

HOUSTON PUBLIC LIBRARY FOUNDATION TRAVEL & ENTERTAINMENT POLICY

1. PURPOSE

The overarching principles are that any Travel and/or Entertainment incurred on behalf of the Houston Public Library Foundation (“Foundation”) should be: (1) necessary for the Foundation to accomplish its mission of public service; (2) reasonable and allowable; (3) for the benefit of the Foundation and not for personal use or benefit of an individual; and (4) in accordance with tax laws, government regulations, and donor stipulations. It is impossible for these procedures to specify every possible transaction that is appropriate or every one that is inappropriate. It is the responsibility of each traveler and each approver to make sound and reasoned judgments as to whether a transaction is in accordance with these principles.

2. OVERVIEW

The Foundation will reimburse Employees and Members of the Board who are traveling on Foundation business for necessary and reasonable travel expenses. This Policy is designed to comply with applicable Internal Revenue Service (IRS) rules. IRS rules require business travel to be documented in a timely manner. All individual expenditures that exceeded \$50 require supporting documentation.

Undocumented or untimely submission of business expenses may require Foundation to report these expenses as taxable income. Travel expenses should be submitted and approved no later than thirty (30) calendar days after the return from a business trip. Upon completion of the trip, the traveler is responsible for preparing a timely, complete and factually correct expense report form.

3. TRAVELER’S RESPONSIBILITIES

The traveler is responsible for:

- a) Obtaining and submitting true and accurate original detailed receipts;
- b) Providing all required receipts submitted on an expense reporting form;
- c) Verifying the expenditure amounts recorded on the expense report form are true and accurate;
- d) Verifying that only costs allowed by Foundation policy have been included on the expense report form;
- e) Signing the expense report form;
- f) Ensuring that a complete and accurate expense report form is submitted within 30 days after completion of the trip; and
- g) Providing currency translation documentation for receipts in foreign currency, as applicable.

The office manager is responsible for maintaining the physical expense report form and ensuring that any exceptions to the Travel Policy are noted.

4. EXPENSE LIMITS & GUIDELINES

Travelers are expected to plan for travel in advance. If a weekend stay results in a lower total cost, including additional lodging and meals, the Foundation will pay the traveler for the additional lodging and meal costs. The traveler must document the savings calculation for the approver's review

5. SPECIFIC LIMITS & GUIDELINES

Airfare and Other Transportation Options

- a) The most economical and direct form of transportation should be used, including ground transportation to and from the airport.
- b) Economy class airfare should be used. In certain limited circumstances, the use of business class airfare may be justified. First class travel is almost never allowed.
- c) An exception to economy travel always requires additional approval and documentation.

Auto Mileage Reimbursement

- a) Reimbursement rates are set at the current Internal Revenue Service (IRS) rate. The Accounting Department will notify all annually of the mileage rates.
- b) Mileage reimbursements may be requested for round trips in excess of five miles.

Gratuities

- a) Tips for meals, taxis and so forth should be included with the corresponding charge. The total amount, including the tip, determines whether a receipt is required.
- b) Other tips, such as baggage handling and special services, should be modest and must be itemized.

Lodging

- a) Lodging charges are to be shown separately from meal charges, including room service, which may appear on the hotel summary.
- b) Line items on hotel bills other than room and tax (e.g., room service, restaurant charges) should be supported by itemized receipts or explanations as to the business nature of the expense.

Employee Meals

- a) If meal expenses are charged and an overnight stay is involved with the trip, receipts are required to determine the number of meals served and whether alcoholic beverages were served.
- b) Costs of meals and the gratuity paid related to meal service should be reasonable and appropriate.

6. ENTERTAINMENT

Business meals

Usually are taken with people who have a business purpose related to the Foundation, potential Donors, or associates during which a specific business discussion takes place. Employees will be reimbursed for business meal expenses according to actual and reasonable costs.

Entertainment costs

Travelers will be reimbursed for entertaining:

- a) If the person entertained has a potential or actual business relationship with the Foundation.
- b) If the entertainment expenses include events such as theater and sporting events, whereby a business discussion takes place during, immediately before, or immediately after the event.
- c) If the expenditure directly precedes, includes or follows a business discussion that would benefit the Foundation.
- d) The following entertainment expenses are reimbursable:
 - 1) Concert and theater tickets; sporting event tickets.
 - 2) Meals and beverages consumed at such events.

Entertainment Documentation and IRS Requirements

The following information is required by the IRS as documentation for entertainment and business meals:

- a) Names of individuals present along with their titles and company name
- b) Name and location of where the meal or event took place
- c) Exact amount and date of the expense
- d) Specific business topic discussed
- e) In the case of entertainment events, the specific time the business discussion took place (e.g. before, during, or after the event)

Airfare

- a) For “ticketless” travel, the original copy of the airline’s confirmation notice shall be included with the expense report form. In other cases, ensure that the passenger receipt coupon portion of the airline ticket is included with the expense report form. Travel agent itineraries or charge card receipts alone are not adequate documentation.
- b) The airfare expense shall be for an economy class fare unless an exception has been approved and documented.

Auto Rental

- a) For parties of 3 or less, auto rental expenses do not exceed the rate for an intermediate sized vehicle.

Automobile Related

- a) Number of miles charged shall be reasonable and the IRS rate for mileage reimbursement in effect at the time of travel shall be used.
- b) Parking expenses are reasonable
- c) Actual gas receipts may be reimbursed in lieu of automobile mileage provided the reimbursement for gas is less than the mileage reimbursement

Other Expenses

- a) No unreasonable personal charges should be included on the expense report form (i.e., laundry, movies, newspapers and magazines).
- b) The nature of any other allowable expenses should be clearly indicated on the expense report form.

Shared Expenses

Where expenses are being shared with external organizations, a photocopy of the receipts will be acceptable documentation if:

- a) The traveler also submits a copy of the expense report form submitted to the other group(s) responsible for shared reimbursement, or
- b) The traveler submits a common expense report form that will be submitted to both the Foundation and the other group showing all expenses charged to both organizations.

Travel Advances

In general, the Foundation does not provide travel money prior to a trip (travel advance).

Travel advances for expenses will be given only for:

- a) International travel;
- b) Student travel related to Foundation business;
- c) Group travel; or
- d) Exceptional circumstances.

When requesting a travel advance, it is necessary that the trip destination and travel dates be included with the payment request. Reconciliation of Travel advances are due within 30 days of the completion of the trip. Any unused money from a travel advance must be repaid to Foundation at the same time the completed expense report form is submitted.

Travel Advance Restrictions

An advance for one trip may not be used to pay for expenses of another trip;

7. PAYMENTS

Employees must file expense reports on a trip-by-trip, or bi-weekly basis; however, no later than 30 days after the expense has been incurred. All expense reports must be approved by the next management level. Employees are not permitted to approve their own expense reports. Those who are authorized for expense approval are responsible for ensuring that expenses are justified, are accurate, and comply with Foundation policy.