paid by the Company.
9. **Local Purchase Arrangements.** The Company may grant a Program Manager authority to personally incur and be reimbursed for costs related to certain local operations. The Chief Financial Officer and Contract Manager must approve each arrangement. Reimbursement requests for Local Purchases should be submitted separately from travel expenses in a manner prescribed by the Corporate Controller.
10. **Alternatives to travel.** To reduce the time and costs of travel, remote communication should be used instead, when possible. If a business trip is required, the number of travelers should be limited to the minimum required to complete the business objective.
11. **Professional organizations.**
- a. In order to receive reimbursement, memberships must be directly related to the employee’s duties and must either be required to maintain the employee’s professional skills or promote the Company’s business interests.
 - b. The Contract Manager or Controller must approve all Company-paid memberships in professional organizations.
12. **Conference attendance.**
- a. Conference attendance must further the Company’s business interests.
 - b. If conference attendance is primarily for training or professional certification purposes,
 - 1. the conference must be directly related to an employee’s function;
 - 2. must be obtained locally if such training is locally offered and;
 - 3. must not exceed an individual’s contractual continuing education allowance.
 - c. Conference attendance must be pre-approved in writing by the manager responsible for the department’s budget prior to making any travel or attendance commitments.
 - d. Managers may impose lower limits on lodging, meals and travel expenses for conferences than for other business travel. Please consult your manager for details.
 - e. The number of attendees should be limited to that required to efficiently serve the Company’s interests.
 - f. Managers may require that conference attendees provide a certificate of completion or attendance or

a written report of contacts made and information obtained at a conference.

- g. Conference attendance outside of the guidelines of this section will not be reimbursed by the Company and will be considered time away from work.

13. **Personal expenditures prohibited.**

Personal expenditures such as spouse travel and lodging, golf, other recreation or similar costs will not be allowed unless directly related to entertaining existing or qualified prospective customers and such costs are authorized in writing by the President, COO or CFO.

14. **Contractual arrangements for expenses.**

- a. Expenses permitted by an individual's contract with the Company may be incurred without the approval of the Contract Manager provided such expenses comply with the contract (e.g. they have a business connection and are not lavish or extravagant).
- b. No substitution. Expenses of one type may not be "substituted" for other expenses allowed by contract.
- c. Contractual expense payments may result in the reporting of taxable income to the recipient as discussed elsewhere in this policy.

Air Travel

- 1. **Preauthorization required.** Air travel must be approved in advance by a Contract Manager.
- 2. **Arranging travel.** Air travel should be arranged through the Company's designated travel provider (currently CorpTravel). Arrangements made in this manner will be charged to a Company credit card. In most cases, travel should be booked through the following website (www.concursolutions.com). Travelers may make travel plans by telephone if the travel is required on short notice. If changes to itineraries are required enroute or after-hours, travelers should call the following numbers:
 - a. Air travel arranged through the website – (630) 691-8060.
 - b. You also may contact the air carrier that issued your ticket.
- 3. **Lowest fare required.** Travelers should select the lowest available fare that departs within a reasonable time of the intended departure and arrives in time for the traveler to meet work commitments. The Company will not pay any costs in excess of the cost of a coach ticket.
- 4. **Advance scheduling.** Travel should be scheduled in advance to obtain lower fares. This is especially true for regularly scheduled trips, trips that are not time sensitive and professional meetings/seminars or conferences that can be planned in advance.
- 5. **Non-refundable fares.** Non-refundable fares should be selected for travel not likely to require an itinerary change, such as a conference.
- 6. **Upgrades not reimbursable.** Upgrade payments are not reimbursable. However, travelers may use personal incentives to upgrade from Coach provided that the net cost to the Company equals the lowest fare available.
- 7. **Direct purchase of airline tickets.** Airline tickets should be purchased through the Company's travel vendor. However, if this is not reasonably possible due to a flight cancellation, itinerary change or other travel emergency, travelers may directly purchase airline tickets. In this case, to be reimbursed, a copy of the ticket, the boarding pass (evidencing the cost and use of the ticket) and a written explanation must accompany the request for reimbursement.
- 8. **Weekend travel.** Employees may travel over the weekend if it results in savings to the Company or is required for business purposes. Travelers must obtain prior written approval from the Contract Manager for full or partial reimbursement for meals, lodging and other costs incurred during the weekend stay. Expense reimbursements will be limited to the maximum allowable for the same expense incurred on a weekday. Time spent traveling during non-business hours (including weekend travel) is generally not considered work time except for non-exempt employees required by the Company to fly during non-business hours.

9. **Unused tickets.** Travelers must cancel flights in sufficient time to avoid a loss of the ticket price and submit unused airline tickets to Finance in Bala Cynwyd.
10. **Alternative means of travel.** Travelers may select other modes of travel (e.g. train or bus) provided the travel meets business requirements, time constraints and is not more costly than air travel (inclusive of associated costs such as parking and rental cars).

Car Rental

1. **Business requirement.** To be reimbursable, car rentals must be related to the performance of Company duties away from the person's home office.
2. **Arranging car rentals.** Car rentals should be arranged through CorpTravel (see Air Travel for more information about how to contact CorpTravel). Employees should use less expensive off-airport car rental services, if time permits. If a lengthy stay is required, a short term lease may be a cheaper option than a car rental. Please call Corporate HR to arrange for the best option.
3. **Compact or mid-size cars.** The Company will reimburse the cost of compact or mid-size cars. If three or more travelers are sharing a rental car, the Company will reimburse the cost of a full size car. Managers responsible for the budget may approve other size cars to accommodate special needs.
4. **Sharing.** Whenever practical, travelers should share rental cars.
5. **Insurance and Damage Waivers.** Employees renting cars on Company business should decline rental car insurance and damage waivers.
6. **Independent contractors.** Independent contractors are responsible for providing their own auto insurance. Independent contractors whose travel expenses are reimbursed by the Company may be reimbursed for the cost of car rental liability insurance.
7. **Alternative to personal vehicle use.** Rental cars should be considered as an alternative to use of a personal vehicle if the personal vehicle would be driven more than 250 miles per day during the rental car period. (Travelers should also consider air, train or bus travel as an alternative to drives longer than 150 miles one way.)
8. **Accidents.** In case of an accident, the rental car agency must be notified immediately. In addition to notifying the rental car agency, the accident must be reported to the Human Resources Department at 1-800-331-7122.
9. **Refueling.** Travelers should return rental cars with a full tank of gas. The Company may deduct 50% of the rental car refueling charge from any amounts due the traveler.
10. **Permitted drivers.** Cars rented in connection with Company business may only be driven by persons permitted under the rental car contract who are employed by the Company, and in the case of independent contractors, who personally maintain required liability insurance.
11. **No impairment.** No driver shall drive on Company business while impaired.
12. **Personal Vehicle Use.** Liberty employees are sometimes required to use their personal vehicles in conducting business. We wanted to give you some important reminders if this applies to you:

First, use of your private vehicle in conducting Liberty business requires approval by your supervisor.

Second, insurance companies vary on how they handle the use of personal vehicles for work and what type of insurance coverage your insurance company will require you to have. Check with your insurance company for the specifics of your work situation (including mileage and whether you transport others) to ensure that you have fully informed them of the situation and have the appropriate insurance. Liberty's mileage reimbursement rates include money for insurance premiums.

Liberty expects employees using their vehicles on behalf of the company to carry proper and adequate insurance at all times (minimum limits of \$100,000.00). Liberty reserves the right to seek at any time verification that such insurance is in effect. Further, Liberty expects you to properly maintain your vehicle, including all mandated safety equipment. If your vehicle cannot be so maintained you should decline use of

the vehicle on behalf of the corporation. In that event, please check with your supervisor as to what alternatives are available. Liberty also expects you to follow all local and state laws concerning the operation of your vehicle.

Hotel

1. **Lowest price.** Travelers shall select the lowest priced lodging that does not entail a reduction in personal safety or cleanliness. Reimbursable lodging is limited to the cost of the room and related taxes. Charges such as in-room movies and mini-bars are not reimbursable.
2. **Hotel reservations.** Hotel reservations should be arranged through CorpTravel (see Air Travel for more information on how to contact CorpTravel).
3. **Required by business conditions.** Lodging must be required by business conditions.
 - a. Generally, this means travel to and from the traveler's home would not be practical due to distance.
 - b. Lodging for overnight stays near the staff member's permanent work location is generally not reimbursable. Infrequent exceptions may be made for critical personnel during weather or other emergencies.
4. **Government rates.** If traveling on government business, travelers should inquire whether a government rate for which they are qualified or other discounted rate is available to them.
5. **Other non-reimbursable lodging.** No reimbursement shall be paid for lodging expenses paid to non-commercial entities such as friends or relatives.
6. **Extended stay lodging.** Personal items, including groceries and toiletries purchased by employees housed by Liberty are not reimbursable.

MEALS AND ENTERTAINMENT

1. **Meals away from home.** While traveling away from home on company business, travelers will be reimbursed for the actual cost of meals up to \$50.00 per day. Expenditures in excess of this daily limit must be approved by the Contract Manager or his/designee. For purposes of this paragraph, a day "away from home" generally means an overnight stay was required for that day (e.g. one night of lodging equals one day of meal reimbursements). Local Policies may provide for meal reimbursements for persons whose work duties require them to travel long distances and be away from home for a substantial portion of the day without an overnight stay. In general such reimbursements shall not exceed \$20.00 per person per day.
2. **Itemized receipts requested.** Receipts should be a detailed itemized bill indicating the names of diners and business purpose.
3. **Meals not away from home.** Meals incurred while not away from home on Company business are not reimbursable.
4. **Alcohol and other expenditures.** No reimbursement will be made for any activity which could be deemed to violate standards of professional conduct. Alcohol will not be reimbursed, except as an incidental part of a meal bill approved by a Contract Manager.
5. **Entertaining guests.** Program Directors, Contract Managers, Sales Personnel, and other Executives may be required to entertain guests for business purposes (e.g. clients, prospects, or job candidates). Such expenses are reimbursable provided the cost is reasonable and consistent with the nature of the event and the business purpose and attendees are documented. Expenditures over \$100.00 should be preauthorized by the executive's supervisor.
6. **Meals for other Company personnel.** Payment for meals for other Company personnel are not reimbursable except as follows:
 - a. The cost of the meal would be reimbursable by the Company if the meal recipient incurred the cost himself (e.g. another traveler); or
 - b. The cost of the meal is budgeted, the person incurring the charge is responsible for the budget, the attendance of each individual is business related and business is conducted. Such expenses are

expected to be infrequent.

- c. For both (a) and (b) the business purpose of the meal and a list of attendees is required along with the receipt.

7. **Gratuities.** Tips for meals should not exceed 20 percent.

PHONES

1. **Company paid cell phones.**

- a. The Contract Manager must approve all requests for a Company paid cell phone and plan.
- b. The Company will acquire the phone, necessary accessories and establish the calling plan.
- c. Costs of plans and equipment acquired by individuals are not reimbursable unless instructed by Corporate. The cost of a cell phone plan should be the lowest that meets the business requirements of the person and should generally be less than (\$50.00) per month.
- d. Cell phone accessories for Company paid cell phones are not reimbursable.

2. **Avoidance of hotel and other high cost phone service.** Cell phones or calling cards should be used whenever possible to avoid telephone surcharges imposed by hotels and other high cost telephone providers.

3. **In-flight phone service.** Calls made from an airline's in-flight phone are not reimbursable unless the call was made for a business or personal emergency.

OTHER REIMBURSABLE EXPENSES

1. **Mileage.** Mileage for personal auto use on company business, less the normal daily round trip mileage between home and office will be reimbursed at the current IRS rate unless a customer requires a lower local rate be used.
2. **Tolls, taxi fares and parking.** The Company will reimburse the reasonable costs of these items incurred while conducting company business that would not otherwise be incurred if the employee were working in his or her home office.
3. **Tips.** The actual cost of miscellaneous travel gratuities up to \$10.00 per day or such reasonable amount as necessary under the circumstances.

OTHER NON-REIMBURSABLE EXPENSES

The following items are non-reimbursable except as specifically permitted elsewhere in this policy:

1. Personal services (e.g. haircut, manicure, massage, etc.).
2. Briefcases, luggage, or similar items.
3. Non-company issued computers, PDAs, phones or beepers.
4. Personal credit card membership dues.
5. Personal reading materials (e.g. books, magazines, newspapers).
6. Use of leisure/recreational facilities, such as a gym, sauna, etc.
7. Traffic fines.
8. Personal vehicle costs including fuel, oil, repairs or maintenance (Mileage reimbursement rates cover all personal vehicle costs except for tolls and parking).
9. Theater or personal amusements.
10. In-room movies.
11. Transportation between home and work location when not on travel status.
12. Unauthorized trips, gifts or donations.
13. Flight insurance.

14. Airline stopover charges (e.g. lodging, etc.), made for personal convenience.
15. Clothing and toiletries.
16. Luncheons, gifts, flowers, entertainment, etc., except as approved by the manager responsible for the budget, for a valid business purpose.
17. Finance charges on credit cards.
18. Expenses for spouses, family members or friends.
19. Laundry and dry-cleaning charges except for out-of-town travel longer than a week in which case reimbursement of actual costs will be allowed up to \$25.00 per week for the second and subsequent weeks.
20. Passports.

Approved By: _____

Revision History

Version	Date	Author	Summary of Changes
#1	06/01/2007	Shirley Greenlee	Policy Created
#2	03/21/2021	Shirley Greenlee	Policy reviewed with the following changes: replaced VPO with Contract Manager