



Energy Improvement Corporation, Local Development Corporation

TRAVEL AND OTHER EXPENSE REIMBURSEMENT POLICY

1. Purpose.

Energy Improvement Corporation ("EIC") recognizes that board members, officers, and employees ("Personnel") of EIC may be required to travel or incur other expenses from time to time to conduct EIC's business and to further the mission of EIC. The purpose of this Policy is to ensure that (a) adequate cost and internal controls are in place, (b) travel and other business expenses are appropriate and are appropriately reflected on EIC's books and records, and (c) provision is made for a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel. It is the policy of EIC to reimburse only reasonable and necessary business and travel expenses actually incurred by Personnel in accordance with the terms of this Policy.

When incurring business expenses, EIC Personnel must:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend EIC's money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent, in accordance with the Expense Report requirements of this Policy.
- Obtain prior approval of expenses where required by this Policy.

2. Reimbursable Expenses.

The Personnel shall be eligible to receive reimbursement for only those reasonable and necessary expenses that are incurred in the performance of his or her duties for EIC and in furtherance of EIC and its mission. In addition, such expenses may only be reimbursed in accordance with the procedures and requirements set forth under this Policy.

3. Expense Report.

Expenses will not be reimbursed unless the Personnel requesting reimbursement submits a written Expense Report. The Expense Report must be submitted twenty days within the end of the month when expenses are incurred and must include:

- The name and title of the Personnel.
- If reimbursement for travel is requested, the date, origin, destination and purpose of the trip, including a description of each EIC-related activity during the trip and the name and affiliations of each person or organization that Personnel met with during the trip.
- If reimbursement for expenses incurred for the carrying out or participation in business meetings is requested, the date and place of such meeting, nature of the expense, names, titles and affiliation of those persons the Personnel met with, a description of the business purpose for the meeting (including the specific business matter discussed) and vendor receipts in accordance with Section 5 of this Policy.
- The name and affiliation of all people for whom expenses are claimed (i.e., people on whom money is spent in order to conduct EIC's business).
- An itemized list of all expenses for which reimbursement is requested accompanied by receipts in accordance with Section 5 of this Policy.
- A copy of any prior approval if required by Section 6 of this Policy.
- Signature of the Personnel submitting the Expense Report together with the signature of the Authorizing Person (as defined in Section 4 of this Policy).

4. Authorizing Person and Expense Form Submission.

If more than one EIC representative is participating in the same event, the senior representative submits the expense and the advance approval form.

All expenses submitted for reimbursement must be approved by the Authorizing Person (as described in this section), which approval shall be noted by having the Authorizing Person sign the Personnel's Expense Report. The designated approval authority for Expense Reports shall be deemed the Authorizing Person, in accordance with the following:

EIC officers and employees must have their Expense Reports approved by the Program Director.

The Program Director must have his or her Expense Reports approved by the Chair of the EIC Board or EIC's Treasurer.

EIC Board members must have their Expense Reports approved by the Chair of the Board.

The Chair of the EIC Board must have his or her Expense Reports approved by the Chair of the Governance Committee.

5. Receipts.

Receipts are required for all expenditures billed directly to EIC, such as airfare and hotel charges, and for other expenses paid directly by the Personnel for which reimbursement is sought. No expenses will be reimbursed to the Personnel unless the individual requesting reimbursement submits, along with the Expense Report, written receipts from each vendor (not a credit card receipt or statement) showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable).

6. Advance Approval.

Any expense in excess of five hundred dollars [\$500] for which reimbursement is sought must be approved in advance in writing by the Authorizing Person. In addition, all trips involving air travel, at least one overnight stay, or car rentals must receive advance written approval by the Authorizing Person. Prior written approval by the Chair of the Board (or, in the case of the Chair of the Board, by the Chair of the Governance Committee) shall be required for all expenses related to the attendance of a professional development program or professional conference (subject to the requirements of Section 14 of this Policy), and attendance at or participation in a golf, tennis or sporting event that is related to a professional conference or professional development program.

Notwithstanding the grant of a prior approval as required under this section, the Personnel shall not be eligible to receive reimbursement unless his or her Expense Report meets all the requirements of this policy including approval by the Authorizing Person in accordance with Section 4 of this Policy.

7. General Travel Requirements.

A. Necessity of Travel.

In determining the reasonableness and necessity of travel expenses, the Personnel and the Authorizing Person shall consider the ways in which EIC will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether a particular individual's presence on a trip is necessary. In determining whether the benefits to EIC outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.

B. Personal Travel Expenses, Expenses Involving Spouses, Friends or Relatives.

Personnel traveling on behalf of EIC may incorporate personal travel or business with their EIC-related trips; however, Personnel shall not arrange EIC travel at a time that is less advantageous to EIC or involves greater expense to EIC in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, and meals or transportation, are the sole responsibility of the Personnel and will not be reimbursed by EIC. Expenses associated with the travel of a spouse, relative or friend of the Personnel will not be reimbursed by EIC. If a spouse, relative or friend accompanies the Personnel on a trip, it shall be the responsibility of the Personnel to determine any added cost for double occupancy and related expenses and to make the appropriate adjustments in his or her reimbursement request and Expense Report.

8. Air Travel.

A. General.

Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares. EIC will reimburse or pay only the cost of the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the Personnel's home or office to the airport nearest the destination. Where more than one airport is reasonably accessible, air transport should be scheduled from the lower priced airport if the airfare price differences are significant.

B. Saturday Stays.

Personnel traveling on behalf of EIC are not required to stay over Saturday nights in order to reduce the price of an airline ticket.

C. Frequent Flyer Miles and Compensation for Denied Boarding.

Personnel traveling on behalf of EIC may accept and retain frequent flyer miles and/or compensation for denied boarding for their personal use. Personnel may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

9. Lodging.

Personnel traveling on behalf of EIC may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the Personnel's itinerary shall be considered in determining reasonableness as required under Section 2 of this Policy. Personnel shall make use of available corporate and discount rates for hotels. "Deluxe" or "luxury" hotel rates shall not be reimbursed.

When lodging accommodations have been arranged by EIC and the Personnel elects to stay elsewhere, reimbursement shall be limited to the amount of the rate negotiated by EIC. In such instance, reimbursement shall not be made for transportation between the alternate lodging and the meeting site.

10. Out-Of-Town Meals, Gratuities.

Personnel traveling on behalf of EIC may be reimbursed for the reasonable and actual cost of meals (including tips) subject to a maximum per diem meal allowance of \$50 per day and any terms and conditions established by EIC relating to the per diem meal allowance. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed.

11. Ground Transportation.

Personnel are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, listed in order of desirability:

Courtesy Cars

Many hotels have courtesy cars, which will take an individual to and from the airport at no charge. The hotel will generally have a well-marked courtesy phone at the airport if this service is available. Personnel should take advantage of this free service whenever possible.

Airport Shuttle or Bus

Airport shuttles or buses generally travel to and from all major hotels for a small fee. At major airports such services are as quick as a taxi and considerably less expensive. Airport shuttle or bus services are generally located near the airport's baggage claim area.

Taxis

When courtesy cars and airport shuttles are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved. A taxi may also be the most economical mode of transportation between an individual's home and the airport.

Rental Cars

Car rentals are expensive so other forms of transportation should be considered when practical. Personnel will be allowed to rent a car while out of town provided that advance approval has been given by the Personnel's Authorizing Person and that the cost of such rental car is less than reasonable alternative methods of transportation.

12. Personal Cars.

Personnel may be compensated for use of their personal cars when used for EIC business (but not for travel to and from work). When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile. In the case of individuals using their personal cars to take a trip that would normally be made by air, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement shall not exceed the sum of the lowest available round trip coach airfare to the destination to which the Personnel is traveling.

13. Parking/Tolls.

Parking and toll expenses, including charges for hotel parking, incurred by Personnel traveling on EIC business may be reimbursed. The costs of parking tickets, fines, car washes, valet service, etc., are the responsibility of the Personnel and will not be reimbursed. On-airport parking is permitted for short business trips. For extended trips, Personnel should use off-airport facilities.

14. Other Expenses.

Expenses incurred in attending professional development programs or professional conferences may be reimbursable with the prior written approval of the Chair of the Board (or, in the case of the Chair of the Board, by the Chair of the Governance Committee). The Personnel must demonstrate in the approval process that the content of the program is of a substantive nature and directly relates to the Personnel's job responsibilities at EIC. If attendance at a professional development program or professional conference is properly approved in advance, then the fees and related travel expenses may be reimbursed, subject to the requirements regarding travel expenses set forth in this Policy and the signature of the Expense Report by the Authorizing Person in accordance with Section 4 of this Policy.

Reasonable EIC-related telephone and fax charges due to absence of the Personnel from his or her place of business may be reimbursable with the exception of home office situations when a regular office space is available.

Emergency secretarial work and/or postal charges incurred may be reimbursable for the purpose of work on behalf of EIC in accordance with the procedures set forth in this Policy.

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15. Non-Reimbursable Expenditures.

EIC maintains a strict policy that any expense that could reasonably be perceived as lavish or excessive, regardless of the category, will not be reimbursed, as such expenses are inappropriate for reimbursement by a nonprofit, charitable organization. Expenses that are not reimbursable include, but are not limited to:

- Travel insurance.
- First class travel tickets or upgrades.
- Limousine travel.
- Participation in or attendance at golf, tennis or sporting events, without the advance written approval of the Chair of the Board (or, in the case of the Chair of the Board, by the Chair of the Governance Committee)
- Spa or exercise charges.
- Clothing purchases.
- Expenses related to attendance of Professional conferences and educational expenses that have not been approved in advance by the Chair of the Board (or, in the case of the Chair of the Board, by the Chair of the Governance Committee) in accordance with Section 6 of this Policy.

- Valet service.
- Car washes.
- Toiletry articles.
- Overnight stays without the prior written approval of the Personnel's Authorizing Person in accordance with Section 6 of this Policy.
- Any expenses associated with entertainment or recreation.
- Gifts of any kind.
- Dues or other expenses associated with membership in a professional association or organization.

16. Credit Cards

EIC will obtain two credit cards. One will be for the primary use of the Program Director and the other for the Treasurer. The cards are to be used primarily for purchases of goods and services when vendors will not accept Purchase Orders. Should any employee need to use a credit card for an approved purchase for which a Purchase Order cannot be utilized, they may request the use of either the Program Director or the Treasurer's card to place such order. Each card will have a credit limit established by the Board. The use of the credit cards shall be in accordance with and subject to all the terms and conditions of this Expense Policy.

17. Compliance

Compliance with this and other EIC policies is the personal responsibility of EIC Personnel. Personnel should direct any questions regarding this Policy to his or her Authorizing Person or to the Treasurer. Failure to comply with this Policy may result in disciplinary action by EIC. EIC may, in its sole discretion, take a variety of measures to address non-compliance with this Policy, including without limitation, financial penalties and/or termination of employment.