



Travel and Entertainment Policy

Approved by: Board of Directors, January 29, 2016

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Travel & Entertainment Policy

1.0 INTRODUCTION

American Institute of Physics' ("AIP") will reimburse, or pay on behalf, for travel and entertainment expenses that are necessary and suitable to fulfill a valid business purpose related to the mission of AIP. While this Travel and Entertainment Policy is intended to be comprehensive, it is impossible to anticipate every possible question relating to travel and entertainment. The spirit and intent of this Travel & Entertainment Policy must be applied to circumstances not specifically addressed.

Any employee or volunteer's failure to follow this Travel and Entertainment Policy as written and/or intended could result in a delay or withholding of reimbursements and may lead to disciplinary action up to and including termination.

1.1 Reimbursable Expenses

Individuals may incur reimbursable expenses in the course of performing services for AIP. A reimbursable expense must be reasonable in that it is not extreme or excessive and reflects a prudent decision to incur the expense. The expense must be allowable according to the terms of applicable federal and state regulation, federal or sponsored contract, and AIP policy. The event for which the expense was incurred must not be reasonably construed as discriminating or retaliating against any person.

Travelers are asked to make reasonable and cost effective choices and to be prudent when selecting travel routes.

1.2 Definitions. For the purposes of this policy, the following terms are defined.

- Goods—merchandise or possessions
- Per Diem payments—a daily allowance for expenses; AIP does not use per diem payments
- Supervisor—an employee's manager
- Direct report— an employee whose position at work is directly below that of another person, and who is managed by that person
- Accounting—the Accounting Department of AIP
- Budgetary authorities—approved AIP division budget authorities
- Suppliers—equipment vendors, supply vendors, auditors, or any other contractor, subcontractor or business person with a supply relationship with AIP

1.3 Covered Persons and Approving Authorities

A) Employees

This policy covers all employees, including all officers.

The expense vouchers of employees other than the CEO are approved by their supervisors. The expense vouchers of the CEO are approved by the Audit Committee Chair (or the Treasurer when Audit Committee Chair is not available) and reviewed quarterly by the Audit Committee. The highest ranking

employee at a group event must be the one to pay for and receive reimbursement for an event (see also section 4.9C).

B) Volunteers

This policy covers all volunteers, including Directors and Member Representatives.

The expense vouchers of the Chair of the Board of Directors are approved by the Audit Committee Chair or her/his designee) and reviewed quarterly by the Audit Committee. Other Board members' travel expenses are approved by the Board Secretary's Office and reviewed by the Audit Committee on a quarterly basis.

Non-Board volunteer travel expenses are submitted to the Division that engaged the activity and are approved by the Senior Director in that Division.

2.0 RESPONSIBILITIES

2.1 Traveler Responsibility

A) Travel Pre-Approvals

Before AIP travel, preliminary approval should be obtained from the appropriate approving authority (see section 1.3). Volunteers should seek preliminary approval from their coordinating AIP staff. Board members are automatically pre-approved to attend Board meetings, Board committee meetings, and meetings called by chairs of Board committees. Other Board travel is approved by the Board Secretary's Office.

B) Expense Reports

Employees report expenses using the AIP online tool, [Works](#). Please contact Accounts Payable (AP) for additional information about Works. Volunteers pay for expenses out of pocket. Out of pocket (cash payments) expenses should be submitted to Accounting on the approved AIP travel reimbursement form with the appropriate receipts.

The business purpose for the travel must be indicated on the request for reimbursement or payment; the names, affiliations and valid business reasons for attendance of all attendees at any function must be stated.

- ✓ When preparing Expense Reports, care must be taken to provide correct accounting codes for all expenses, especially when charges should be allocated among multiple codes
- ✓ Unusual circumstances that affect expenses should be fully explained so they are understood by both the approving authorities and Accounting.

C) Receipts

Receipts are an essential part of the expense validation process and these must be submitted at the time of the request for reimbursement. Receipts are required for expenses greater than \$25. Expense reports are to be submitted within 30 days of the expense occurring.

Required receipts include:

- ✓ Air, rail, or other common carrier receipt, including reservation details
- ✓ Lodging receipts, including the detailed breakdown of all charges
- ✓ Vehicle rental receipt showing details (i.e., type of vehicle, total miles driven, fuel expenses, rental daily rate, and total cost)
- ✓ Meal receipts, including details of items ordered; tips to servers of up to 20% of the check are reimbursable. See section 4.9D for alcoholic beverage policy.

Note: If any receipt is missing, destroyed, illegible or lacks the required data, the employee must prepare the Lost or Destroyed Receipt Affidavit (see the Appendix).

D) Non-allowable Expenses

Expense reports are subject to review by Accounting and may be audited by Accounting for compliance with this policy. Charges submitted outside of the guidelines in this Travel and Entertainment Policy may not be reimbursed. Travelers will be required to reimburse AIP for any non-allowable expenses incurred on an AIP-paid credit card. Reimbursement denials may be appealed to the Controller (Accounting); reimbursement denials from Accounting may be appealed to the CFO; denials by the CFO may be appealed to the Audit Committee, whose decision is final.

2.2 Approving Authority Responsibility

The purpose and scope of travel should be aligned with the AIP budget and support the mission of AIP. Approving authorities play a vital role in protecting AIP's assets by ensuring that expenses for travel and entertainment are justified by a business need and that AIP funds are not carelessly used.

A) Travel Pre-Approvals

Supervisors are responsible to ensure that their direct reports are pre-approved for any travel and that they use good judgment in their travel decisions.

Staff involved with coordinating the activities of non-Board volunteers (for example committee members, advisory groups, and similar groups) are responsible to ensure that such volunteers are pre-approved for any trip and that the volunteers use good judgment in their travel decisions.

See section 1.3B for approval policies for Board-related travel.

B) Expense Reports

Supervisors are responsible for assuring that their direct reports are diligent in submitting their expenses for approval in a timely and accurate manner. Emails will be generated to employees with charges ready to settle on their AIP-paid credit cards.

C) AIP-Paid Credit Card Requests & Approvals

Supervisors may request an AIP-paid credit card for their traveling employees. If an employee will travel on a single trip, and it is not known if that person will travel again, an AIP-provided credit card should still be requested for that employee (see also section 2.2A).

3.0 ENTERTAINMENT

3.1 Allowed Entertainment Expenses

Entertainment that is necessary and suitable to fulfill a valid business purpose related to the mission of AIP will be paid for by AIP. Group events for pre-approved functions should follow procurement guidelines (policies available on Share Point) for meeting and catering arrangements; All entertainment must be arranged by AIP employees, approved by the senior Director of the sponsoring division, the CEO, or the Board Chair, and direct billed and paid for by AIP, except as noted in Section 4.9C.

Reimbursements to individuals for entertainment is not permitted except as noted in Section 4.9C.

Funds expended on entertainment are reviewed quarterly by the Audit Committee.

3.2 Disallowed Entertainment Expenses

AIP funds may not be used to purchase meals for social events (see section 4.9B). The following are also not reimbursable: gifts, tickets to athletic or cultural events, other tickets, unapproved entertainment.

3.3 Approvals

Entertainment that is necessary and suitable to fulfill a valid business purpose must be budgeted and reported on through the annual budget process and approved by the senior Director of the sponsoring division, the CEO, or the Board Chair.

Any AIP employee recognition events (including recognitions of promotions, retirements, and other departures) must be suitable, nondiscriminatory, and must be planned and hosted by AIP Human Resources. Such events must be pre-arranged following procurement guidelines for meeting and catering arrangements (see policies on Share Point), must be arranged by AIP employees, must be direct billed to AIP, and must be approved by the Director of Human Resources.

4.0 ADDITIONAL GUIDELINES & PROCEDURES

4.1 Travel Booking

AIP generally allows its travelers to make their own travel arrangements. Individuals traveling on AIP business may use a travel agency. A formal AIP agency of record is not mandated.

4.2 Paying for Travel

A) AIP-Paid Credit Card (Employees only)

AIP has designated an AIP-paid credit card for use by any employee who travels as part of their professional duties. An AIP-provided credit card may be obtained within a few days for any authorized employee.

Any traveling employee should obtain and use the AIP-provided credit card whether it will be a one-time event or continuous requirement to travel. AIP-provided credit cards can be deactivated by supervisors for their direct reports who are infrequent travelers by contacting the AIP Commercial Card Administrator in the AIP Chief Financial Officer's (CFO) office.

Note: Employees may use their personal credit cards for travel. However, AIP will not reimburse the employee for any fees associated with the card and personal credit cards should not be used to make purchases of goods for AIP. AIP cannot guarantee a timely reimbursement if employees choose to use their personal credit cards when AIP-paid credit cards are available.

B) Per Diem Payments

AIP does not issue per diem payments to employees for travel or any other purpose.

4.3 Grant-supported Travel

Travel for federal grant activities must comply with government requirements. All employees and other covered parties who are working on grant-related activities must follow AIP's Grant Management Manual (located on Share Point).

4.4 Travel Cancellations

It is the responsibility of the employee to contact the airline, hotel, or travel agency immediately when planned travel is canceled, to facilitate the refund process and limit penalties, wherever possible.

4.5 Stay-overs

At times individuals may combine business and personal travel (e.g., by adding an additional day to the itinerary). If this occurs, AIP will only reimburse those expenses directly related to the business portion of the trip. Trips that combine AIP travel with other purposes should calculate the expenses comprising the AIP portion of the trip by providing travel documentation of what the trip would have cost if only the AIP portion had been made. For example, a two-stop trip in which only one stop is for AIP business would be reimbursable at the rate of making the single AIP stop. Airline or other itineraries for the hypothetical one-stop trip dating from the time of booking should accompany the request for reimbursement.

4.6 Foreign Currency Use

Foreign currency may be a part of an expense report, and in some cases receipts for purchases may not have a \$USD amount. The credit card provider will convert any foreign currencies into \$USD when entering it into an AIP-provided credit cardholder's charges queue in the online expense reporting system. A traveler can also obtain the precise rate of currency exchange from his/her credit card statement. Receipts with a foreign currency should also be provided when submitting backup documentation for charges.

If out-of-pocket expenses are incurred with a foreign currency, such as foreign currency transaction fees, the amount entered into the expense report should be the readily available conversion rate found on the credit card provider's website.

4.7 Transportation

Travelers are encouraged to plan dates of travel well in advance of making any arrangements. This should allow for travelers to select their mode of travel and to price tickets six to eight weeks prior to their travel dates. Where possible, travelers should plan ticketed travel to take advantage of convention, training, event based, or other promotional fares. Where no such fares are available, preferred travel providers should be used if a special rate relationship with AIP exists.

A) Airfare

AIP travelers should obtain the lowest available airfare. Choices for airfare should be limited to the lowest price nonrefundable, economy (coach) class fares that meet AIP business needs. Travelers may request to travel economy plus or equivalent status if necessary and approved by the appropriate approving authorities (see section 1.3). Travelers should purchase tickets no later than 14 days prior to travel to secure favorable rates.

AIP will reimburse airfare for advance economy/coach seating and for checking of up to 2 bags.

For airfare within the continental United States that is greater than \$700, or for international airfare (including travel to Alaska or Hawaii) greater than \$1,800, travelers are to contact the CFO to review pricing before finalizing travel arrangements.

AIP will not reimburse for the use of airline miles but will reimburse booking fees if the traveler chooses to use airline miles on a donation basis.

C) Upgrades from Economy Class

Economy plus (or equivalent) upgrades are preapproved for intercontinental travel for flights longer than 8 hours. Upgrades of this nature must be approved in advance by the CEO. All approved upgrades will be reviewed by the Audit Committee quarterly. Fees for other upgrades must be paid by the traveler.

D) Airline Club Access

Expenses for access to airline clubs are not reimbursable.

E) Rail

Rail travel may be used if the cost of rail is comparable to or less than the lowest possible airfare or if it is medically necessary.

F) Ground Transportation

Travelers are asked to make reasonable and cost-effective choices in ground transportation. The use of more expensive ground transportation should be justified based on traveler safety, traveler mobility, transportation availability, and quantity of luggage. Tips for taxi and limousine drivers of up to 20% of the fare are reimbursable.

G) Use of Personal Vehicle

Driving an individual's personal vehicle for AIP business is considered "personal vehicle use." Commuting to and from the employee's home to regular AIP work location is not reimbursable. If business responsibilities take the employee to an alternate work location for the day, the mileage exceeding the usual commute to the business location for the day is reimbursable.

The mileage reimbursement rate for personal automobile use in the United States will be based on the current, published United States government rate. Travelers will not be reimbursed for gas expenses. Parking and tolls are separate reimbursable items.

Travelers are expected to support the number of miles driven by including documentation, such as printed copies of routes traveled as obtained from MapQuest, Google Maps, or a similar source.

H) Vehicle Rentals

Reimbursement for the use of rented vehicles will be made only if circumstances make it impossible or impractical to use public transportation, or if the total cost is less than the cost of public transportation (for instance, with group travel). Charges for parking and tolls, the expected number of passengers, and baggage to be transported should be considered when deciding on a vehicle rental.

AIP will cover the reasonable cost of intermediate size vehicle unless a larger vehicle is needed and justified in the expense report.

Any additional insurance (i.e. Collision Damage Waiver) offered when renting a car should be declined (this is covered by AIP insurance). Travelers may encounter compulsory insurance requirements when renting a car outside of the United States. Under these circumstances, AIP will reimburse the cost of the compulsory insurance.

4.8 Hotel Accommodations

Travelers attending a conference or seminar should review the event's negotiated rates for accommodations. Any available convention, event-based, or promotional rate should be utilized when selecting a hotel. In all cases, travelers should reserve hotel rooms at the lowest available single rate at moderately priced hotels. Travelers should consider all charges that may be included in hotel fees, such as internet access, breakfast, or resort fees, when comparing prices of hotel rooms. Personal safety and proximity to planned business events should be taken into account. If the traveler decides to stay with family or friends, AIP will not reimburse for the value of the lodging.

Travelers should use AIP preferred hotels for travel between College Park, MD and Melville, NY, if space is available at the AIP preferred or negotiated rate. Check with CFO's office for most current list of hotels.

A) Amenities

Reasonable amenity charges while on business travel are reimbursable (including, but not limited to,

internet access, and necessary laundering needs if the trip is at least 6 days). Charges for other amenities (including, but not limited to, in-room movies, service bars, and access to exercise facilities) are not considered reimbursable expenses and should not be included when submitting requests for reimbursement.

B) Cancellations

Employees are responsible to obtain a cancellation number from the travel agency or the hotel. "No Show" charges will be reimbursed only when job scheduling changes or personal emergencies do not allow for a timely cancellation.

C) Telephone and Internet Charges

Travelers are expected to utilize personal mobile phones or calling cards to avoid using hotel room phones, which are costly. AIP will issue telephone calling cards to traveling employees as needed and approved. Travelers are encouraged to use internet based communication services (such as Skype) when possible, particularly for international calls. Costs to temporarily add international coverage to a private cell phone, may be covered during the month of international travel.

4.9 Meals

AIP policy does not define specific dollar guidelines for meal expenses. However, all meal expenses should be reasonable based on the amount that would normally be spent in a specific situation and location. Travelers are expected to be prudent in selecting the restaurant to control costs. In all cases, good judgment should be exercised.

A) Personal Meals while Travelling

AIP will reimburse individuals for the actual costs of meals during AIP travel. The preferred method of payment for employee meals is the AIP-paid credit card.

AIP will generally reimburse travelers for three meals a day. The individual's departure and return times will determine whether a meal will be reimbursed. Meal reimbursement for same day travel is generally limited to meals purchased out of town.

Reasonable tips for meals will be reimbursed (up to 20% of the bill). Tips should be itemized on the receipt provided.

Travelers should take advantage of meals provided: as a part of a conference or training event; with the meeting registration fee; or as a part of lodging.

Costs of non-business related accompanying parties attending a meal or event are not reimbursed by AIP.

B) Personal Meals while at the Worksite

AIP covered persons are normally responsible for their own meals at the worksite. Meal expenses are not authorized for informal meetings or for meetings with potential or existing suppliers.

Meetings, conferences, and training events should be conducted outside of normal meal periods where possible; in no case may the meal be the primary function of such events. For meetings or training events lasting two hours or longer where a normal meal period cannot reasonably be avoided, the meal may be reimbursed (this is an exception to the exclusion in section 3.1 on reimbursements to individuals for entertainment or events. Patterns of multiple business meals per week is discouraged.

AIP funds may not be used to purchase meals for social events (see section 3.2). "Social events"

includes, but is not limited to, celebrations for birthdays, baby showers, wedding showers, graduations, personal awards, holidays, etc. All employee recognition events (including but not limited to promotions, retirements, or other departures) are planned and hosted by Human Resources, are classified as entertainment, and are subject to the policies in Section 3.

C) Event or Hosted Meals

AIP will reimburse employees for meals when hosting guests at pre-approved business functions such as society conferences, board- or committee-related meetings, member society/stakeholder outreach visits, or other similar functions. The event meal must have a documented business purpose, and the expenses must be reasonable; the events or hosted meals are classified as entertainment and are reviewed quarterly by the Audit Committee. The employee hosting the event meal must be the highest ranking AIP employee in attendance, and this employee must file the expense report (see section 1.3A). The expense report for an event or hosted meal must indicate the business purpose of the event and must list those in attendance along with their respective affiliations. The hosting employee must also indicate the date, cost, and location of the meal. Patterns of multiple business meals per week is discouraged.

D) Alcoholic Beverages

Except on travel reimbursed from government grants, moderate amount of reasonably priced alcoholic beverage may be reimbursed with lunches and dinners. All alcohol expenses must be identified by total and charged to a specific account (distribution 24).

4.10 Travel Insurance

AIP does not consider travel insurance as a reimbursable expense.

A) Accidental Death and Dismemberment Insurance

AIP provides accidental death and dismemberment insurance coverage for eligible staff and volunteers while traveling on AIP company business. The policy provides up to \$500,000 worth of coverage (Appendix 4). An additional feature of the business travel coverage is Assist America, the Global Emergency Service available to staff and volunteers while on business travel of 100 miles or more. Be sure to note that Assist America is not travel or medical insurance, but rather it is a provider of global emergency services. While it does not replace medical insurance during medical emergencies away from home, it can help to navigate some of the services required during an emergency such as Emergency Medical Evacuation, Medical Monitoring, Interpreter & Legal Referrals, Emergency Trauma Counseling, etc. The brochure for Assist America is also located in Appendix 4.

APPENDIX 1

Lost or Destroyed Receipt Affidavit

This form is to be used according to policy whenever an AIP provided credit card supplier receipt is missing, destroyed, illegible or lacks the required data, including: quantity of items, description of item, unit price, extended price, and total charges.

Check/select the applicable "check boxes" and fill in the appropriate fields below. When completed sign and date this form as required and obtain your manager's signature and date in the spaces provided.

Airline Ticket Receipts

- Attached is a copy or fax of the airline ticket receipt – **OR** – I certify that I have contacted the agency or airline and was unable to obtain a copy of the receipt, **therefore I have attached the following:**
- A copy of the itinerary showing the form of payment was the P-Card

Hotel Folio

- In lieu of a receipt, attached is a copy of the hotel folio
- I certify that I have contacted the hotel and was unable to obtain a copy of the hotel folio and request reimbursement based upon the following information:

<u>Dates of stay</u>	<u>Hotel/City</u>	<u># of Nights</u>	<u>Daily Rate</u>	<u>Total Room Charges</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Explanation of other charges: _____

Car Rental Agreement

- In lieu of a receipt, attached is a copy of the rental car agreement
- I certify that I have contacted the hotel and was unable to obtain a copy of the hotel folio and request reimbursement based upon the following information:

<u>Rental Dates</u>	<u>Rental Car Company</u>	<u># of Days</u>	<u>Total Rental Bill</u>
_____	_____	_____	_____

Meals - List each meal separately (B=breakfast; L=lunch; D=dinner)

<u>Date</u>	<u>Restaurant/City</u>	<u>B/L/D</u>	<u># of People Pd for</u>	<u>Total Meal Bill</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

If alcohol was purchased, provide amount of alcohol portion and justification: _____

Other

<u>Date</u>	<u>Description (in detail)</u>	<u>Total</u>
_____	_____	_____
_____	_____	_____

I, the undersigned, certify (a) that each expense described above, reported on my associated expense report dated _____ was missing, destroyed, illegible or lacks the required data, and (b) that these expenses have not, or will not, again be submitted to AIP or any other organization for reimbursement or tax purposes.

Employee Signature: _____ Date: _____

Manager Signature: _____ Date: _____

APPENDIX 2

AUTHORIZATION FOR AUTOMATIC DEPOSIT

Please complete the form below and submit it to the Accounting Department. You may contact aipayables@aip.org with any questions you may have.

Name/Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____

E-mail: _____

Bank Account Information

Bank Name: _____

Address: _____

City, State, Zip Code: _____

Phone Number: _____

Account Number: _____

Routing # (ABA Transit #) (this is a nine digit number) _____

SIGNATURE DATE

ACCOUNTING APPROVAL DATE

APPENDIX 3

AMERICAN INSTITUTE OF PHYSICS
 One Physics Ellipse, College Park, MD 20740-3843
TRAVEL AND ENTERTAINMENT EXPENSE VOUCHER

NAME		DATE	
Address		PHONE	
		ACCT Name	
		ACCT NO.	

AIP will reimburse, or pay on behalf, expenses necessary and suitable to fulfill a **valid business purpose** supporting the mission of AIP. The expense is allowable according to the terms of AIP's current policies, as amended from time to time. The following must be completed below: Business purpose of travel, Nature or visit of the meeting, Persons visited with list of all names and affiliations, and the Place or location of the event.

Business Purpose:	
Nature of Meeting:	
Persons Included:	
Place / Location:	

ITINERARY								
Line No.	DESCRIPTION	From\To	From\To	From\To	From\To	From\To	From\To	Line Total
		Date	Date	Date	Date	Date	Date	
1A	Personal Car Mileage							
1B	Car (miles x .54)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Air/Rail Fare							0.00
3	Car Rental							0.00
4	Parking/Tolls							0.00
5	Cab/Metro Fares							0.00
6	Lodging							0.00
7A	Meals - Breakfast							0.00
7B	- Lunch							0.00
7C	- Dinner							0.00
8	Miscellaneous							0.00
TOTALS ----->		0.00	0.00	0.00	0.00	0.00	0.00	

Remarks (Include line no.) - detailed explanations								0.00
			9	Less: Travel Advance				0.00
			10	Less: AIP Provided Credit Card Charges				0.00
			11	Amount Due Claimant (Amount Due AIP)				0.00
Date	Description (AIP Provided Credit Ca	Amount	Date	Description (AIP Provided Credit Card)	Amount			
				Total AIP Provided Credit Card Charges				0.00

I certify that the above charges, incurred by me, are in accord with the Travel and Entertainment policy for directors, officers, employees, and volunteers of the American Institute of Physics.				I have reviewed the above charges, and based on the representation attached, I find they are in accordance with the Travel and Entertainment policy for directors, officers, employees, and volunteers of the American Institute of Physics.			
CLAIMANT'S SIGNATURE				APPROVED BY AUTHORIZED SIGNATURE			
DATE				DATE			

Form Revised: February 2016