



DATE:	SUBJECT:	CONTACT:
January 2020	Business Travel Policy	Payroll & Accounts Payable Leader

**Overview:**

This policy establishes guidelines for all ECM Industries employees who travel, and the managers who approve travel related expenses. Within this policy, “Company” refers to all business units of ECM Industries.

**1. STATEMENT OF GENERAL POLICY**

- 1.1. This policy establishes guidelines intended to standardize acceptable travel and entertainment practices among all business units of ECM Industries, LLC. It outlines required documentation to assure compliance with the Internal Revenue Service and other regulatory bodies that require employees to be guided by a common set of guidelines.
- 1.2. Employees are required to account for all expenses incurred while traveling on Company business. The Company will reimburse employees for REASONABLE and NECESSARY business travel, entertainment, and incidental expenses incurred on behalf of the Company.
- 1.3. Business Unit and Functional Leaders will establish and communicate the required travel approval process for their teams. Group air travel and meetings should be booked through EGENCIA to obtain discounted pricing. Group travel exceeding \$5,000.00 must be approved by the CEO/CFO.
- 1.4. Frequent travelers are required to obtain and use a US Bank Corporate Credit Card for all business-related expenses. ECM Industries receives rebates based on the value of purchases on the corporate cards, thus reducing our travel spend.
- 1.5. The US Bank Corporate Credit Card is NOT to be used for personal expenses. Improper and/or use of this card may result in disciplinary action up to and including termination.
- 1.6. Employees that travel frequently are required to utilize the Certify travel & entertainment expense management system. Certify is a third-party ECM Industries uses to create, process, and monitor expense reports. Once enrolled within Certify, travelers will be able to access the Certify Expense web-based software to create and submit expense reports.
- 1.7. The Company will not pay expenses for a spouse or family member accompanying an employee while traveling on business. Employees must account for their expenses separately.
- 1.8. Expense reports are REQUIRED to be completed accurately and in a timely manner as outlined in this policy. Expense reports MUST be completed and turned in to the employee’s supervisor for review and approval within 60 days of the travel/business expense or the expense may not be reimbursed.
- 1.9. All air, hotel, and car arrangements must be made through the ECM Industries specified travel agency as detailed in section 2.

## **2. TRAVEL AGENCY DESIGNATION**

- 2.1. EGENCIA is the Company's exclusive travel agent. No other travel agent or online booking services are to be used. All business travel arrangements are to be made through EGENCIA to allow ECM Industries to receive the lowest possible fares/rates and to gather travel spend information to help negotiate favorable corporate rates with frequently used vendors. Instructions on EGENCIA set-up and log-in can be found on the Dartboard.
- 2.2. The preferred method of booking travel arrangements is through the EGENCIA **online booking tool** since this method minimizes the transaction costs ECM Industries must pay to EGENCIA. You can access the online reservations website by following the link provided by the AP & Payroll Leader. You can contact the EGENCIA team by phone at (877)-874-0923 for assistance in setting up your travel profile, and to obtain additional assistance or information regarding EGENCIA.

EGENCIA will do their best to arrange flights around employee's schedules, while minimizing the expense to the Company. Please allow some flexibility in your schedule to assure the best value for your travel. Ultimately it is the employee's responsibility to obtain the lowest airfares by challenging our providers to look for the absolute best value.

## **3. AIR TRAVEL**

- 3.1. It is the obligation of each employee to choose the least expensive flight from the alternatives presented by EGENCIA. In many cases, an employee can save hundreds of dollars by purchasing tickets on special or promotional flights that may (a) require advance booking (b) include one layover/stop, or (c) depart and/or arrive at times slightly less convenient to the traveler.
- 3.2. EGENCIA will automatically confirm the lowest airfare available for the requested travel. They will offer, if available, a lower fare flight that falls within two (2) hours of the originally intended departure time for the consideration of the traveler. We encourage you to accept the lower fare flight, if possible.
- 3.3. EGENCIA's online booking tool has Internet search capability that allows us to obtain internet fares while still maintaining our travel spend data. Occasionally a less expensive flight can be found on the Internet outside of EGENCIA's website. When this happens EGENCIA should be notified and they will try to match the fare. Ultimately the flight must be booked through EGENCIA.
- 3.4. All employees must book travel coach class for all domestic flights and all international flights. Employees requesting to travel business class must receive approval from their Business Unit or Functional Leader prior to booking the travel. Free upgrades may be used for business class flying, in the event they are available to the employee through frequent flyer programs. If an employee opts to upgrade to business class, it is the responsibility of the employee to pay for the upgrade.
- 3.5. First class flying is against Company policy and should not be purchased. Free upgrades may be used for first class flying, in the event they are available to the employee through frequent flyer programs. If an employee opts to upgrade to first class, it is the responsibility of the employee to pay for the upgrade.
- 3.6. Generally, electronic tickets (E-tickets) will be issued for most flights being booked. There are several exceptions to the rules (some international flights still require paper tickets), and in the event a paper ticket is issued, it will be forwarded directly to the person travelling.
- 3.7. Travel itineraries are e-mailed to the traveler.

#### **4. VAT Reclamation**

- 4.1. When U.S. employees travel to many countries in Europe, they often incur VAT tax on their expenditures. In many instances, ECM Industries, LLC is able to obtain a refund for the VAT tax incurred. In order to facilitate the reclamation of VAT tax paid, fill in the available VAT field on your expense report along with the following U.S. travel requirements:
  1. Use your Corporate VISA card for all purchases.
  2. When an expense of (approximately) \$150 or more is incurred, ensure that the following information is cleared printed on the original receipt by the vendor:
    1. Mr./Ms. Employee Name  
ECM Industries, LLC  
16250 W Woods Edge Rd  
New Berlin, WI 53151  
United States

NOTE: All employees, regardless of which business unit they work for, are required to list ECM Industries on applicable receipts. In addition, original receipts are required as photocopies and faxes are not acceptable to European tax authorities.

#### **5. Frequent Flyer & Other Benefits**

- 5.1. Frequent flyer/discount coupons accumulated by an employee on business travel are the property of the employee.
- 5.2. Accumulation of any frequent flyer points must be achieved by adhering to section 3.1 above. Travel should not be arranged to accommodate the employee's frequent flyer program.

#### **6. Travel Insurance**

- 6.1. All airfare is required to be paid for using the US Bank Corporate Credit Card. The US Bank Corporate Credit Card automatically provides flight insurance at no cost to the employee. Additional flight insurance or travel insurance of any kind is the sole responsibility and cost of the employee.
- 6.2. Business travel insurance is also provided for by the Company (see attached description).
- 6.3. Do NOT purchase separate travel insurance.

#### **7. Unused Tickets/Cancellations**

- 7.1. Unused paper airline tickets should be returned directly to EGENCIA. These are negotiable documents and are to be returned within 5 days of canceling/completing the trip.
- 7.2. If you were issued an E-ticket, please notify EGENCIA if you did not use the ticket so they can secure either a refund or travel credits for the unused flight. Notification should be made within 5 days of canceling/completing the trip.
- 7.3. Refunds may be issued to you via your US Bank Corporate credit card. When such refunds are issued, it is imperative for the ticket holder to claim the refund on their expense report to assure proper reporting of the refund. If you receive a check for the refund it must be turned over to ECM Industries for deposit.
- 7.4. If the ticket was non-refundable, a travel credit will generally be issued to the ticket holder, and the travel credit should be claimed with the next travel date by the traveler. Travel credits are maintained by the travel center and will be presented for use upon the next travel date. You must request the use of the most recent credit when booking your flight on-line through the EGENCIA site.

## **8. GROUND TRANSPORTATION**

- 8.1. The traveler must book all ground transportation other than rental cars. All car rental reservations must be booked through EGENCIA, utilizing our preferred vendor. The method of transportation (rental car, taxi cab, public transportation) is dependent upon the location, duration, and nature of the business trip.
- 8.2. Employees will be reimbursed for any tolls or parking fees incurred while on Company business.

## **9. Rental Cars**

- 9.1. The use of a rental car must be justified on an economic basis. All rentals will be at the corporate rate, or the lowest possible rate per day. When traveling in groups, cars should be shared to minimize the cost.
- 9.2. Rental car expenses will be reimbursed for sub-compact or compact size cars only. Exceptions include rental cars for more than one occupant, handicapped persons, or cars used to carry large equipment. The size of the automobile should be determined by the business being conducted. If the employee has free upgrades, they may be used.
- 9.3. The Company has negotiated discounts with its rental agencies. EGENCIA will ensure that we use our primary agency at the lowest available rates, however, if a lower rate can be obtained through EGENCIA with another carrier, use the most cost-effective rate.
- 9.4. "Collision Damage Waiver Insurance" or "Accident Insurance" should not be purchased. When renting cars within the US, all travelers (US or International) will be provided with a rented vehicle insurance card that will provide proof of insurance should you be involved in an accident. When US employees travel outside the country, elect the insurance offered by the car rental company. All non-US employees traveling in their home country should also decline the coverage.
- 9.5. Employees are personally responsible for any traffic violations or parking tickets incurred while using a rental car for company business.
- 9.6. Rental Cars should not be used by employees receiving the auto allowance unless their travel requires air travel

## **10. Personal Car Usage - Personal Car Usage will be defined by the below set of standards**

- 10.1. **Regular Use Drivers** – Employees who participate in the Auto Allowance Reimbursement Plan and operate their personal vehicle for company business as required by their position. Personal car usage expense reimbursements and eligibility requirements for Regular Use Drivers are governed by Auto Allowance Reimbursement Plan.
- 10.2. **Occasional Use Drivers** -Employees who do not participate in the Auto Allowance Reimbursement Plan and use their personal vehicle for business on 30 or more days per year or roughly 10% of the year.
- 10.3. **All Other Drivers** – Employees that do not meet the definition of Regular or Occasional Use Drivers (i.e. employees that are rarely required to travel for business).
- 10.4. There are insurance requirements for all Occasional Use Drivers. These limits are mandatory, and proof of these limits must be provided to payroll. A certificate of insurance and confirmation of compliance must be submitted to payroll upon hire (if classified as a regular or occasional use driver) and as well as

at renewal. Please note that an insurance card is not sufficient documentation. These insurance limits are as follows:

- \$500 deductible for comprehensive
- \$1,000 deductible for collision
- \$100,000/\$300,000 bodily injury
- \$50,000 property damage or \$300,000 combined single limit (CSL)
- \$5,000/10,000 medical payment (as required by state law)
- Uninsured motorist coverage
- Verification that the employee's policy does not exclude business use

- 10.5. For All Other Drivers, these limits are recommended, but not considered mandatory
- 10.6. Employees who use their personal car for Company business (such as off-site meetings or customer visits) will be reimbursed at the IRS approved rate/mile. Employees should track their mileage while traveling and then calculate the excess of what the employee ordinarily would have driven to/from work (e.g. employee ordinary commute is 20 miles to/from work—they drive 50 miles to a customer location—they are entitled to 30 miles reimbursement). Do not turn in gas receipts as that is not the appropriate process for business mileage reimbursement. This does not apply to employees currently receiving a car allowance
- 10.7. Employees are personally responsible for any traffic violations, parking tickets, or collision repairs incurred while using their personal vehicle for company business.
- 10.8. Under no circumstance should an employee utilize his/her vehicle for use on Company business unless he/she carries the proper insurance for their vehicle.

## **11. LODGING**

- 11.1. EGENCIA is our primary contact for hotel and group lodging reservations. EGENCIA maintains our negotiated rates in their system and can direct you to the best rate we have negotiated in the place you are visiting. Often lower cost options are available on the Internet or calling the hotel directly, which are not available to EGENCIA. If low-cost lodging is found after checking the EGENCIA rates, the lower cost option should be booked. Employees should use reasonable prudence in selecting hotels based upon the class and cost of the hotel.
- 11.2. Hotels are automatically guaranteed for late arrival when using EGENCIA. It is imperative that hotels be advised of any cancellation of a hotel reservation. Ask EGENCIA about the hotel's cancellation policy when making your reservations. Most hotels require notice prior to 4:00 p.m. on the day of arrival to prevent "no show" charges. If the cancellation is made directly by the traveler, be sure to obtain the name of the hotel employee you spoke with and the cancellation confirmation number.

## **12. REIMBURSABLE EXPENSES**

- 12.1. **Personal Meals** - Personal meals (breakfast, lunch, dinner) will be reimbursed when taken in connection with an overnight business trip. Lunch may be reimbursed for day trips that require employees to be out of the office during normal working hours. They should be recorded as a personal meal on the employee's expense report, and the employee should maintain appropriate documentation supporting the meal as outlined in section 7.

**12.2. Business Meals** - Business meals will be reimbursed when incurred in the ordinary course of Company business. **Company business includes:**

- ✓ Company sponsored meetings, conferences, conventions, or training courses
- ✓ Professional society meetings, conferences, conventions, or training courses previously authorized by the Company
- ✓ Business meals which include participation of non-Company personnel that have a bona fide business purpose

**Additional guidelines and controls include:**

- ✓ Most Senior employee present should pay
- ✓ Must document who was in attendance
- ✓ Detailed receipt should be provided
- ✓ Reasonably priced items and/or places should be used
- ✓ "Local Spending" will not be reimbursed when not traveling. Choosing to have lunch/drinks with colleagues does not meet the requirements to use company funds to pay for the meal.
- ✓ Team Outings are reimbursable when celebrating particular successes or holidays, but good judgement must be used. If unsure if something qualifies please discuss with your manager.

**12.3.** Meals shared by Company personnel in connection with incidental meetings are NOT reimbursable, unless approved in advance by your direct supervisor.

**12.4.** All meals and entertainment expenses at a hotel need to be separately itemized on your expense report, with lodging charged to lodging and meals/entertainment changed as such. There are different tax treatments for these different expenses and the company uses the account coding on the expense report to make the proper tax deduction.

**13. Entertainment**

**13.1.** The Company will reimburse customary and reasonable business entertainment expenses. This includes expenses relating to golf, performing arts events, other sports related events, etc.

**13.2.** Entertainment of other Company employees is NOT to occur as a matter of course, but is allowable under the following circumstances:

- ✓ The function is attended with non-Company personnel and is for a bona fide business purpose
- ✓ When authorized by the appropriate manager as designated in the business unit's approval policy due to the existence of a bona fide business purpose or as a discretionary expense

**13.3.** Entertainment which is considered extravagant or elaborate or which is not in good taste will not be reimbursed.

## 14. Home Office Expenses

- 14.1. If you operate from a location other than a Company office, you may be entitled for reimbursement for reasonable costs to set up a home office. Upon manager approval, you are entitled to reimbursement up to \$750 for home office set up. This includes costs for furniture, additional phone lines installation (up to 2 additional lines), and office equipment. If you leave the company within 6 months after your employment begins, you will be asked to reimburse the company as follows:

Within: 1 month	90% of total reimbursed to you
2 months	85% of total reimbursed to you
3 months	75% of total reimbursed to you
4 months	65% of total reimbursed to you
5 months	60% of total reimbursed to you
6 months	50% of total reimbursed to you
after 6 months	no reimbursement required

- 14.2. If you operate from a location other than a Company office, you may request reimbursement for the reasonable cost of office supplies and postage that has a bona fide business purpose.

## 15. Professional Society and Association Dues/Publications/Club Dues

- 15.1. Professional fees and the costs associated with attending local professional meetings are generally NOT reimbursable. The Company believes it is the responsibility of individuals to maintain their professional status and to participate in appropriate activities. There may be special circumstances where it is appropriate for the Company to pay for a membership. These generally are when the membership is purely motivated to allow the Company to have access to the society in question. In such cases, Business Leaders should approve the membership.
- 15.2. The costs for attending out of town professional society meetings will be reimbursed with appropriate manager approval, providing the meeting includes significant educational content relevant to the business.
- 15.3. All business magazines or newspaper subscriptions must be approved by the appropriate manager and must be paid through accounts payable directly to the publisher. Care should be taken to avoid duplication in subscriptions.
- 15.4. All publications purchased using Company funds are Company property and must remain at the company.
- 15.5. Dues and membership costs of clubs or other entertainment facilities will NOT be reimbursed. The costs of meals or other expenses incurred on Company business at such facilities will be reimbursable with proper authorization from the appropriate manager.

## 16. Other Travel Related Expenses

- 16.1. **Laundry Expense:** Laundry expense is not reimbursable except when the length of the trip, in excess of (7) seven consecutive days, makes it impractical to pack enough clean clothes. This includes dry cleaning expense.
- 16.2. **Personal Items:** Purchase of personal items such as books, toiletries, haircuts, shoeshines, movie or theater tickets, neck pillows, aspirin, cold medicine, and the like are not reimbursable.
- 16.3. **In-Hotel Room Items:** Pay movies, mini-bar, and other items in the hotel room are not reimbursable.

- 16.4. **Personal Credit Cards:** Fees for personal credit cards will not be reimbursed. If you are a frequent traveler, you are required to have a Company Visa card for all business and travel expenses.
- 16.5. **Late Payment Fees:** The Company will not reimburse fees associated with late payment of credit cards. It is the employee's responsibility to ensure prompt payment of credit card expenses by filing expense reports on time.
- 16.6. **Internet Fees:** The Company will reimburse fees you pay to access the Internet while traveling and conducting business for the Company. Care should be taken to minimize this cost.
- 16.7. **Visa/Passport Fees:** Fees paid to acquire/maintain a Visa/Passport are reimbursable, as long as you are required to travel internationally by the Company.

## 17. EXPENSE REPORTING

### 17.1. **Certify Travel Program Participants**

- 17.2. Employees who request travel and expense reimbursement are **required** to utilize the Certify expense reporting system. We utilize Certify software to create and submit expense reports online. Please contact your ECM Industries Certify Administrator for instructions on how to get set up on the Certify Expense system.
- 17.3. An expense report should be prepared MONTHLY upon the receipt of your US Bank Corporate Credit Card Statement. Employees should fill out their expense report in a manner that will pay off/balance to their Corporate Credit Card; **specifically, only the charges that appear on their credit card statements and any out of pocket expenses they may have had that month.**
- 17.4. To ensure timely payment of the employee's Corporate Credit Card, expense reports are required to be **submitted by the employee and approved by the manager** no later than the 16<sup>th</sup> of the month. This same deadline applies if the 16<sup>th</sup> falls on a weekend or holiday. If this deadline is not met, the Corporate Credit Card will not be paid until the following month and the employee will incur a late fee from the credit card company (**late fees are the responsibility of the employee**). All expenses incurred by the employee and submitted as cash reimbursement, are paid to the employee weekly after the online approval by the manager.
- 17.5. Once the employee electronically completes and submits his/her expense report, the employee's immediate supervisor is notified (via email) that they have an expense report that is awaiting approval. It is the supervisor's responsibility to review and approve or reject the employee's expense report online within the Certify Expense system by the end of day on the 16th. Best practice dictates that the approving manager review all receipts on line (see 7.1.6) before providing the electronic approval.
- 17.6. Proper documentation and substantiation must be included with all expense reports to receive reimbursement. Receipts and other supporting documentation should be attached electronically by scanned pdf. or the fax format in the system for ease of review and future record retention.
- ✓ Receipts must be provided for all expenditures regardless of the amount.
  - ✓ Name of establishment must be printed on ALL receipts—blank stubs are NOT acceptable.
  - ✓ Documentation for Business Meals must indicate **who attended the meal** and the business purpose. The charge card receipt stating the total is not acceptable. A detailed receipt is required.

- ✓ The Business Unit Leader may, at their discretion, require the employee to prepare a trip report summarizing the details of the trip. Such trip report should be attached to the expense report.
- ✓ Your current US Bank statement.

**18. Travel Advances** - The Company does NOT provide travel advances.

**19. Audits** - Periodic audits will be made of all employee expense reports to assure compliance with this policy. If exceptions are noted, they will be brought to the employee's supervisor's attention and adjustments may be made to the employee's reimbursed expenses. If it is determined there is gross negligence with the expense report, disciplinary action will occur, including dismissal if appropriate.