



# Movement for Community-led Development – US Travel and Expense Policy

*Adopted by the board, July 29, 2023*

## Purpose of this policy

- To ensure that all activities are efficient, effective and abide by the highest standards of financial integrity

## Definitions

- **Business expenses** are defined as those incurred by an individual in the course of business travel, business meetings, special events and regular business operations on behalf of MCLD.
- **Business travel** is defined as travel by a staff member, consultant, affiliate staff person or volunteer on behalf of MCLD. Business travel does not include travel for personal reasons or normal commuting between an individual's residence and the individual's work area at MCLD.

## To whom does this policy apply

- This policy applies to all regular full-time, part-time, temporary and potential staff members, consultants, board members and volunteers of MCLD, referred to here as "personnel."

## General principles

- **Business expenses are reimbursable**, provided (a) the expenses have been approved in advance by the Executive Director (ED) or designated budget manager, (b) the expenses are of a reimbursable category, (c) the expenses are both necessary and reasonable, and (d) the expenses are substantiated through adequate receipts or other documentation. Memo's documenting missing receipts must be approved by the ED or designated budget manager.
- **Expense Reports.** We intend to always implement a streamlined, efficient and auditable system of expense reports for expenses on MCLD corporate credit cards or for direct reimbursement to staff. All expense report lines must specify the business purpose for

the expense. Expense report will be submitted by a specified date each month aligning with the credit card billing cycle, normally within 7 days of the bill's arrival. To qualify under IRS rulings as a “reimbursable business expense”, the expense must be reasonable, necessary, incurred in the course of MCLD business, and neither lavish nor extravagant.

- **Approvals.** All expenses must be approved by the ED or designated budget manager. ED expenses must be approved by the Board Chair or Treasurer. Nobody may approve their own expense reports.
- **Credit cards.** The ED may approve issuance of MCLD credit cards to regular staff. Card expenses will be paid by our accounting firm. Cards are immediately canceled upon termination of employment, and should be cut in half and returned to the ED. Final paychecks will only be issued after the cards are returned.
- The ED or a designated budget manager may authorize reimbursable expenses by board members, volunteers or consultants.
- **Phone and Internet Costs:** MCLD assumes all personnel will primarily utilize their personal mobile phones, and will utilize free internet communications wherever possible. Specific reasonable business travel-related phone and internet costs are reimbursable.

## Home Office and MCLD Office Expenses

- It is the expectation that most of MCLD's work will be conducted in the home office of staff, in addition to our official office. MCLD will equip staff with a laptop computer and printer.
- **Necessary office supplies** are reimbursable on regular expense reports.

## Reimbursable Travel Expenses

- **Plan ahead:** Arrangements for air travel, especially when traveling internationally, should be made as far in advance as possible to take advantage of discounted fares. Changes to airline tickets resulting in penalties should be kept to a minimum in order to control costs.
- **Travel must be authorized** by the ED before it is booked. The request, by email, should include the business purpose, the relevant grant covering it (if any) and confirming that the proposed trip is within the budget.
- **Air Travel – Economy class** only. Travelers may use their personal air miles to upgrade a ticket, but MCLD will not incur such costs.
- **Local transportation:** Public transportation is recommended. Taxis are reimbursable when public transportation is unavailable, unsafe or impractical.

- **Auto rental** is allowed only as a last resort, and should be shared among staff traveling together. Staff renting cars must include liability and collision insurance.
- **Gasoline**, parking and tolls are reimbursable where applicable if supporting documentation is provided. Fines incurred as a result of driving or parking violations are not reimbursable.
- **Parking and tolls** are reimbursable where applicable. Fines incurred as a result of driving or parking violations are **not** reimbursable.
- **Personal Automobiles**. The expense of using personal automobiles for business travel is reimbursable when other means of transportation are unavailable or when economy can be realized. Business use of a traveler's auto is reimbursable at the rate stated in IRS Publication 553 (ask Controller for current rate.) This rate is adjusted periodically as economic conditions dictate.
- **Receipts** for travel must include the dates, cost and class of travel. An exception, with explanation, when it is difficult or impossible to obtain a receipt, eg: subway fares.
- **Cash advances** may be transferred to personal accounts up to \$50 per travel day. This is not a per diem allowance, but an advance which must be accounted for with receipts within 15 days of completion of travel.
- **Travel Loyalty Programs**: A traveler may acquire travel benefits and may use such benefits personally, provided that such potential benefits will not influence a choice of travel other than the most cost effective for MCLD. When travel benefits are for personal use, MCLD cannot be charged with any fees paid to avail the traveler of such programs.
- **Lodging**. Costs of single-room accommodation typically occupied by business travelers at the lowest corporate or preferred rate available are reimbursable. If it is necessary to use "guaranteed for late arrival" reservations to ensure that a room is available, it is incumbent upon the traveler to notify the hotel in a timely manner if the reservation is not going to be used. The employee should obtain the name of the person taking the cancellation and the cancellation number so that "no show" charges are avoided. "No show" charges are reimbursable only upon the written approval of the ED.
- **Grant-funded travel**. Funding agencies may have additional restrictions on travel costs, and it is the responsibility of the traveler to know and abide by those.
- **House and dinner guests**. An appropriate gift in appreciation (e.g., flowers, candy, etc.) will be reimbursed up to \$25.00 per night to a maximum of \$100.00 for 4 days or longer. Requests for reimbursement of this type must be accompanied by a receipt and should be indicated on the expense report.

- **Meals.** Reasonable and actual expenses for meals while on overnight business travel are reimbursable. As a guide, meals should not exceed \$50.00 per day. Staff is expected to exercise best judgment to ensure the costs of meals are within reason.
- **Other reimbursable travel expenses** include:
  - laundry and dry cleaning when trips extend beyond 4 days
  - Cost of visas or other national entry costs, such as vaccinations and prophylaxis.
  - Travel insurance.
  - baggage checking fees
  - excess baggage charges – only if excess baggage is business related
  - tips up to 20%
  - Reasonable miscellaneous gratuities e.g., porter, bellman, etc.
- In addition, property losses, such as theft of property from a hotel room, luggage or the vandalism of a personal auto while on MCLD business, may be reimbursed at the discretion of MCLD. This reimbursement will be limited to the loss not covered by personal insurance and must be approved in writing by the ED.

## Business Meetings and Events

- Expenses for business meetings and events are reimbursable under very strict guidelines. In order to qualify for reimbursement, such expenses must be both ordinary and necessary and must occur during the active conduct of MCLD business. An actual business discussion must take place with the general expectation of achieving specific results for MCLD, and the expenses are limited to the participants in the business meeting.
- An advance may be taken, and expense report submitted, for cash outlays for meetings and events conducted in the course of MCLD business. The request for the advance must include a detailed schedule justifying the amount of the advance. The forms used for such advances and the approvals required are the same as those for travel advances.
- In order for such expenses to be reimbursable, the following information must be provided: date and place of business meeting, name and company affiliation of guest(s), nature of business discussion.
- **Non-MCLD Personnel.** Reasonable expenses for business meals or events with donors, supporters, or other outside associates are reimbursable. Such meals must take place under circumstances conducive to a business discussion. The expense report must include guest names.

## Combined Business/Vacation Trips

During any travel that combines business travel and personal travel or vacation, only those expenses that are incurred in the course of the business travel are reimbursable. It is the responsibility of the traveler to maintain a clear distinction between business costs and personal costs in such circumstances.

Due to the complexity of airfare pricing, changes in business itinerary to accommodate personal travel can result in higher ticket prices. If an employee wishes to combine personal and business travel, two airfare quotes should be obtained and attached to the Travel Authorization Form to demonstrate that no additional cost is incurred to MCLD as a result of the addition of personal travel.

In the case the cost of airfare increases as a result of the personal travel, a check for the difference must be submitted with the expense report

## **Non-Reimbursable Expenses**

Expenses not directly related to the conduct of MCLD business will not be reimbursed.

Examples of such items are:

- Alcoholic beverages.
- Beauty parlor/barber, shoe shine, etc.
- Purchase of clothing for personal use – except minimum emergency purchase due to lost or stolen luggage while on travel status, if not covered by airline.
- Fines, traffic or parking violations
- Special room services, such as saunas, steam bath, in-room movie rentals, mini bar, etc.
- Theater or personal entertainment (including in-flight movies), personal reading materials
- Care of dependents or pets while away from home because of business
- “No Show” charges for guaranteed room reservations, unless approved by ED

This list is not meant to be all-inclusive. Each item on an expense report will be reviewed to determine its appropriateness as an ordinary and necessary business expense.

## **Foreign Currency Translation**

- Personnel must translate any expenses denominated in a foreign currency into U.S. dollars before including them on an expense report.
- For items paid in cash and, where practical, the actual exchange rate should be used. Receipts of the purchases of foreign currency must be attached to the expense report. If several purchases were made, a weighted average rate should be used and the calculation shown as an attachment to the expense report. This rate would then be used to translate cash expenses.
- Credit Card expenses will be translated at the rate indicated on the credit card or debit card bill with a copy of the bill attached. To expedite processing the conversion of each receipt into U.S. dollars must be shown on the face of the expense report. Documentation from the bank of the exchange rate to convert traveler’s checks or US dollars to local currency can also be used to provide support for the exchange rate used.
- Unused travel advances should be returned in US dollars.