

TRAVEL POLICY & GUIDELINES

For the

Niagara Frontier Transportation Authority and NFT Metro Systems, Inc.

INTRODUCTION

This document defines the policy and guidelines to be followed when traveling on NFTA/Metro business. This policy applies to all NFTA/Metro employees and commissioners. It is intended that a consistent and equitable practice with respect to incidence and reimbursement of expenses be maintained throughout the NFTA. The Chief Financial Officer or designee has final responsibility for interpretation of this Travel Policy.

BEFORE YOU TRAVEL – TRAVEL AUTHORIZATION IS MANDATORY

Trips within the local area of Erie and Niagara Counties involving overnight travel and **all non-local travel is to be requested on a Travel Request Form (Attachment A) including** a justification memorandum and any relevant documentation such as an agenda. The approval process is as follows:

- **The Executive Director will approve the propriety of ALL requests.**
- Directors/CFO/General Counsel – approve the travel requests for of all branch personnel within their respective branch.
- The Chairman of the Board will approve the propriety of the Executive Director and Commissioners requests.
- The Vice-Chairman will approve the propriety of the Chairman's requests.
- Executive Director, or Chairman of the Board of Commissioners as appropriate, for approval of business purpose and necessity.

The approved travel request will then be returned to the traveler by the Executive Director's secretary or designee. Travel Request forms must be processed far enough in advance to permit circulation for the approvals, purchase of tickets, and return of the approved copy to the Traveler. No expenditures are allowed for any travel expenses until the final approvals are obtained.

Receipt of Travel Requests on or after the beginning date of travel will be summarily disapproved unless extenuating circumstances warrant a post-approval by the Executive Director. These circumstances must be thoroughly documented via a memorandum with the travel request.

REIMBURSABLE EXPENSES

The following types of expenses, if incurred in compliance with this travel policy and while on NFTA/Metro business, may be submitted for reimbursement. It is expected that all transportation of seventy (70) miles or less will be by automobile, bus or rail. Travelers are to utilize the most reasonably economical and practical means of ground transportation available between the transportation terminal, lodging or business meeting location. Commuting costs and time shall not be reimbursed.

- **Parking** – receipts are required for all parking expenses while on company business.
- **Tolls** – tolls are reimbursable if paid while on approved company business. Receipts are required for reimbursement. For those that utilize EZPass, a copy of your EZPass statement should be submitted to identify the charge for reimbursement.

- **Mileage** - is based on the rate established by the Authority pursuant to IRS regulations. *The mileage rate will be continually updated as amendments are promulgated by the I.R.S.* The current and historical business mileage rates are available at the following website address: <https://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates>

The Chief Financial Officer will distribute notice of changes in travel allowance limitation when received. Mileage reimbursement is applicable only to use of a personal vehicle while on company business. Mileage on your personal vehicle is allowed from residence or work location to/from the departure point (airport, train station, bus terminal, or destination(s)) while on travel status.

When travel is from an employee's home to the departure point, or from a departure point to home, at a minimum, transportation expenses must be reimbursed using the lesser of 1) mileage between the employee's home and the departure point or 2) mileage between the employee's work location and the departure point, multiplied by the IRS mileage reimbursement rate. This reimbursement method is called the "**lesser of mileage rule.**" Examples of the application of the "lesser of mileage rule" are available at the following web address: <http://www.osc.state.ny.us/agencies/travel/lesser.pdf>

All mileage must be documented in detail on the travel reimbursement form.

- **Taxicabs/Shuttle** - For use of common carriers such as taxicabs and hotel shuttles, reimbursement is allowed for actual charges up to \$15.00 without a receipt, or actual charges over \$15.00 supported by a receipt. Upon request, the traveler must justify transportation costs that appear to be excessive. No reimbursement will be made for personal use transportation (e.g. travel from lodgings to a restaurant, etc.).
- **Air Travel** - Travelers must use less than first class accommodations except as approved by the Chairman of the Board. It is the policy of the company to use the lowest fare wherever possible. Travelers are required to schedule trips far enough in advance to permit utilization of special, lower fares, e.g. super-saver. Coach or economy class will be used on all flights. Frequent flyer benefits can be retained by the employee but should not be the basis for switching air schedules, hotel accommodations or car rentals unless such choice is reasonably equal in cost to the lowest acceptable alternative. The company will not reimburse any associate/membership fees for frequent flyer clubs.

****SAVE YOUR BOARDING PASSES FOR EXPENSE REIMBURSEMENT****

Cancellations - All unused non-refundable airline tickets must be reported to your Director immediately. Unused non-refundable tickets will be noted, and you are to use them for a future trip. There are service charges that will apply; however, it will reduce the cost of your next trip. Refundable tickets are to be submitted to the applicable airline for credit.

- **Public Transportation** - the cost of public transportation is a reimbursable expense. Receipts are necessary for reimbursement.
- **Automobile Rentals** - Automobile rentals are **not allowed** unless there is no other means of ground transportation, or it is the most cost-effective means of transportation. This must be documented when seeking reimbursement for these expenses. Travelers should procure insurance coverage. Reimbursement for auto rental expense should be for the amount actually paid for business use. Receipts are required to support car rental expenses.

- **Lodging** – The NFTA utilizes the U.S General Services Administration (GSA) per diem rates as a guideline for all lodging. The maximum daily amounts for lodging are designated by location at the following website address:

<http://www.gsa.gov/portal/content/104877>

Certain hotels will honor our request for government lodging rates. These rates should be requested at the time reservations are made. If rates are not available, please check an additional two (2) hotels within walking distance. If none of the hotels offer a government rate, or it is not available, documentation should be attached to the travel request listing the hotels contacted and rates offered. Original hotel receipts are required when submitting for your travel reimbursement.

Exemption from New York State Taxes

New York State Authority employees should request exemption from payment of occupancy taxes in New York State while on Authority business, by presentation of a letter of tax exemption to the lodging establishment. See **Attachment C**.

Hotels are not required to honor the exemption. In the event that the hotel does not honor the letter of exemption, documentation of the denial of tax exemption must be submitted with the travel expense reimbursement form.

- **Meals and Incidental Expenses** - The NFTA utilizes the U.S General Services Administration (GSA) per diem rates for all meals and incidental expenses for overnight travel. (no receipts are required). Employees on travel status are entitled to the maximum daily amounts for meals and incidentals as designated by location at the following website address:

<http://www.gsa.gov/portal/content/104877>

Meals applicable to non-local overnight travel are to be pro-rated, based on the applicable meal and incidental allowance amount. **No receipts are required for meals.**

Example:	Breakfast	- 20% of the M&IE allowance
	Lunch	- 30% of the M&IE allowance
	Dinner	- 50% of the M&IE allowance

Eligibility for each meal allowance will be determined as follows when you are leaving to go on your trip and when you arrive back from it:

	<u>Leave Home or Office</u>	<u>Return Home or Office</u>
Breakfast	before 7:00 a.m.	after 8:00 a.m.
Lunch	before 12:00 p.m.	after 1:00 p.m.
Dinner	before 7:00 p.m.	after 7:00 p.m.

In the event of any non-local travel that doesn't include an overnight stay, meals and incidental expense reimbursements are considered to be a taxable fringe benefit. Per IRS Guidelines, meals and incidental expense reimbursements for non-overnight travel (for example, a day trip to Albany and back that does not include an overnight stay) is considered to be a taxable fringe benefit, and the applicable state and federal employment taxes must be withheld and reported as wages on Form W-2.

When travel is from an employee's home to the departure point, or from a departure point to home, time of departure/return is determined using the lesser of 1) estimated travel time between the employee's home and the departure/return point or 2) time/mileage between the employee's work location and the departure point. Commuting time to your work location shall not be included to determining time of departure/ return. **Meal allowance is not allowed if a meal is provided at no cost to the employee (such as breakfast with egg(s) at a hotel). No additional reimbursement will be allowed if an employee exceeds their maximum allowance for any meal.**

NON-REIMBURSABLE EXPENSES

Purely personal expenses while traveling are not reimbursable by the company. The following is a partial listing of items that are considered non-reimbursable:

- All costs pertaining to spouses or other non-Authority personnel accompanying the traveler on an Authority business trip
- Parking tickets, fines, and the like are deemed to be personal to the employee
- Telephone calls beyond those made for business purposes and occasional calls home. Long distance telephone calls presented on expense reports must be referenced to the individual called and the business connection.
- Gifts of any value
- Damages to an employee's vehicle while on company business
- Purchase of clothing and other personal items such as haircuts, shoe shines, newspapers, magazines, tobacco, alcohol, etc.
- Entertainment (e.g., theater tickets, in-room movies)
- Loss of personal property while on company business
- Cost of personal credit cards
- Purchase of life or travel insurance during travel
- Loss of cash advance, company paid airline tickets, or personal funds
- Alcoholic beverages

CONFERENCES AND SEMINARS

It is not uncommon for sponsors of conferences, seminars and similar events to arrange for blocks of rooms in order to ensure room availability and close proximity to the meeting site. Thus, an authorized attendee utilizing such lodgings could be required to pay a higher lodging rate for the particular area. Employees should ask for the government rate when booking the hotel room to determine availability. If the government rate is not available, as noted in the lodging section, obtain rates from two (2) other hotels within the same area. If they have a government rate, book your room there, and if not, document. The documentation must be attached to your travel request and travel reimbursement.

- Meals provided at a conference or seminar will not be reimbursed.
- Expenses incurred for attending a conference must be supported by an **agenda** or a conference brochure identifying the opening and closing dates of the conference, and the times of conference events. This information must be submitted with the Travel Request form and Travel Expense Reimbursement form.
- If a registration fee includes an extra charge for social activities, such as site-seeing tours, golf outings, etc., these charges are considered personal expenses and will not be reimbursed.

OPTIONAL PERSONAL USE OF AUTOMOBILE

Use of a personal automobile for business travel to a non-local city will be compensated for in the following manner:

- Reimbursement will be based on the lesser of the total cost of the round-trip mileage reimbursement using a personal vehicle versus the cost of flying using the most economical airfare. It is the responsibility of the traveler to provide the approving manager the calculation of the requested amount due **prior** to the approval of the Travel Request Form.
- Excessive work hour time required to travel by auto (or bus or train) as compared to air flight time will not be compensated.
- Other Modes of Transportation - Reimbursement for other, costlier forms of transportation (e.g. taxicabs) will be limited to an amount that would have been incurred had the employee used his personal auto and as calculated in the manner noted above.

TRAVEL OUTSIDE THE CONTINENTAL UNITED STATES

Travel allowance and guidelines set forth will also apply to trips out of the country. However, the traveler must convert payments from foreign funds to equivalent U.S. dollars at the current rate of exchange for your destination. First class travel is prohibited. It is extremely important for employees who are traveling internationally to notify the NFTA well in advance of the trip in order to verify requirements and set the entry application process in motion if necessary. When traveling internationally please ensure that you have the necessary visa, immunizations, and passports. If a visa is required, the fee should be placed on your expense report for reimbursement. Also, be aware of any pertinent customs regulation fees for passports, visas and any necessary vaccinations or medications will be reimbursed. All international travelers should provide the NFTA with a copy of their passport so assistance can be provided in the event of theft or loss during travel abroad. Foreign Per Diem Rates are indicated on the GSA website as necessary.

TRAVEL EXPENSE REIMBURSEMENT

A Travel Expense Reimbursement Form (Attachment B) must be submitted within 30 days of travel.

Mileage reimbursements must be submitted at least quarterly within 5 business days of the end of the quarter using the Travel Expense Reimbursement Form. Requests for reimbursement may occur more frequently. Details of the mileage request must be provided on the travel reimbursement form.

Any requests that are not submitted within the designated time frames may be denied reimbursement.

IMPORTANT TIPS TO COMPLETE THE TRAVEL EXPENSE REIMBURSEMENT FORM:

- Agenda
- Boarding Passes must be attached.
- Document the actual departure and return time.
- Meals will only be reimbursed based on the per diem. No receipts are required.

- Lodging will only be reimbursed based on original receipts.
- **Original** receipts for such things as taxis, airfare, bus, rail transportation, tolls or copy of toll calculator.
- For travel out of the country, the traveler must convert payments from foreign funds to equivalent U.S. dollars at the current rate of exchange.
- Cash advances must be deducted from the travel expense reimbursement form if received.
- Any deviations from this travel policy must be documented via a memorandum attached to the travel reimbursement form.

Travel Expense Reimbursement Form Approval Process:

- Below Manager level - by the Manager or Director
- Department Managers - by their Director
- Directors – reviewed by the Chief Financial Officer and then approved by the Executive Director
- Executive Director - reviewed by the Chief Financial Officer and then approved by the Chairman of the Board
- Commissioners - reviewed by the Chief Financial Officer and then approved by the Chairman of the Board
- Chairman of the Board - reviewed by the Chief Financial Officer and then approved by the Vice Chairman.

Approved expense reports that are completed in accordance with the allowances set forth in the guidelines are to be routed directly to the Chief Financial Officer. Reimbursements will be made by company check, if the amount of expenses exceeds the amount of any cash advances or prepaid items.

TRAVEL EXPENSE REIMBURSEMENT FOR NFTA COMMISSIONERS

Authority Board members shall be entitled to reimbursement of actual and necessary expenses incurred, provided proper documentation is submitted with the Travel Expense Reimbursement Form.

CASH ADVANCES

Cash advance requests to facilitate payment of costs incurred while traveling on Authority business will be honored only in those instances where hardship would result. Such requests are to be made in advance in the form of a request for check form to the Chief Financial Officer. Any excess of cash advances over allowable out-of-pocket costs must be refunded to the Authority within 30 days of travel.

In the event excess cash advances are not refunded within 30 days, with the approval of the Chief Financial Officer, wages may be garnished.

AUTHORITY CREDIT CARDS

Authority Credit Cards may not be used for meals while on travel status except with the prior approval of the Executive Director. Cash Advances may be requested for travel related expenses.

DISCRETIONARY EXPENSES

Refreshments or Meals when Hosting Non-NFTA Transit or Public Officials:

There may be special circumstances when an employee is host to transit or public officials, including Authority Board members, where such hosting is essential to the business and interests of NFTA. Hosting activities and expenditures must be reasonable, prudent, and subject to the review and approval of the applicable Director and Executive Director, or Chairman of the Board as appropriate **prior** to incurring any costs. See Attachment D.

When special circumstances require an employee's presence beyond reasonable hours of employment, or if during normal work hours it is necessary and prudent that essential business be conducted at a meal. In such instances, the approval of the Executive Director would be required prior to reimbursement.