



AAMVA

Travel, Meals, & Business Entertainment Policy



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5.4 Travel, Meals and Business Entertainment

Policy

It is AAMVA policy that all business travel be reflective of corporate ethics, and the AAMVA Conflict of Interest Policy. This policy applies to AAMVA employees, Board Members, and volunteers traveling on company business, and covers all corporate and regional activities.

Employees will be reimbursed for all reasonable expenses that are necessary, legitimate, and incurred in accordance with this policy and other AAMVA policies. Reimbursed expenses are not necessarily allowable costs for Government Accounting purposes. Please consult with the Finance & Accounting group for cost allowability questions.

Business travel should be carefully planned, taking into account the benefits to be obtained against the costs anticipated. If written, telephone communications, web meetings, or video conferencing will accomplish the tasks, then business travel may not be necessary.

The following guidelines are to be followed when traveling on company business:

- a. Exercise best judgment and value to the company with respect to planning travel, spend the company's money as carefully and judiciously as possible;
- b. Report all travel and entertainment expenses with the required documentation and/or explanation; and
- c. **All travel should be booked within a minimum of 14 days in advance of the planned departure.** Any travel that is booked less than the 14 day advance requirement, will require approval of an Executive Leadership Team (ELT) member or the Chief Executive Officer.

The company provides travel accident insurance for all employees while traveling on authorized company business, and reimburses the employee for the cost of any legally required additional insurance.

Responsibilities

Employees are responsible for the timely identification and documentation of business expenses in compliance with this policy including the segregation of unallowable costs and the assignment of proper charge numbers. Management employees authorized to approve expenses are responsible for reviewing expenses for reasonableness and ensuring that all required documentation is present prior to approving expenses for reimbursement or payment.

All expenses must be authorized by the person to whom the claimant reports, or a designated authorizer for executives. Authorized signatories may not approve claims of senior colleagues or their peers. Signatories should not sign off expense claims of junior colleagues to which they were a party. In such cases, approval is required from a senior colleague.

Employees are to follow the rules as outlined in this Policy. Failure to do so may result in disciplinary actions, up to and including termination.



Multiple Employee Travel Restrictions

The frequency of air travel will, on occasion, create situations where several Individuals may be scheduled for the same flight. To minimize the loss to AAMVA should a single incident occur, the following restrictions regarding joint travel apply:

- a. No more than three employees should travel together on the same flight.
- b. Whenever more than three company officers must travel to the same destination, consideration should be given to arranging a different travel schedule for each officer.
- c. Chair of the Board, Chief Executive Officer, Chief Financial Officer, and General Counsel should not travel together on the same flight.

Arranging Travel

All travel arrangements, including initial reservations and itinerary changes for air or rail travel, hotel accommodations, and rental cars, are to be made directly with AAMVA's designated travel agency. All travel spending must be pre-approved by the responsible executive.

If travel is charged to Federal grants or contracts, prior approval in writing may be required. Foreign travel charged to Federal grants must be approved in writing by the funding agency prior to travel. Travel costs in the above circumstances will not be reimbursed if approvals were not properly obtained and provided with the expense report.

AAMVA does not reimburse any employee or Board member (with the exception of the Board Chair and President & Chief Executive Officer) for travel costs associated with their spouse or partner. The cost of a shared hotel room is not required to be split between an employee and their spouse or partner for purposes of this policy. Approved reimbursed spouse/partner travel expenses will be reported as income on the employee's W-2 unless the presence of the spouse on a business trip serves a bona fide "business purpose" the requirements of which are set forth in the Internal Revenue Service regulations. Failure to meet those requirements will result in the spousal expenses being treated as additional taxable income to the employee. All applicable payroll taxes for that additional income are the responsibility of the employee.

Corporate Credit Card

The approved American Express Corporate credit card is made available to employees who travel on a regular basis. The Corporate credit card is to be used for all business air/rail, hotel, rental car, non-per diem meals, and other reimbursable business related travel expenses whenever possible. **The Corporate credit card is not to be used for non-business related expenses** and employees should take reasonable precautions to protect the card from loss or theft.

Employees are responsible for the timely review of their Corporate credit card transactions and monthly statements; the timely submittal of all expenses on a travel expense report; and for paying statement balances in full by the statement due date. The card holder is responsible for paying interest and late fees that are attributable to not fulfilling these responsibilities.

American Express Business Travel Accident Insurance provides accidental death and dismemberment insurance coverage when employees charge their business flight, train, or bus ticket to their Corporate credit card. Cardholders receive up to \$350,000 24-hour, door-to-door coverage for business trips up to 30 days. Please note that travel must have been booked with your Corporate credit card, otherwise this



benefit is void. The amount of travel insurance and coverage restrictions are subject to change by the Corporate Card issuer.

Company Advance

It is AAMVA policy not to advance employees cash for travel, except in unusual circumstances. Travel advances may be issued to an employee who does not hold a Corporate American Express card (i.e. employee that travels infrequently) and to employees traveling to areas where the credit card cannot be used for security reasons. These advances are exceptions to the Policy and require approval from the ELT Member in charge of that department. Any advance provided for business travel must be accounted for on an expense reimbursement submission as required in the Unanet Expense Reporting section of this Policy.

Air Travel

Travelers are required to use the lowest customary airfare available whenever possible. The AAMVA travel agency is directed to offer the most "cost effective" reservation, in accordance with Company policy. Air travel should be Economy class or the lowest commercial discount fare at the time the ticket is purchased, except when this fare would require circuitous routing, travel during unreasonable hours, excessively prolonged travel, or that resulting in additional costs that would offset the transportation savings. When a traveler is required to take a single flight during their trip that exceeds 5 hours, then they are eligible to fly business class with the written pre-approval of an ELT Member or the Chief Executive Officer. Exceptions to utilizing other than the lowest fare carrier may be authorized by an ELT member when the accommodations are not reasonably adequate for the physical or medical needs of the traveler.

First class air travel or the cost of seat upgrade or preferred seating certificate fees are not allowed or reimbursable, unless medically necessary and with prior approval and documentation. Memberships in airline flight clubs are not reimbursable. Costs of flight insurance or early boarding fees are not reimbursable. Employees will not travel on business as the pilot or passenger in a private aircraft.

Travelers must identify and pay for all personal flight costs, even if such flights are an addition to a flight schedule that serves business purposes. AAMVA will not reimburse for additional costs of personal legs on a trip. An airfare quote for the personal portion of the trip is required to be obtained at the same time the actual trip is booked in order to calculate AAMVA's expense. For example, an employee attends a conference or meeting and then takes a vacation, or travels to another location for a vacation from that location, returning to the office at a date later than necessary to attend the meeting. The employee must provide a statement from the travel agent, on the same date that the flights were booked, that shows the flights being submitted for reimbursement and the flight cost had they traveled directly to the conference or meeting and then traveled directly back on the date following the meeting or conference. Both the quote and actual airfare receipt are required for reimbursement. The reimbursement will only cover the cost had the employee traveled to the meeting or conference and then returned the day after the meeting, at the latest.

Costs of canceling and rebooking flights is not reimbursable, unless it was necessary or required for legitimate business reasons (such as changed meeting dates, airline disruptions, etc.). Approval by the ELT member is required to be submitted with the change fee and/or cancellation invoice. Unused tickets must be used for AAMVA business travel only.



Travelers flying in support of U.S. government programs may be subject to the "Fly America Act" (49 U.S.C. §40118) which requires travelers to use U.S. air carrier service for all air travel and cargo transportation services funded by the U.S. Government. One exception to this requirement is transportation provided under a bilateral or multilateral air transport agreement, to which the U.S. Government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act.' All travel related to Federal grants or contracts must comply with the Fly America Act requirements.

Alternatives to Flying: Traveling by plane is usually the most convenient and cost effective manner to travel to AAMVA events. AAMVA's travel policy is to reimburse Board Members, employees and volunteers for actual travel costs, up to the cost of traveling by airplane. In some instances, travelers prefer to drive or take a train to our events. Therefore, if a Board member, employee, or volunteer elects to drive instead of flying, they will be reimbursed for the lesser of the cost of driving or flying. The same analysis would apply if the employee or Board Member travels by train, rather than flying.

In many cases it will be clear that the cost of driving or taking a train is less than the cost of the plane ticket. However, if the employee or Board Members is traveling a great distance and the mileage reimbursement is going to exceed the total cost of flying, they must provide the documentation (noted below) to substantiate their claim for mileage reimbursement. The same would hold true for taking a train.

To support an expense reimbursement claim in that situation, they must provide a comparison of the total costs of driving (or taking a train) to the event versus flying. The following documentation should be submitted with the expense report package:

Flight documentation:

- a. Airfare quote from the Company corporate travel or other provider
- b. Mileage to/from airport, if applicable
- c. Taxi or shuttle fare to/from airport, if applicable
- d. Taxi or shuttle fare to/from event location from hotel
- e. Baggage Fees
- f. Parking at airport and related travel tolls, if applicable

Mileage documentation:

- a. Personal Vehicle - Documentation of mileage from residence to the event location (i.e. MapQuest, Google Maps)
- b. Rental vehicle – Rental receipt and associated gas receipts, if applicable (prior authorization required by AAMVA)
- c. Parking charge at the Hotel
- d. Travel Tolls

Train documentation:

- a. Train ticket price
- b. Parking and travel to and from train station where trip originated
- c. Travel from train station to event location and back to train station

Prior authorization by the Chief Executive Officer or ELT member is required for any air travel that is not in compliance with the Travel and Expense policy.



Rail Travel

Travel by rail shall be at coach class. Upgraded class rail travel may be approved for those areas outside the United States where coach class rail travel does not meet the safety and medical needs of the employee, or where direct route coach class is not available.

Personal Vehicle Travel

It is AAMVA policy to reimburse at the current rate per mile, as published by the IRS and/or applicable government travel regulations, when a personal vehicle is used for company business. Employees using a personal vehicle for business reasons must have a valid driver's license and registration and carry the minimum state or in-country mandated legal insurance limits, and are responsible for any damage, theft, or loss of such vehicles.

Lodging

Hotel arrangements shall be made by the AAMVA travel agency. Employees should use hotels that are efficient, provide the level of amenities necessary to support the purpose of the trip, and are economical. The daily cost of lodging is a reimbursable expense at the single-occupancy room rate and applicable taxes. Whenever possible, hotels should be booked using the lowest price available in that location.

In cases where a conference is being held and a favorable negotiated rate is available, employees must register by the deadline for the conference using the AAMVA Conference Services registration so that the employee is able to take advantage of the negotiated conference rate. Employees who attend conferences organized by organizations other than AAMVA should register in a timely manner and utilize the negotiated rate for that conference.

Employees should follow the GSA lodging per diem guidelines whenever possible. If the hotel falls outside the GSA lodging per diem, it must be pre-approved by an ELT member.

Meals and Incidentals

Business meals with a specific business purpose are reimbursable and allowable. Business meals require a specific business purpose and for Federal Grant billing purposes, a meeting agenda, list of attendees, or similar level of documentation is required. Business meals for entertainment are reimbursable if approved by the Division leader. These costs are to be treated as an unallowable expense and must be coded as such.

Travel Meals

Meals while on travel will be reimbursed using the federal per diem rate. If meals are provided at an AAMVA event, then per diem must be adjusted accordingly. The first and last day of a business trip is reimbursed at 75% of the current General Services Administration (GSA) standard CONUS (Continental United States) per diem rate for meals and incidentals. If a meal is provided at a conference and you opt not to eat the meal, no per diem is allowed unless there is a religious, medical reason or other approved business reason.



All alcohol and related tax and gratuity must be identified separately from the food portion on the Travel Expense Report. A separate receipt is required for alcohol purchases. Government regulations make costs of alcoholic beverages statutorily unallowable. Accordingly, all personnel must ensure that these costs are not charged to the government grants or contracts under any circumstances and recorded to unallowable accounts. Alcohol consumption during company business events should be reasonable, and not excessive.

When on business travel, employees may, with prior permission from an Executive Leadership Team Member, submit for reimbursement for business meals based on actual cost when the meal includes one or more business associates (i.e., jurisdiction employees or Board Members). These meals must be for the direct purpose of conducting AAMVA business. In that situation, the traveler is required to report such expenditures as a business meal, as opposed to a subsistence meal, and provide documentation of the business purpose for the meal, and include a list of attendees.

While away at a conference or event, if a manager takes a group of individuals (i.e. employees, volunteers, and/or members) out for a business meal, the manager should send the list of attendees to Finance upon return. Finance requires this information prior to expense report submission to ensure per diem is adjusted accordingly on the attendees' expense reports. All group business meals require the approval of an Executive Leadership Team member.

Any travel meal that is provided to an employee on business travel must be deducted from meals claimed under per diem, when applicable.

Vehicle Rental

All vehicle rentals will be made using reputable national car rental companies. Car rentals for standard sized cars are allowed, unless the specific circumstances of the business trip prove this to be impractical, such as when a group of AAMVA employees and/or volunteers will be transported.

AAMVA carries a Business Automobile Liability Insurance Policy that covers rentals in the United States and Canada. Collision and comprehensive exposure within the United States is self-insured by AAMVA. For domestic rentals, the traveler should decline the Loss/Collision Damage Waiver and Personal Accident Insurance. The traveler should accept the insurance provided by the rental car company for any international rentals, including those in Canada and Mexico. Charges for insurance coverage are not reimbursable unless required under this policy.

Cars should be returned with a full tank of gasoline to avoid higher fuel charges charged by the rental agency. Gasoline is a reimbursable expense, and receipts for gasoline purchases should be attached to the Unanet Expense Report.

When an employee traveling on company business is involved in a crash, the necessary information must be provided in a Crash Report to the Human Resources department, with a copy to the employee's Division Leader.



Transportation To/From Airport

It is the responsibility of the traveler to utilize a cost effective means of transportation to and from the airport, considering factors such as mileage reimbursement and parking fees.

Employees will be reimbursed for parking in daily or economy parking lots. Valet and hourly parking costs in excess of the daily parking rate will not be reimbursed, unless the employee is parking for one hour or less. Shuttle/Taxi service to and from the airport will be reimbursed.

Unanet Expense Reporting By Employees and Volunteers

Within 14 days of the return of a business trip, employees who have incurred business-related expenses must submit an expense report via the Unanet Expense Reporting module. Expenses incurred while on company business must be itemized, fully explained, substantiated by a receipt and approved. Receipts shall be required and provided by the traveler for all business expenses of \$25 or more for all non-grant related travel. When traveling on grant funds, receipts are required for ALL expenses. The expense reports must follow these requirements:

- a. Identify each incurred business expense separately in Unanet by using a line for each individual expense (i.e., do not combine expenses).
- b. With the exception of per diem, all business expenses must be supported by the appropriate supporting documentation. AAMVA uses the GSA per diem schedule for CONUS travel and the DOS per diem schedule for OCONUS travel. The per diem rates are updated in Unanet on a monthly basis.
- c. Mileage will be reimbursed at the standard Federal rates currently in effect, as published each year by the IRS. Unanet is updated when Federal mileage rates are published and has the capability to store prior year mileage rates when claiming mileage, MapQuest or similar documentation is required to support your claim.
- d. The business purpose of each trip must be adequately documented in Unanet in the 'Purpose' field. The location of the event must be documented in Unanet in the 'Location' field.
- e. When claiming a business meal or entertainment expense, the participants' names, company (if not AAMVA), and the purpose of the business or entertainment meal are required. If alcohol charges are incurred, a separate itemized receipt must be submitted for those charges. Non-itemized credit card charge slips do not represent adequate supporting documentation for reimbursement of meal and/or alcohol expenses.
- f. All expense reports are routed to the project manager and employee's supervisor in Unanet for approval. Non-employee expense reports are approved by the appropriate project manager(s)
- g. Expense reports must be submitted in U.S. dollars. AAMVA does not reimburse in foreign currency
- h. Expense reports submitted without appropriate support, justification, and/or signature(s) will be returned to the requestor to provide the required information and this may cause a delay in payment.

Reimbursements will not be processed if the expense submission does not meet these criteria. All volunteers and Members of the Board of Directors should submit their expense report via email to FinanceAP@aamva.org, following the expense reimbursement policies as outlined above.



Non-Reimbursable Expenses

Reimbursements will not be made if the expenditure is personal, unreasonable in amount, inadequately documented, or otherwise not deemed a proper business expense. Expenses that are not reimbursable include the following:

- a. Traffic violations or other penalties;
- b. Purchase of books, magazines, newspapers, and personal articles for non-business purposes;
- c. Fees or premiums for noncompulsory insurance coverage; rental car insurance recommended for international travelers will be reimbursable.
- d. Travel accident insurance, if covered by Company Insurance;
- e. Laundry and dry cleaning service for domestic trips less than four nights;
- f. In room movies, health/exercise expenses, or headset rentals or purchases;
- g. Spousal travel unless approved in advance. This applies only to the Chief Executive Officer and Chair of the Board of Directors. Employees are not allowed to request reimbursement for the spousal expenses. If a spouse attends an AAMVA business event or conference on their own funds, the employee is not required to reimburse the company if he/she stays in the hotel room. However, all other costs are at the employee's personal expense. The cost of Spousal travel is taxable to the employee, and will be reported on the form W-2 in accordance with IRS and state tax regulations;
- h. Personal credit card fees, interest, or late charges, and late charges or interest incurred on the Corporate credit card;
- i. Clothing, personal grooming items or over-the-counter medicine;
- j. Babysitting, pet care or home maintenance;
- k. Rental of formal attire, unless pre-approved for a business related event or company sponsored activity;
- l. Expenses for items purchased outside of the normal procurement process, such as office supplies, computer/electronic equipment, cell phones etc.;
- m. Miscellaneous business expenses while on travel, including tips for porters, skycaps, and baggage handlers when traveling under meals and incidentals per diem. Tips are not reimbursable once the daily per diem has been met.

Account Coding for Unallowable Travel Expenses

All travel expenses are to be normally coded "allowable" to the proper direct or indirect charge numbers with the following exceptions, which are unallowable under U.S. Government Regulations:

- a. Domestic Airfare – any difference between coach fare and any higher class of service booked.
- b. Any purchased airline upgrade certificates/coupons.
- c. International travel – Difference between business and first class when travel occurs primarily outside of normal business hours. Or the difference between coach and business or first class when travel does not occur primarily outside of normal business hours.
- d. Hotel charges (excluding taxes) in excess of per diem.
- e. All alcoholic beverages including applicable tax and tip.
- f. All entertainment expenses.
- g. Airline club membership fees.
- h. Daily meal cost in excess of per diem.
- i. Travel expenses incurred for an unallowable purpose, such as lobbying.
- j. Spousal travel expenses.



- k. Laundry and dry cleaning expenses.
- l. Miscellaneous business expenses while on travel, including tips for porters, skycaps, and baggage handlers, must be included in the per diem calculation when traveling under reasonable/actual meals and incidentals.