

Vermont Information Technology Leaders	
Name:	Employee Expense Reimbursement Policy
Type of Document:	Policy
Type of Policy:	Finance
Sponsoring Department(s):	Finance
Sponsor:	CFO
Approving Official or Body:	CEO/Finance Committee
Effective Date:	September 18, 2023
Review Cycle:	4 Years

Purpose

1. It is the purpose of this policy is to ensure that employee expense Reimbursement by Vermont Information Technology Leaders, Inc. (the "Company") is in conformity with accounting principles generally accepted in the United States of America ("GAAP"), in compliance with IRS regulations, and in compliance with State and Federal regulations. It is the intention of the Company to satisfy the policy requirements of all applicable regulations in the event that compliance is required pursuant to the awarding of federal grants in the future. The specific types of expenses that may be reimbursed and procedures for requesting reimbursement are set out below.

Scope

2. This Policy shall be construed and applied to promote the Company's compliance with the applicable Federal and State rules, regulations, and laws. In the event of a conflict between the provisions of this Policy and the requirements of an applicable State or Federal statute or regulation, the applicable statute or regulation shall prevail.
3. This Policy applies to all the Company staff expense reimbursements regardless of funding source.
4. This Policy sets forth internal guidelines for the benefit of the Company and its officers, directors, employees and agents, and does not confer any right or other benefit on any third party. The provisions of this Policy may not be used by any third party in any action or other proceeding against the Company or its interests.

Definitions

1. **Federal Mileage Rate:** The default cost per mile set by the Internal Revenue Service (IRS) for taxpayers who deduct the expense of using their personal vehicles for business, charitable, or medical purposes.

2. **Procurement:** The Company's process for the purchase of good and services for business purposes.
3. **Reimburse:** To pay back money to someone who has spent it on behalf of the Company.
4. **Senior Leadership:** The Chief Executive Officer (CEO), The Chief Financial Officer CFO) and all Directors.

Policy

1. Reimbursable Expenses

It is the Company's policy to Reimburse reasonable employee out-of-pocket expenses incurred in connection with travel and other business on behalf of the Company, if the employee has not been and will not be Reimbursed from other sources. All claimed Reimbursements must be substantiated by a receipt with the exception of minor expenses (\$10 or less) such as parking & tolls and tips/gratuities for which a receipt may not be available. Employees must document the business purpose for each expense item. Employees will seek Reimbursement only for reasonable and necessary expenses actually incurred for a valid business purpose.

a. Personal automobiles

- i. Mileage – The Company will Reimburse an employee for use of a personal automobile, when required for business purposes, based on the mileage reported and calculated at the enacted Federal Mileage Rate. Proper documentation of mileage shall include the name of the individual traveling, number of miles traveled as shown by a web mapping service, starting and ending locations, dates of travel, and the business purpose of the trip. Employees using a personal vehicle for business purposes should ensure that their automobile insurance covers business travel. Tolls and parking fees are reimbursable; however, the Company will not reimburse employees for expenses not necessary for business purposes, such as:

- Parking tickets
- Vehicle repairs and maintenance
- Fines for moving violations
- Vehicle towing charges

- b. Travel – The Company will Reimburse reasonable and necessary expenses, including transportation and lodging, incurred in connection with approved travel on behalf of the company.

i. Out of state travel:

- I. When required by contract or grant provisions, the Company will seek pre-approval from the State of Vermont for any out-of-state travel prior to purchase of any hotel, airfare, fees, etc. as required by the State of Vermont to Reimburse the Company for these expenses.

ii. Air travel:

- I. Employees whose travel includes air travel should utilize the lowest available coach, economy or discount airfare that provides a reasonable level of convenience.

- II. Employees should book air travel as soon as possible to secure the best possible rates. Purchases made within two weeks of the departure date require the approval of a member the Senior Leadership group.
 - III. Business class, first class and other premium airfare are not allowable expenses. In situations where ticket prices vary depending on seat selection, the employee should choose the lowest priced option that provides a reasonable level of comfort.
 - IV. The Company will Reimburse carry-on and checked bag fees as long as those fees are reasonable given the duration of the trip and other relevant circumstances. Fees for overweight bags will not be Reimbursed.
 - V. Expenses incurred for the purpose of accessing the internet will be Reimbursed if the employee can demonstrate their use for business purposes.
- iii. Ground transportation:
- I. Employees must seek the lowest cost option for transportation to/from the airport and other destinations after giving consideration to safety, timing and other logistics.
 - II. Reimbursement for rental cars will be limited to economy class cars for the duration of the business portion of the trip unless it is more economical for employees traveling together to rent a larger vehicle. Prior to renting a vehicle, employees should consult with the Chief Financial Officer to determine what level of insurance, if any, should be purchased through the rental company.
 - III. Employees will be Reimbursed for ordinary and reasonably priced ground transportation, including buses, shuttles, taxis (including Uber, Lyft, etc.), and car services to and from airports or railroad stations and between the employee's hotel and other business-related locations.
- iv. Lodging:
- II. Employees must obtain Senior Leadership approval for all overnight travel regardless of whether it is in-state or out-of-state travel.
 - 1. In state lodging expenses shall be limited to situations where the employee cannot reasonably commute to the destination.
 - 2. Employees must seek a reasonable cost option which balances cost, safety and proximity to final destination. Prior approval by a member of the Senior Leadership group is required for room rates that are more than 150 percent of the applicable published General Services Administration (GAO) lodging rate.
- c. Meals – VITL will Reimburse meals including while on authorized travel.
- i. Employees will be Reimbursed for expenses related to meals in accordance with limits established by the U.S. General Services Administration (GSA) for the location of the meal See: <https://www.gsa.gov/travel/plan-book/per-diem-rates>
 - ii. Reimbursement is for actual costs incurred up to maximum meal limits.
 - iii. Maximum meal Reimbursement limits are inclusive of all food, non-alcoholic beverages, services, taxes and gratuities.

- iv. Employees should document on the receipt who was at the meal and the business purpose of the meal.
- d. Non-reimbursable Expenses – The following are examples of items that will not be Reimbursed:
 - i. Airline club memberships;
 - ii. Airline upgrades;
 - iii. Alcohol;
 - iv. Business class for domestic flights or first class for all flights;
 - v. Childcare, babysitting, house-sitting, or pet-sitting/kennel charges;
 - vi. Commuting between home and the primary work location;
 - vii. Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion;
 - viii. Evening or formal wear expenses;
 - ix. Fees charged for cancelling professional development and training events, when cancelled for the convenience of the employee;
 - x. Haircuts and personal grooming;
 - xi. Laundry and dry cleaning, unless traveling for more than seven consecutive days;
 - xii. Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment;
 - xiii. Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs;
 - xiv. Snacks;
 - xv. Travel accident insurance premiums or purchase of additional travel insurance, unless approved by the CFO;
 - xvi. Travel agent fees, unless approved by the CFO;
 - xvii. Other expenses deemed by VITL to be non-reimbursable.
- e. Other
 - i. Professional Development and Training – The Company may Reimburse employees for certain professional development and training expenses, including tuition. This reimbursement is subject to limits and may not cover all costs. Any reimbursement of this kind must be pre-approved by Senior Leadership.

2. Requests for Reimbursement

- a. Requests for Reimbursement of expenses incurred on behalf of the Company must be submitted on the Employee Travel and Expense Reimbursement Form within 30 days of incurring the expense.

- b. The form must be completed in full (including project codes and the business purpose of each expense item).
- c. The form must be accompanied by receipts or other supporting documentation.
- d. The form must be signed by the employee and approved by their manager.
- e. If the employee receives any excess Reimbursement, the employee must return the excess amounts to the Company promptly upon discovery.

3. Credit Card Purchases

In certain situations, the Company staff may be required to use company credit cards to purchase items such as travel expenses, subscriptions, services, minor software licenses, conference fees, training, postage, etc. Staff must be vigilant to ensure that such charges are allowable and conform to the Company's Procurement policy. Prior management approval is required for any credit card purchase over \$100.

Section 409A of the Internal Revenue Code

- 1. Reimbursements under this Policy are intended to comply with Code Section 409A and applicable guidance issued thereunder or an exemption from the application of Section 409A.
- 2. Accordingly, all provisions of this Policy shall be construed and administered in accordance with Section 409A. The amount of reimbursements provided under this Policy in any calendar year shall not affect the amount of reimbursements provided during any other calendar year and the right to reimbursements hereunder cannot be liquidated or exchanged for any other benefit.
- 3. Notwithstanding any provision of this Policy, the Company shall not be liable to any employee for any taxes or penalties imposed under Section 409A on any reimbursements hereunder.

Enforcement

- 1. The Finance Department is responsible for the administration of this Policy. If you have any questions about this Policy or the Company's travel and business expense Reimbursement procedures, please contact the Accounting Manager.
- 2. Any employee who violates this Policy or who abuses this Policy, for example by submitting fraudulent Reimbursement requests, will be subject to disciplinary action, up to and including termination of employment.
- 3. The Company may be the recipient of Federal grant funds, the use of which is subject to certain Notices of Grant Awards ("NGAs") and Health Human Services ("HHS") grant administration regulations found in 45 C.F.R. Part 75—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR HHS AWARDS.
- 4. The Company reserves the right to change, revise, or update this Policy at any time to reflect the Company's intentions and compliance requirements.
- 5. This Policy replaces and supersedes any and all prior policies and procedures on this subject matter as of the Effective date of this Policy.

References

- 1. [GOA Lodging Rate](#)

2. [GSA Meal Rate](#)
3. [Standard Mileage Rates](#)
4. [State of Vermont bulletin 3.4](#)
5. VITL's Procurement Policy

Review and Revision History

Date	Changes Made	Completed By
9/18/2027	Next Review Date	
6/8/2023	Policy reviewed and updated, reconfigured for new template and data for new sections added	Heidi Banks
10/29/2019	Policy reviewed and updated	Robert D. Turnau, CFO
4/20/2010	Policy Initial Creation	Rebecca Bowen, CFO

Approvals

Cara Callanan	9/18/2023
Reviewed by Sponsor	Date
Beth Anderson	9/18/2023
Approved by CEO	Date
Debra Royce	9/18/2023
Approved by Finance Committee	Date