

American Academy of Actuaries
Travel and Business Expense Reimbursement Policy

Definitions

For purposes of this policy, a **requester** is a volunteer, employee or other person incurring travel or other expenses on behalf of the Academy and seeking reimbursement.

An **approver** is anyone who has budget control for a particular event or meeting, a staff director, or an officer of the organization. The Executive Director (ED) or Chief Financial Officer (CFO) may approve expenses in lieu of an approver or approve expenses that do not otherwise fit into one of the prescribed categories in this policy provided such expenses do not violate any laws or regulations and follow standard business practices. Named titles are for those people in the position at the time the cost was incurred and not when the cost is submitted for reimbursement.

Purpose and Requirements

The purpose of this policy is to document the allowable business expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under section 162 of the Internal Revenue Code. If it is unclear how to classify a certain expense, contact the staff accountant in the accounting department for assistance.

Substantiation Requirements

All expenses for more than \$75 must be accompanied by an original receipt or other supporting documentation. Failure to provide appropriate documentation will result in denial of reimbursement. The only exception to this rule is expenses for **meals and entertainment that include more than one person. Such expenses** must be accompanied by a receipt regardless of the amount with appropriate documentation including participant names and business reason for expenditure. Credit card statements may only be used if the original receipt has been lost and is not otherwise recoverable and these should be the exception rather than the rule.

Falsification of Expenses

Submitting fraudulent receipts or falsifying your expense report will result in disciplinary action, up to and including termination of employment, exclusion from committees, board and other volunteer positions.

General Guidelines

Common sense applies in all cases. If a question arises regarding an expense that is not explicitly addressed in this policy, check with the staff accountant in advance to see if it is covered. For expenses not explicitly covered, document the reason the expense was incurred. While not guaranteed, the expense is more likely to be reimbursed if explained by a legitimate business purpose.

Exceptions

Travel incurred for unplanned or unbudgeted events or functions must be pre-approved by the staff director and Executive Director or CFO. To obtain pre-approval include

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estimated costs for each expense expected to be incurred. Any exceptions to the expense policy will not be reimbursed initially and will be further reviewed by the CFO (and Secretary-Treasurer if the requester is an Academy volunteer). Any unreimbursed expenses will be described to the requester.

Submission

The travel expense must be reported on the form provided by the Academy accounting department and must be completed for all reimbursements. Travel expense reports should be submitted to the initial approver for review as quickly as practicable, but no later than 30 days following completion of travel. Expenses incurred on Academy credit card and included on the current month's statement must be submitted within 10 days of month end. The approver will forward approved expenses to the staff accountant for approval. Each expense must include date expense was incurred, the place expense was incurred, description of expenses, and cost of each expense.

Approval Process

Generally, the staff director (and the Chairperson) for the event/function where travel is incurred is responsible for initially approving reimbursement for expenses incurred by requesters provided the expense has been budgeted. After this initial approval, the expense report is forwarded to the staff accountant. The staff accountant will review the report for compliance to Academy policy and barring any issues, will issue reimbursement to the requester subject to all the approvals required for disbursing funds on behalf of the Academy.

General Expenses Policy

Air Travel

Actual cost of "coach", "economy", or equivalent non-refundable base fare for air or rail (including Acela service) travel will be reimbursed for trips of less than seven hours duration. This includes actual travel time excluding stops and layovers, etc. Internet, advance purchase, and similar fares should be used where practical. Tickets should be purchased, in advance, but no less than 3-4 weeks ahead of the departure date unless the travel is for an emergency or unforeseen circumstances. Tickets purchased less than two weeks prior will not be reimbursed unless approved by the CFO or Executive Director. For business travel greater than seven hours, the next class above "coach", "economy", or equivalent non-refundable base fare will be reimbursed. However, if the requester chooses a class above coach or economy and submits a quote for coach or economy issued at the same time as the actual fare obtained, the coach or economy amount may be reimbursed. Costs associated with upgrading to a seat with more leg room will not be reimbursed. Costs associated with changing dates/times should be submitted with a valid reason. When trips are cancelled, and airline tickets are not used an effort should be made to seek reimbursement and/or exchange the ticket for future travel from the airline. Any change

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fees associated with the exchange are reimbursable. If the ticket cannot be used prior to expiration due to unusual circumstances, the amount will be reimbursable.

Ground transportation

Expenses for airport parking, buses, taxis, airport coaches and subway are reimbursable. Use of personal car on Academy business is reimbursed at the current IRS allowed rate at the time of the trip. Personal car use on longer trips is reimbursed at the employee's option if travel by auto is less costly than flying. The requestor must obtain a quote for coach or economy airfare as if issued 14 days prior to the departure date and for the same origin and destination and include with expense submission. Expenses for train or rental car travel to and from meetings are reimbursed when more cost effective.

parking fees.

Car Rental

Expenses for rental cars at meeting sites are reimbursed when required to reach meeting destination or to facilitate meeting function or when specifically noted in meeting notices. When a rental car is used at a requestor's discretion, reimbursement will be limited to the amount stated in the meeting notice for taxi or shuttle transportation, including hotel car

Compact/economy models must be rented unless more than two persons are traveling together. A single upgrade is allowed if two persons are traveling. Higher upgrades are allowed if transporting materials and cargo space is a factor, or if three or more persons are traveling together or when inclement weather requires the use of a four-wheel drive or similar vehicle. Upgrades are subject to approval from the respective director for that area.

- The refueling option should be taken if extensive driving is planned. If the refueling option is declined the car must be returned with a full tank of gas.
- Rental cars should be returned to the original rental location in order to avoid costly drop-off charges.
- The additional insurance should not be purchased. The Academy has insurance coverage for car rentals.
- Upgrades not authorized by this policy are not reimbursable.

Lodging

Standard room expense will be reimbursed. The requester is required to reserve accommodations within the Academy's prescribed room block for that event. Failure to do so will result in the reimbursement capped at the room block rate. If a room block that is provided for the meeting has been exhausted, lodging with similar accommodations within a comparable price range will be reimbursed. Lodging at or near location of function as required to accommodate start and finish times of function.

Meals

Meals are covered for the Academy business travel consistent with the Academy's experience or norm for the area. Receipts are required for meals that include more than one

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person, regardless of cost as IRS rules regarding meals and entertainment are more stringent. Names and purpose of meeting should be noted for group meals. Meals and/or drinks with a group of 3 or more individuals must be approved in advance of the expense.

Entertainment

Expenses associated with entertainment, are subject to additional scrutiny and generally should be pre-approved by the CFO or Executive Director.

Amenities

- Necessary laundry charges are covered for trips of five days or longer.
- Personal entertainment (hotel movies, mini-bar selections, etc.) are not reimbursable.
- Costs associated with refreshments in informal settings are reimbursable.
- Recreational activities are not routinely covered unless arranged as a group activity by the Academy.
- Standard internet charges at hotels are permitted.
- Business support services (copies, fax, etc.) for Academy related items will be reimbursed.

Tips

Meal tips up to 20% are covered and should be included and reported with the cost of the meal. All other tips should be listed as tips on the expense report. Estimates for reasonable tips include: \$2 per bag for porters, skycaps, bellman; 15% for taxi drivers; \$2 - \$5 for Concierge services, depending on task requested; \$2 per day for housekeeping services.

Allowable number of travel days

Unless stated differently in advance meeting materials, normally one night is allowed for each meeting day and additional nights are reimbursed if required to make reasonable travel arrangements. Please document reason for additional nights.

Gift Expenses

The President may seek reimbursement for gift expenses provided the costs have been budgeted and are approved by the ED. The purpose must include the business reason for giving the gift or the business benefit gained or expected to be gained. The business relationship should include name, title, and business relationship to the organization.

Other Expenses

An allowance of up to \$500 per year will be provided to cover incidental additional expenses incurred in performing the tasks of the President and President Elect. These might include such items as the cost of enhanced phone service, additional office equipment or supplies, or enhanced internet service.

Personal Travel

Personal travel costs are not reimbursable. The requester shall not arrange travel at a time that is less advantageous to the Academy or involves any greater expense incurred because

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of personal travel, including but not limited to, additional flight segments, extra hotel nights, additional stopovers, meals, or ground transportation. Such costs are the sole responsibility of the individual and will not be reimbursed by the Academy. The requester must provide an analysis and comparable rates excluding the portion of any personal travel costs incurred so that reimbursement is made only for costs incurred for Academy business. The ED or CFO has sole discretion as to the amount reimbursed for travel that also includes personal travel.

Transition Related Travel

For purposes of assisting with transition-related activities, travel and expense costs shall be reimbursable to the incoming Committee member nominees for meetings attended prior to the commencement of their terms of office. Additionally, expense reimbursements shall be available to the incoming President-Elect designee, the immediate Past President, and penultimate President for meetings and other trips attended prior to (in the case of the President-Elect designee) or after (in the case of the Past President and penultimate President) their terms of office. The President and Executive Director shall be responsible for determining those meetings for which transition-related expense reimbursements will apply. Reimbursement will be made in accordance with the provisions, procedures, etc., included in this policy except that Gift Expenses, Spousal Travel, and the \$500 allowance under Other Expenses shall not be allowed.

Spouse Travel Expense

- The Academy President and President Elect are permitted to include spouse travel (limited to hotel, airfare, meals) as appropriate for the Academy's Annual Meeting and NAAC meeting(s).
- All others – there is no reimbursement for spouse travel.

Approved by the Board, October 2022