



Policy Owner: VP of Finance & Accounting
Original Issue Date: 1/1/01
Revision Number: 14
Revised Effective Date: 9/6/19
Approved By: Policy & Ethics Committee

TRAVEL & EXPENSE POLICY

PURPOSE

ATC Management Inc. ('ATC' or the 'Company') will reimburse employees for normal, necessary, and reasonable travel and entertainment expenses that are directly related to Company business. The Internal Revenue Service (IRS) dictates the guidelines used by ATC for reimbursable expenses.

SCOPE

This policy applies to all ATC employees.

DEFINITION

Itemized Receipt – Receipt that is broken out into line item detail, inclusive of items purchased, taxes, tips, etc. Summary receipts/statements, packing slips, and corporate credit card statements are not appropriate documentation.

Out-of-pocket Expenses – Expenses paid utilizing a form of payment other than the corporate credit card (e.g. cash, personal credit card, etc.) and mileage expenses.

RESPONSIBILITIES

ATC employees are responsible for:

- Obtaining a corporate credit card if they expect to process at least five transactions and/or \$1,000 annually
- Utilizing the corporate credit card, rather than a personal credit card/cash, for business-related expenses whenever possible in order to maximize efficiencies and cost savings to the Company
- Processing all business-related expenses through the Company's expense reporting software, Concur, within 45 calendar days of occurrence
- Reimbursing the Company via Concur in the event that the corporate credit card is used for a personal expense (e.g. hotel movie, toiletries, etc.)
- Attaching an itemized receipt for all corporate credit card transactions \$75 or more
- Attaching an itemized receipt for all expenses \$25 or more for out-of-pocket expenses
- Making necessary attempts to obtain a missing receipt from the vendor
 - Note: If a receipt cannot be obtained, the employee should complete a Missing Receipt Affidavit within the Concur expense report. The [Missing Receipt Form](#) should be used when a delegate prepares an expense report on behalf of another employee.
- Populating the appropriate account coding on all expense report entries
- Obtaining supervisor approval for credit card limit increases
 - Note: Expenditure limits for the majority of card users are \$10,000 per month and \$2,500 per transaction. It is not acceptable to split charges to bypass these thresholds.

ATC supervisors are responsible for:

- Reviewing and approving employee expenses within 10 business days of submission (assuring the accuracy of expense account coding, adherence to corporate policy, and receipt submittal)
- Approving any corporate credit card limit adjustments
- Communicating and enforcing policies, procedures, and expectations to new and active employees
- Promptly notifying Accounting of any issues of non-compliance identified

Accounting is responsible for:

- Issuing and maintaining corporate credit cards as requested by the business
- Administering Concur application
- Performing back office approval of expense reports

Human Resources is responsible for:

- Reimbursing employees via the Company's bi-weekly payroll for out-of-pocket expenses
- Deducting amounts from employees via the Company's bi-weekly payroll for personal expenses charged to the corporate credit card

Guidelines related to specific areas of expenditure are noted below.

1. Mileage

Employees will be reimbursed for mileage driven in their personal vehicle under certain circumstances that pertain to Company business. Business mileage includes trips from one business location to another and trips from home to a secondary/temporary work location. All mileage submitted for reimbursement in Concur must include a business purpose, including mileage to/from ATC offices.

The reimbursement rate for business-related mileage will be the current standard mileage rate allowed by the Internal Revenue Service, which is inclusive of costs associated with depreciation, insurance, repairs, tires, maintenance, gas and oil. As the reimbursement rate is intended to cover all vehicle charges, all expenses incurred with the use of a personal vehicle are the responsibility of the employee. Vehicle expenses (e.g. gasoline) should not be charged to a corporate credit card unless it is a company-leased vehicle, a company-owned hybrid electric vehicle, or rental car for business purposes.

It is the employee's responsibility to carry bodily injury and property damage liability coverage on all vehicles in accordance with state laws. ATC recommends that, at a minimum, employees maintain \$100,000/\$300,000 Bodily Injury and \$100,000 Property Damage insurance coverage on personal vehicles used for ATC business.

2. Company-Leased Vehicle

Under certain circumstances, ATC has elected to provide company-leased vehicles to designated employees within the organization for their business use. All expenses related to the use of a Company vehicle shall be reported in Concur, with the exception of lease payments and deposits. Employees are responsible for submitting itemized receipts for oil changes, car washing, repairs, tires, and other related expenses. For further information, see the [Company-Leased Vehicle Policy](#).

3. Meals

In order to comply with IRS requirements, all business meals must be documented by providing the name and location of the establishment, date of the meal, business reason for the meal, and names of the attendees. Meal reimbursement includes the cost of the meal, sales tax, and reasonable tip, not to exceed 20 percent.

MEAL REIMBURSEMENTS	
Appropriate	Inappropriate
One meal while traveling on Company business that requires the employee to work an extended day (>10 hours)	Meals while traveling on Company business where time worked is 10 hours or less
Meals while traveling on Company business that include an overnight stay	Meals while traveling on Company business that do not include an overnight stay
<u>Off-site</u> meals attended only by <u>Company employees</u> for the following circumstances: <ul style="list-style-type: none"> • Performance discussions between an employee and a supervisor • Staff recognition or morale • Mentor meetings • Other reasons approved in advance by an Executive VP or CEO² 	Meals attended only by <u>Company employees</u> (<i>see exceptions to the left</i>)
<u>On-site</u> meals attended only by <u>Company employees</u> under the following circumstances: <ul style="list-style-type: none"> • Meetings over the lunch hour (11:30-12:30) that are considered absolutely necessary • All day meetings / training sessions • Company-sponsored events 	
Meals attended by <u>non-employee</u> ¹ business associates where business is conducted during or immediately before or after the meal	
<u>Alcoholic beverages</u> are reimbursable under the following circumstances: <ul style="list-style-type: none"> • An employee is entertaining a non-employee¹ business associate, provided the entertainment has a specific business purpose • Alcoholic beverages for department-sponsored events approved by a Director or Vice President² • Alcoholic beverages for a company-sponsored event approved by an Executive VP or CEO² • Other reasons approved in advance by an Executive VP or CEO² 	

¹Excludes long-term contingent workers (see definition in [Worker Classification Policy](#))

²If the authorizing approver is not the expense report approver for such items, approval should be received in writing and attached to the expense report as supporting documentation.

The following guidelines apply to reporting meals:

- The specific business purpose for a meal must be provided on the expense report (e.g. mentor meeting, project XYZ meeting, etc.). Generic descriptions, such as “business lunch,” are not acceptable.
- Meal attendee names should be listed in Concur up to 10 attendees. A list of attendees in an attachment is acceptable for greater than 10 attendees.
- When only ATC employees are present at a meal off premises, the senior-most attendee must utilize his/her corporate credit card to pay for the meal, with the exception of company-sponsored events scheduled in advance. For example, an Executive Assistant may pay for a department’s holiday gathering.

4. Airfare

ATC recommends that employees make air travel arrangements through the Concur Travel online site or the Company's designated travel agency, unless a lower price can be found elsewhere. The itinerary received from the travel agency should be used as the receipt in Concur.

Employees should book the lowest logical economy class airfare for all domestic travel. Employees should seek guidance from their supervisor for international travel. Whenever possible, traveling employees are to contact the travel agency as soon as possible for itinerary changes, cancelled flights, missed flights, unused tickets, etc.

If an employee chooses to combine business and leisure travel, they are responsible to work with the company's designated travel agency to determine any price difference and to reimburse the company for any incremental expense. Supporting documentation must be attached to the report evidencing the analysis (regardless if there was a reimbursement).

5. Lodging

Employees should book hotel accommodations via the Concur Travel online tool whenever possible, excluding conference lodging. Employees should book the ATC negotiated hotel rate when available. An itemized receipt is required for all lodging expenses, regardless of the amount. If hotel reservations need to be cancelled or changed, employees should use the Concur Travel online tool or contact the travel agency as soon as possible. Tips (i.e. housekeeping, bellhop, etc.) for extended stays are allowable for reimbursement, as long as they are reasonable in amount.

The Company does not recommend online marketplace companies providing rentals (Airbnb, VRBO, etc). These accommodations are not subject to the same fire, health, or safety regulations as hotels and thus impose increased risks to employees.

6. Car Rental

Car rental reservations are to be arranged through the Concur Travel online tool or the Company's designated travel agency. The traveler should book compact or intermediate vehicles, unless there is a clear business need for a larger vehicle. Whenever practical, the vehicle should be filled with fuel before returning it to the rental agency. It is under the employee's discretion to select the most economical means of transportation (i.e. car rental, taxi, ride share services, personal vehicle).

Enterprise and National are ATC's preferred agencies. If a car is rented for Company business on Enterprise or National, additional insurance should NOT be purchased, as insurance is already included (full coverage – collision and liability) when reservations are made on the Concur online booking site or through the travel agency. If an alternate car rental company is used, employees should purchase collision insurance only. Employees should seek guidance from the Casualty Insurance and Risk Manager for car rentals in foreign countries or rentals being used to move equipment and/or property.

Employees may use the leisure Corporate Discount Number for personal car rentals (either by renting directly or using the travel agency), assuming they pay for this personally. The employee has the option of adding insurance for an additional fee at their own expense.

7. Travel and Entertainment Expenses of Employees' Significant Other

Accompaniment of an employee's significant other on business trips is authorized as a business expense only when the social protocol and the business agenda warrant a significant other's presence. In addition, prior approval by the employee's Executive Vice President or the CEO is required. Approved travel arrangements for significant other's travel should be booked via the company's designated travel agency.

8. Gifts & Entertainment

An employee seeking reimbursement for entertainment or recreation must provide the itemized receipt, date and location of the event, business purpose of the event, names of attendees, and the business relationship of person(s) entertained to substantiate the expense. Reference the [Gifts & Entertainment Policy](#) for further information.

9. Department Celebrations / Social Events

Managers may expense nominal amounts for celebrations of employment-related situations, e.g. welcoming a new hire, retirements, promotions, and business-related graduations. Achievements can be celebrated on an individual or team basis and should be expensed to Employee Recognition (NOE 260). Farewell parties for individuals leaving ATC to work elsewhere are not to be expensed unless approved by an Executive VP or CEO.

Charges for Company or work group events (e.g. company-sanctioned teams events, holiday parties, Company picnics, etc.) should be charged to Employee Social Events (NOE 250). Gift cards in lieu of attending a company-sanctioned event are only permitted if the nature of the employee's job requires them to work and hence miss the event (i.e. System Operators).

10. Community Welfare Events

Community welfare events must be pre-approved by ATC's Corporate Giving Council as part of the Contributions / Donations / Sponsorships program administered by External Affairs. See [ATC Donations/Sponsorships Request Form](#) for more information.

11. Relocation

Moving and relocation expenses are reimbursed through the Company's third-party relocation program administered by Human Resources.

12. Information Technology

The procurement of IT equipment/accessories on a corporate credit card requires advance approval from Information Technology.

Home internet services are a legitimate business expense if it is a requirement of your job to work remotely. Such reimbursements should not exceed \$50 per month.

REPORTING

It is the responsibility of all ATC employees to report any suspected violations of this policy, in accordance with ATC's [Open Door Policy](#).

EXCEPTIONS/VIOLATIONS

Exceptions to this policy require the approval of the Policy Owner listed above, in consultation with the Policy & Ethics Committee.

Employees who violate this policy are subject to disciplinary action, up to and including termination.