

IDENT	FIN-03
Type of Document:	Policy
Type of Policy:	Corporate
Sponsor's Department:	Finance
Title of Sponsor:	CFO
Title of Approving Official:	CEO
Date Released (Published):	4/13/17
Next Review Date:	4/13/18

**SUBJECT: Employee Expense Reimbursement Policy**

**1. Purpose of employee expense reimbursement policy**

Vermont Information Technology Leaders, Inc. (VITL) is the recipient of Federal grant funds, the use of which is subject to certain Notices of Grant Awards (“NGAs”) and Health Human Services (“HHS”) grant administration regulations found in 45 C.F.R. Part 75—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR HHS AWARDS. In the normal course of business, employees of VITL incur expenses on behalf of the organization that VITL reimburses, subject to appropriate documentation and approval. The purpose of this policy is to set forth parameters describing the types of expenses that may be reimbursed, and the approval requirements for reimbursement in compliance with federal regulations.

**2. Scope**

- a. This Policy shall be construed and applied to promote VITL’s compliance with the applicable Federal and State rules, regulations, and laws. In the event of a conflict between the provisions of this Policy and the requirements of an applicable state or federal statute or regulation, the applicable statute or regulation shall prevail.
- b. This policy applies to all VITL staff expense reimbursement regardless of funding source.
- c. This Policy sets forth internal guidelines for the benefit of VITL and its officers, directors, employees and agents, and does not confer any right or other benefit on any third party. The provisions of this Policy may not be used by any third party in any action or other proceeding against VITL or its interests.

**3. Reimbursable Expenses**

It is VITL’s policy to reimburse employee out-of-pocket expenses if the employee has not been, and will not receive reimbursement from other sources. All claimed reimbursements must be substantiated by a receipt with the exception of minor expenses (typically \$10 or less) such as parking & tolls and tips/gratuities for which a receipt may not be available. Employees will only seek reimbursement for reasonable and necessary expenses actually incurred for a valid business purpose.

- a. Personal automobiles
  - i. Mileage – VITL will reimburse employee use of a personal automobile based on the mileage reported and calculated at the enacted Federal mileage rate. Proper

documentation of mileage shall include the name of the individual traveling, number of miles traveled as shown by a web mapping service, starting and ending locations, dates of travel, and the business purpose of the trip.

- b. Travel – VITL will reimburse reasonable and necessary expenses, including transportation and lodging, incurred in connection with approved travel on behalf of the company.
  - i. Out of state travel:
    - I. VITL must seek pre-approval from the State of Vermont for any out-of-state travel prior to purchase of any hotel, airfare, fees, etc. in order for the State of Vermont to reimburse VITL for these expenses.
  - ii. Air travel:
    - I. Employees whose travel includes air travel should utilize the lowest available coach, economy or discount airfare provided that it provides a reasonable level of convenience.
    - II. Business class, first class and other premium airfare or fees charged by airlines for preferred seating are not allowable expenses.
    - III. Expenses incurred for the purpose of accessing the internet will be reimbursed if the employee can demonstrate his/her use for business purposes.
  - iii. Ground transportation:
    - I. Employees must seek the lowest cost option for transportation from the airport to their final destination of business.
    - II. Reimbursement for rental car will be limited to economy class car for the duration of the business portion of the trip unless it is more economical for employees traveling together to rent a larger vehicle.
    - III. Reimbursement for transportation services (taxi, Uber, etc.) will be limited to the standard rate for taxis within the area of travel.
  - iv. Lodging:
    - II. Employees must obtain management approval for all overnight travel regardless of whether it is in-state or out-of-state travel.
      - 1. In state lodging expenses shall be limited to situations where the employee cannot reasonably commute to the destination.
      - 2. Employees must seek a reasonable cost option which balances cost, safety and proximity to final destination.
- c. Meals – VITL will reimburse meals only on authorized travel.
  - i. Employees will be reimbursed for expenses related to meals in accordance with limits established by the State of Vermont (see State of Vermont bulletin 3.4 for details) for breakfast, lunch, and dinner for in-state and out-of-state.
  - ii. Reimbursement is for actual costs incurred up to maximum meal limits.
  - iii. Maximum meal reimbursement limits are inclusive of all food, non-alcoholic beverages, services, taxes and gratuities.

- d. Supplies—VITL provides supplies and materials necessary for employees to conduct their business. Expenditures for supplies are expected to be infrequent and minor in value. VITL will reimburse employees for such expenses if determined to be reasonable and necessary. Routine purchase of office supplies should be coordinated through VITL’s administrative staff to ensure that the most reasonable prices are obtained.
- e. Non-reimbursable Expenses – The following are examples of items that will not be reimbursed:
  - i. Airline club memberships;
  - ii. Airline upgrades;
  - iii. Alcohol;
  - iv. Business class for domestic flights or first class for all flights;
  - v. Child care, babysitting, house-sitting, or pet-sitting/kennel charges;
  - vi. Commuting between home and the primary work location;
  - vii. Costs incurred by traveler’s failure to cancel travel or hotel reservations in a timely fashion;
  - viii. Evening or formal wear expenses;
  - ix. Fees charged for cancelling professional development and training events;
  - x. Haircuts and personal grooming;
  - xi. Laundry and dry cleaning;
  - xii. Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment;
  - xiii. Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs;
  - xiv. Snacks;
  - xv. Travel accident insurance premiums or purchase of additional travel insurance;
  - xvi. Travel agent fees;
  - xvii. Other expenses deemed by VITL to be non-reimbursable.
- f. Other
  - i. Professional Development and Training – All professional development and training expenses, including tuition and/or other training must be pre-approved by management. These expenses will be reimbursed up to a maximum amount established by VITL management.

#### **4. Requests for Reimbursement**




- a. Requests for reimbursement of expenses incurred on behalf of VITL must be submitted on the Employee Travel and Expense Reimbursement Form within 30 days of incurring the expense.
- b. The form must be completed in full (including job codes)
- c. The form must be accompanied by receipts or other supporting documentation.
- d. The form must be signed by the employee and approved by his/her manager.

**5. Credit Card Purchases**

In certain situations, VITL staff may be required to use company credit cards to purchase items such as travel expenses, subscriptions, services, office supplies, minor software licenses, conference fees, training, postage, etc. Staff must be vigilant to ensure that such charges are allowable and conform to VITL's procurement policy. Prior management approval is required for any credit card purchase that exceeds the micro-purchase threshold (see procurement policy for detail).

**6. Policy Review & Approval**

VITL will review this policy annually and reserves the right to update this policy at any time to reflect VITL's intentions and compliance requirements.

 _____ Reviewed by: CFO	<u>4/13/2017</u> _____ Date
 _____ Approved by: CEO	<u>4/13/2017</u> _____ Date
<b>Approved by the VITL Board of Directors and effective April 10, 2017:</b>	
 _____ Bruce Bullock, MD, VITL Board Chair	