

**National Flood Services (NFS)**  
**Employee Travel and Expense Reimbursement Policy**

Effective 1/1/2023

**Statement of Purpose and Responsibilities**

This document establishes policies governing the reimbursement of travel, entertainment and other business expenses incurred during the conduct of NFS business, as well as the issuance and use of credit cards. The policy is to reimburse employees for ordinary, necessary and reasonable expenses when directly related to the transactions of NFS related business.

Directly related expenses are those in which there is the expectation of deriving some current or future benefit for NFS. The employee is actively engaged in a business meeting or activity necessary to the performance of the employee’s job duties, or, in the case of entertainment, there is a clear business purpose. Employees are expected to exercise prudent business judgment regarding expenses covered by this Policy.

Reimbursement for expenses that are not in compliance with this Policy requires the prior written approval of the NFS Chief Executive Officer (CEO).

NFS employees are responsible for complying with this Policy. Employees submitting expenses that are not in compliance with this policy risk delayed, partial or forfeited reimbursement.

**Documentation**

All reimbursable expenses must be pre-approved through the PR process in Jira. Once pre-approved, the employee may proceed with the purchase request.

Requests for reimbursement of business expenses must be submitted on the appropriate approved expense reimbursement request form. Each expense shall be separately identified. Forms shall be dated and emailed by the employee. Supporting documentation for the reimbursement must be added to the “Receipts” tab of the expense reimbursement request form.

NFS complies with IRS regulations, which require that all business expenses be substantiated with adequate records. This substantiation must include information relating to:

- (1) Reimbursements must be summarized on the company approved employee expense form with receipts included.
- (2) Supporting documentation must be submitted with all reimbursement requests and should be an itemized receipt showing gratuity, if possible. A copy of a credit card bill does not work for supporting documentation.
- (3) The date and place of the expenditure
- (4) The business purpose of the expenditure
- (5) The names, the business relationships, and business purpose of individuals, other than the employee, for whom the expenditures were made must be noted on each expense

Requests for reimbursement lacking complete information will be returned to the requesting employee. Reimbursement requests shall be promptly submitted, and in no event more than thirty (30) days after the expense. **Reimbursement requests more than thirty (30) days old will be rejected.**

### **Approvals**

Expense reimbursement forms, together with required documentation, must be submitted via an email to the employee's Senior Leader Team (SLT) department head and ap@nationalfloodservices, with a cc to their immediate supervisor. Once the Senior Leader has replied with their approval, Accounts Payable will complete the reimbursement process. Senior Leaders approving expense reports are responsible for ensuring that the expenses reported are proper and reimbursable under this Policy, the expense report has been filled out accurately and includes the required documentation; and the expenses are reasonable and necessary.

### **Reimbursable Expenses**

The following are reimbursable expenses, as long as they are in compliance with the applicable provisions of this Policy, and are for business purposes:

- Hotel or motel charges and related tips
- Airfare, train fare, bus fare, taxicabs or similar, and related tips
- Meals, including tips between 15 and 20%
- Actual meal expense, not Per Diem, up to \$75 per day
- Meal reimbursement with overnight travel
- Charges for internet connectivity at the hotel or motel
- Car rental expenses and gas
- Personal mileage at the current IRS rate, if using personal vehicle
- Tolls and parking charges
- Conference and convention fees
- Business related continuing education and annual license fees
- Business center costs (i.e., copying, faxing, etc.)

The following expenses are not reimbursable:

- Airline Club Dues
- First class airfare
- In-flight movies/refreshments
- Per Diem
- Hotel room movies and other forms of personal entertainment
- Child care costs
- Pet boarding and care
- Barbers/hairstylists
- Traffic fines
- Tips in excess of 20% and/or tips in addition to pre-applied gratuity
- Luggage, briefcases, or travel accessories

- Passport required for international travel
- Alcohol, unless consumed during preapproved business-related entertainment activities
- Meals including only company employees, unless travelling on company business or approved in advance by the CEO
- Parties and gifts for NFS employees other than preapproved for companywide events
- Reimbursement for personal miles in excess of the cost of airfare to the same destination
- Travel expense to and from airport in personal vehicle

No policy can anticipate every situation that might give rise to legitimate business expenses. Reasonable and necessary expenses, which are not listed above, may be incurred. Each employee and supervisor must use his/her best professional judgment in determining if an unlisted expense is reimbursable under this Policy.

### **Air Travel**

All employees are expected to travel coach class and are encouraged to search for the lowest available restricted but changeable fare, rather than the fully-refundable fare. Personal frequent flyer credits may be used to upgrade travel class; however, no reimbursement will be made, and no contribution recorded on behalf of the employee for the business use of frequent flyer credits.

The cost of cancelling and/or rebooking of flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as a changed meeting date). All unused airline tickets are to be returned promptly for credit. Employees must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes.

### **Lodging**

Prudent judgment should be used when selecting a hotel or motel. A single room with a private bath in a moderately priced business class hotel or motel is NFS standard. For all lodging expenditures, hotel receipts must be submitted; credit card charge slips do not represent adequate supporting documentation.

NFS will not reimburse an employee for separate travel costs associated with his/her spouse or partner.

### **Rental Cars**

It is expected that reservations will be made for a compact vehicle, depending on the type of travel. A mid-size vehicle may be appropriate when more than one employee will be using the vehicle. The cost of premium, luxury or four-wheel drive vehicles will be charged to the employee renting the vehicle and reimbursement will be made at the compact or mid-sized rate as appropriate.

Employees should not accept “Loss Damage Waiver” coverage. Employees driving rental cars for business purposes have liability coverage under NFS business auto liability policy.

### **Personal Vehicles**

Employees who utilize personal vehicles for business purposes are required to have a valid driver's license and at least the minimum insurance coverage required by law. Mileage will be reimbursed at the currently allowable IRS rate. Miles submitted for reimbursement should be net of any normal commuting miles.

Primary insurance for employees who use their personal vehicles for business purposes shall be through their own personal automobile insurance policy and will be responsible for any damage to the vehicle, as well as for liability.

The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee. The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets.

Mileage to the employee's primary work location is never reimbursed. During overnight travel, lodging to the first stop of the day is not reimbursed except if it exceeds normal commuting miles.

If an employee is required to travel for business, the travel from the employee's home to and from the airport is not a reimbursable expense for mileage or fuel, however parking fees at the airport are reimbursable provided the employee uses the economy parking lot.

### **Credit Cards**

NFS Credit cards issued in the name of employees may be provided, at the CEO's discretion, to those employees whose jobs require a significant amount of travel, entertainment, or business purchasing. Employees requesting a credit card should discuss with their supervisor who can submit a written request to the CEO, setting forth the necessity for the credit card. Use of company credit cards are a privilege which may be revoked at any time. Company issued credit cards shall not be used for personal expenses. Mis-usage will result in disciplinary action and/or possibly termination.

Employees shall promptly (within 15 days of the expense) submit expense reports for credit card related expenditures so that NFS can pay the credit card issuer for the charges. Employees will be responsible for any late fees and/or interest charges resulting from late submission of supporting documentation for a credit card bill.

### **Policy Exceptions**

Generally, any exception to this policy must have the prior written approval of the CEO. Requests for exception should document extenuating circumstances or proposed overall savings to NFS.