

# Travel and Business Expense Reimbursement Policy

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## Travel and Business Expense Reimbursement Policy

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### **Purpose:**

The purpose of this policy is to document the allowable business expenses eligible for reimbursement. These include necessary and reasonable expenses as defined under section 162 of the Internal Revenue Code. Also included is additional reference information that may be useful to Plexus Worldwide employees in submitting employee business expense reports in order to receive timely reimbursement. If you are not sure how to classify a certain expense, contact the Accounts Payable Administrator for assistance.

This document is confidential and a trade secret of the Company. As such, it is not to be copied, duplicated, distributed, and posted on any electronic bulletin board to any third party outside the Company without the expressed written consent of the Chief Financial Officer.

### **Policy:**

#### General Requirements

The requirements for expense reports and approvals are as follows:

- Expense reports should be completed and submitted to Accounts Payable weekly in order to facilitate timely reimbursement.
- Fax copies of expense reports will not be accepted.
- Expense reports will be processed as any other invoice.
- Expenses incurred in a foreign country charged on the corporate charge card should be reimbursed based upon the converted rate per the statement.
- All expenses included on the expense report must be accompanied by a valid receipt, and a brief explanation of the expense. Credit Card statements will not be accepted as evidence of a receipt.
- All expense reports must be approved and signed by your immediate Supervisor/Manager.
- All expense reports must be submitted within 60 days of incurring the expense. Items received after the 60 day time window, will be reported to the Payroll Department as additional compensation and will be subject to all payroll tax withholdings, if any, as per IRS guidelines.
- The Company reserves the right to withhold reimbursement while it investigates expense report items.
- Reimbursement of expenses not covered in this policy must be approved by a Director and the Chief Financial Officer.
- These requirements may be modified at any time at the discretion of the Chief Financial Officer.

#### Responsibilities and Approvals

Employees need to complete and submit a completed travel expense calculator to their supervisor for approval with known and estimated expenses. Supervisors need to verify that the guidelines of the policy were followed. Once approved and travel is booked any final estimates should be revised as confirmed expenses and the calculator can be submitted with the expense report. Finance will verify that expense reimbursement requests are in line with the policy and any corporate credit card used for travel expenses was within the corporate credit card guidelines. Supervisors/Managers can approve travel requests up to \$500, Directors can approve up to \$1,000, Executives can approve up to \$5,000 and any business travel expected to exceeding \$5,000 must be approved by the Chief Financial Officer. In addition, all employees must submit a travel report to their supervisor once the trip is completed.

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### Qualified Expense Categories

Shown below are the qualified expense categories that may be claimed on your expense reports. The employee is responsible for proper classifications of expenses. Use only the available categories.

<b>Description</b>	<b>General Ledger Account Number/ Dept.</b>
Airfare	7005
Cell Phone	7600
Dues and Subscription	7610
Gifts and Promotion	7620
IT Equipment (>\$1000)	1520
IT Expense (<\$1000)	6452
Lodging	7030
Mileage/Other Transportation	7035
Meals & Entertainment	7060
Meals & Office	7050
Office Equipment (>\$1000)	1510
Office Expense (<\$1000)	7550
Postage	7350
Taxi	7015
Telephone and Internet	7600
Training/Seminars	7630

Note: Tips are not a separate category. Incorporate them into the cost of the product or service you received.

### Substantiation Requirements

All expenses must be accompanied by a receipt or supporting documentation. Failure to provide such will result in denial of reimbursement. Meals and incidentals of less than \$5.00 value do not require a receipt. The Company does not offer a per diem rate.

### Falsification of Expenses

Submitting fraudulent receipts or falsifying your expense report will result in the loss of your reimbursement privileges. Severe or frequent miscalculation or submission of non-reimbursable expenses may result in disciplinary action up to and including termination.

### Non-Reimbursable Expenses

Items primarily for personal use are generally not reimbursable, including (but not limited to) the following:

- alcoholic beverages
- car repairs
- credit card interest charges
- day-care for children or pets
- fees for upgrades of air travel, hotels, or rental cars
- gambling or personal losses
- golfing or green fees
- golfing cart rental
- grooming, nail or hair salon expenses
- headphones on airlines
- health club fees

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- laundry (unless out of town 3 nights or more)
- massage and spa services
- medicines
- movies (either in-room or at the theater)
- mini bar beverages and snacks
- personal books, magazines or other entertainment
- personal travel added to an approved business trip
- pet hotel stays or pet transportation
- political or charitable contributions
- sporting events
- spouse's expenses if accompanying Plexus Worldwide employee on trip
- souvenirs
- toiletries
- theater, cinema or opera tickets
- traffic citations (parking tickets or fines)

### Travel Authorization

All employees whose travel expenses are expected to exceed \$200 must have the travel pre-authorized by their supervisor. An email from your Supervisor authorizing the travel is acceptable provided that the travel details and a completed Travel Expense Calculator are included in the email.

### Expense Report Submission Deadline

Expense reports are due every week on Friday by 5 pm. Approved and qualified expense reimbursements will be paid to the employee as a non-taxable reimbursement on the next biweekly payroll.

### Reimbursement Requirements

All travel related expenses should be paid by the employee and submitted for reimbursement according to the following categories and guidelines:

#### Airfare

Employees should check multiple airline or travel comparison sites to obtain the lowest airfare available for all domestic and international flights. Employees with frequent flier programs who desire to fly specific airlines may do so as long as there is no additional cost to Plexus Worldwide. Plan as far in advance as possible in order to take advantage of early purchase discounts, and make every effort to book at least two weeks in advance. Itineraries are not considered valid receipts.

#### Car Rental

Using the most economical means of transportation is strongly encouraged (e.g. sharing rental cars with other employees). You should also check multiple rental or travel comparison sites to obtain the lowest rental rate available. Guidelines to follow when renting cars:

1. Compact/economy models must be rented unless more than two persons are traveling together. A single upgrade is allowed if two persons are traveling. Higher upgrades are allowed if transporting materials and cargo space is a factor, or if three or more persons are traveling together.
2. The refueling option should be taken if extensive driving is planned. If the refueling option is declined the car must be returned with a full tank of gas.
3. Rental cars should be returned to the original rental location in order to avoid costly drop-off charges.
4. If you have a corporate issued credit card, the card must be used for all car rental transactions if available. If the card is used, the additional insurance should not be purchased.
5. Upgrades not authorized by this policy are not reimbursable.

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### Mileage

The traveler is entitled to claim round trip mileage at the current IRS approved rate (see <http://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates> for current rate). The destination and reason for all mileage claimed must be included on the Employee Expense Report. For Corporate employees mileage from your home to the office is not reimbursable. Mileage incurred in excess of the daily commuting miles is reimbursable at the rate shown above. Mileage is not reimbursable while using Company provided vehicles.

### Postage and Shipping

Employees will be reimbursed for postage and shipping expenses incurred which are necessary business expenses and incurred as a result of business travel. The most economical method of shipping that allows for on time delivery should be utilized.

### Telephone

In order to become eligible for cell phone reimbursement, employees must have their supervisor prepare an email justification for the Executive in their chain of command to review, and if approved, the justification shall be forwarded to the Corporate Controller.

All eligible employees will be reimbursed for service costs up to a maximum of \$100.00 per month. Accessories, equipment and upgrades are not reimbursable expenses. A copy of the bill summary should be submitted with the expense report however itemized cell phone bills may be requested and randomly audited.

Also, business phone calls placed from hotels should be expensed on the "Phone" line of the expense report and not included on the hotel line.

### Airport Parking

Long-term parking should be used for travel exceeding 24-hours.

### Other Parking

Parking expenses will be reimbursed for employees if free local parking is not available. When time limits are identified, the employee should choose the most economical option for parking that meets their time requirements. Valet should be utilized only if self-parking and other more economical options are not available. Fines for parking violations are not a reimbursable expense.

### Taxi/Shuttle/Public Transportation/Rapid Transit

Sharing rides with other employees is strongly encouraged. Employees should evaluate their individual circumstances and select the safest, most economical alternative when traveling to and from all destinations. Taxi, shuttle, and public transportation expenses should be itemized on the Transportation line of the expense report and must be accompanied by a receipt.

### Lodging

Employees traveling on business should select single, standard rooms at recognized hotels and national chains. The GSA max lodging rate by city should be utilized as a guide for reserving hotel rooms and expenses should not exceed the maximum daily room rate provided. In-room movies and use of hotel gym, massage services, and sauna facilities will not be reimbursed. Laundry services and valet parking are generally considered non-reimbursable expenses. However, hotel stays in excess of 3 days may warrant the use of laundry services. Exceptions must be approved by your immediate supervisor. Note: please consult our Events Department to see if a better hotel rate can be obtained.

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### Meals

When traveling overnight, employees will be reimbursed for three meals per day. Employees should make every effort to keep the total daily meal expenses under \$70. The company understands there may be some situations when only the hotel or conference location is available to select meals and competitively priced options aren't accessible. Note: This is not a per diem and all expensed meal must have receipts.

When expensing meals, please do the following:

- Detachable tabs from dinner checks are not considered valid receipts and will not be accepted. A register receipt or a copy of the dinner check must be submitted.
- Tips should be 15%-20% of the cost of the meal.
- Alcohol is considered a non-reimbursable expense. Any alcoholic beverage expenses are the responsibility of the employee.
- All meals should be entered under the correct date in the corresponding category with breakfast, lunch, dinner receipts listed separately.
- Receipts should describe who attended and the business purpose if more than the employee submitting the report were in attendance.
- This information can be written on the back of the receipt itself or on the expense report.

### Staff Events

Approved staff morale and team building events and luncheons are reimbursable up to \$20 per person.

### Clubs and Memberships

Clubs and memberships are not generally a reimbursable item. Professional memberships may be reimbursed with the approval of the department director or executive.

APPROVED BY:	SIGNATURE:	DATE:
Stephen Howard, Chief Financial Officer		
Crystal Thudium, Director of Human Resources		