

# ***Town of Amherst Industrial Development Agency & Affiliates***

## ***Expenses, Travel, Conferences, Meals and Entertainment Policy***

### ***Objective:***

The purpose of this Expenses, Travel, Conferences, Meals and Entertainment Policy (Policy) is to outline the policies and procedures of the Town of Amherst Industrial Development Agency and its affiliates (AIDA or Agency) will follow with respect to these and other related expenditures in accordance with Section 2824 of the Public Authorities Accountability Act of 2005.

### ***Applicability:***

This policy shall apply to the following affiliated corporation: Amherst Development Corporation (ADC). This policy shall apply to every Board member, Officer and employee of these organizations.

### ***General Guidelines:***

It is the AIDA's general policy to pay reasonable and necessary travel, conferences, meals and entertainment expenses incurred as a result of official business subject to the presentation of appropriate documentation.

Any exceptions or potential exceptions to this Policy must be submitted to the Executive Director/President (or in the case of the Executive Director/President to the Board Chair<sup>1</sup>) for approval.

## ***Section 1: Travel***

### ***1.1 Approval of Travel:***

Travel involving overnight accommodation or travel outside of Western New York and Southern Ontario requires the approval of the Executive Director/President (or in the case of the Executive Director/President to the Board Chair).

### ***1.2 Personal Travel:***

Personal Travel is **not** reimbursable. This exclusion applies to personal travel which interrupts official travel, or precedes or follows a business trip.

Personal expenses are not reimbursable even when incurred while on an AIDA trip. Examples of such excluded expenses are pet care, house, or child-care expenses and purchase or repair of personal luggage.

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<sup>1</sup> If the Board Chair benefitted from the expenditure then the Finance and Audit Committee Chair will approve the exception. If both the Board Chair and the Finance and Audit Committee Chair benefitted from the expenditure then the full Board must approve the exception.

### **1.3 Reimbursable Travel Expenses:**

Where practicable, employees should perform appropriate due diligence to obtain the lowest reasonable cost for travel expenses.

Transportation expenses shall be reimbursed based on an economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip.

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier. Every reasonable effort should be made to cancel reservations on a timely basis to avoid no-show or late cancellation charges.

#### **A. Automobile Travel**

##### **i) Personal Vehicle**

Travelers may use their personal vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. In most circumstances, mileage shall be computed as the distance traveled to the business destination, less normal commuting miles that would ordinarily have been incurred. Mileage will be reimbursed at the prevailing IRS mileage rate reimbursement limits which are intended to cover the cost of fuel, depreciation, insurance, maintenance and other similar operating costs. Expenses related to the mechanical failure or accidents to personal cars are not reimbursable.

When utilizing a personal vehicle for business, travelers must maintain liability insurance on the vehicle in accordance with New York State requirements.

##### **ii) Rental Cars**

A vehicle may be rented when renting would be more advantageous to the AIDA than other means of commercial transportation, such as using a taxi. When the traveler uses a rental car also for a personal side trip, he or she is expected to pay the appropriate portion of both the per-diem and the mileage expense.

The AIDA's insurance company currently provides liability and physical damage coverage if a vehicle is rented in the Agency's name in the U.S. or Canada. Therefore, if similar coverage is offered by the rental company, it should be declined in these circumstances.

##### **iii) Miscellaneous Automobile-related Expenses**

Charges for parking, ferries, bridges, tunnels, or toll roads while an individual is traveling on AIDA business will be reimbursed.

#### **B. Air Travel**

Whenever practicable, travelers are expected to use tourist, economy, coach or "standard" accommodations for air travel.

### **C. Surface Transportation Used in Lieu of Air Travel**

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed. Such costs shall not exceed the cost of airfare, based on the cost of regular coach fare available for the location of travel from a standard commercial air carrier plus transportation costs to and from the airport.

### **D. Other Forms of Transportation**

Rail, shuttle, subway or bus transportation may be used if it is convenient and less expensive than alternative transportation or it saves time. If a traveler's destination is served by a regularly scheduled airline, the use of rail or bus transportation shall be reimbursed in accordance with the procedures specified under Surface Transportation in Lieu of Air Travel.

### **E. Food and Lodging**

Lodging, meals, tips, and related miscellaneous expenses while an individual is on travel status for the AIDA will be reimbursed in their actual, reasonable amounts when properly documented. Accommodations are expected to be comfortable and appropriate to the particular purpose of the trip-not luxurious or extravagant. Wherever possible the AIDA's New York State sales tax exemption should be claimed.

### **F. Miscellaneous Travel Expenses**

Examples of miscellaneous travel expenses **that are reimbursable** are the following:

- Reasonable tips for baggage handling, etc.
- Business telephone or internet calls and occasional, reasonable personal calls.
- Highway and bridge tolls.
- Necessary parking fees.
- Small supplies on an emergency basis
- Fees for visas, passports, and inoculations are allowable when they are a specific and necessary condition of fulfilling a work assignment

### **G. Travel Expenses Not Reimbursed**

Expenses that **are not reimbursable** include:

- Lost or stolen tickets, cash, or personal property.
- Fines.
- Accident insurance premiums (the AIDA provides workers compensation and accidental death and disability insurance to employees).
- Child, pet or house-sitting expenses.
- Penalties or fees for cancellation or change of discounted tickets when the cancellation or change came about from personal rather than AIDA choice.
  
- In-room movie or video game rentals.
- Hotel mini-bar charges.

- Dry cleaning (unless the AIDA requests that the traveler extends their regularly scheduled trip or when the traveler is away from home for more than six days).
- All costs pertaining to spouses, partners or other non-Agency personnel accompanying the traveler

The above listings are not all-inclusive and items not listed will be reviewed on a case-by-case basis.

## **Section 2: Conferences and Seminars**

Reimbursement of conference and seminar fees and related hotel and meal expenses will be limited to those reasonable and necessary expenses. The AIDA will only reimburse reasonable meal and beverage expenses of guests when the purpose of the meeting is to discuss AIDA business.

## **Section 3: Dues of Professional or Technical Organizations**

Dues for approved memberships in professional or technical organizations are reimbursable when they are related to the employee's job responsibilities. The Agency may also choose to pay these directly.

## **Section 4: Meals & Entertainment**

There are occasions when the AIDA may provide meals and light refreshments to Board or committee members, officers, employees, guests or visitors to support the mission of the Agency. As with other AIDA expenditures, authorized officials must exercise prudent business judgment in reviewing proposed expenditures for meals and light refreshments based on their reasonableness and benefit to the AIDA and its mission of promoting economic development. In addition, such expenditures should be cost effective and in accordance with the best use of AIDA-administered funds.

Meals and entertainment costs of a spouse or partner will only be reimbursed if their presence serves a business purpose (such as if he or she has a significant role in the proceedings or makes an important contribution to the success of the event). Official functions to which spouses or partners are invited as a matter of protocol or tradition may be considered as bona fide business-related activities if their inclusion serves a legitimate business purpose.

#### **4.1 Employee morale-building activities Exception**

The cost of meals, light refreshments and entertainment for official employee morale-building activities that serve an AIDA business purpose may be treated as an exception to this Policy. Examples of such occasions include a gathering to honor a departing employee who is retiring or who is separating from AIDA employment after at least three years of service, employee recognition receptions, annual staff picnics, and holiday gatherings.

#### **4.2 Entertainment Expenses Not Reimbursed**

Expenses that **are not reimbursable** include:

- Entertainment expenses that are lavish or extravagant under the circumstances;
- Entertainment expenses for birthdays, weddings, anniversaries, or farewell gatherings
- Memberships/dues for private clubs such as the Buffalo Club or Saturn Club
- Adult entertainment

### **Section 5: Advances**

Cash advances are not generally provided, because individuals who travel regularly on AIDA business are encouraged to use AIDA issued credit card to charge their travel expenses. Other Agency related expenses, such as purchasing supplies and related materials associated with the care and operation of the office, should use AIDA issued credit cards and adhere to previously discussed documentation requirements.

### **Section 6: Reimbursement Approval**

Reimbursement may be requested as soon as the individual has made the expenditure, completed their Expense Report and had it approved. Expense Reports must be approved by the Executive Director/President (or in the case of the Executive Director/President by the Board Chair). The individual approving the Expense Report should not have personally benefited from the expenditure.

In approving a request to reimburse an individual for expenditures authorized under this Policy, the approving authority must determine that:

- The expenditure serves a clear and necessary business purpose of benefit to the AIDA and its mission of promoting economic development;
- The expenditure of funds is reasonable, cost effective, and in accordance with the best use of AIDA-administered funds;
- Any alternatives that would have been equally effective in accomplishing the desired objectives were considered.

Individuals **may not** approve the reimbursement of their own expenses.<sup>2</sup>

If a required receipt is lost or unavailable, a written explanation of the circumstances must accompany the reimbursement request.

### **6.1 Expenses Charged directly to the Agency**

Certain expenses may be paid directly by the AIDA either via Agency credit cards or through check. Examples include such items as airline tickets, rental cars, accommodation and seminar registration fees. The fact that certain allowable business expenses may be paid directly by the AIDA does not relieve a traveler from complying with the substantiation requirements of this Policy (receipts and other supporting documentation must be submitted).

Use of the AIDA Corporate credit card for personal expenses is prohibited. If such expenses are inadvertently incurred, the individual must promptly refund the AIDA.

## **Section 7: Expenses in Foreign Currency**

For expenses paid in foreign cash, the exchange rate at which the traveler bought the foreign currency applies, and a receipt for the purchase of that currency should be kept and attached to the Expense Report.

## **Section 8: Taxability of Reimbursements**

In general, where the individual supplies a detailed accounting of bona fide business expenses to the employer, the amounts reimbursed are not taxable income to the traveler. It is therefore in the traveler's interest to carefully follow the AIDA's procedures for reporting and documenting expenses.

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<sup>2</sup> In the case of the Executive Director/President, approval shall be sought from the Board Chair.