



---

---

**FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.**

---

---

**GENERAL POLICY No. 609**  
**SUBJECT: REIMBURSEMENT OF BUSINESS EXPENSES**

---

---

**I. PURPOSE:**

Occasionally, employees of the Cooperative, because of the nature of their jobs or special work assignments, may have expenses that can be directly attributed to their job. In such cases, an employee may in the sole discretion of the Cooperative be reimbursed for actual expenses incurred on behalf of the Cooperative or be given permission to directly charge such expenses to the Cooperative as outlined in this policy.

**II. POLICY:**

It shall be the policy of the Cooperative to reimburse employees or to allow employees to use a corporate charge card or account to pay for actual, necessary authorized business expenses incurred on behalf of the Cooperative, according to the provisions of this policy.

Business expenses may include:

- A. Travel away from assigned home office
- B. Entertainment for the benefit of business
- C. Use of personal car for authorized travel
- D. Meals, as hereafter provided

**III. RESPONSIBILITY:**

The CEO/General Manager is responsible for seeing that the provisions of this policy are carried out.

#### IV. PROVISIONS:

The following special provisions and procedures shall apply to this policy:

A. Approval:

Except in emergency circumstances (as may be defined by the Cooperative in its sole discretion) expenses for which reimbursement is sought shall be approved in advance. The Department Manager or CEO/General Manager must approve travel and other reimbursable expenses in advance.

B. Payment:

Payment for expenses incurred will be made only when an itemized voucher with supporting receipts and approved by the appropriate Department Manager or in the case of management personnel by the CEO/General Manager, has been submitted to the Financial Department. The individual seeking reimbursement must maintain and be able to provide documentation complying with applicable law and establishing the following:

Travel:

1. Each separate amount the individual spent for travel away from home, such as the cost of transportation or lodging. The individual may total the daily cost of the individual's breakfast, lunch, dinner, and other incidental elements of such travel if they are listed in reasonable categories, such as meals, gas and oil, and taxi fares.
2. The dates the individual left and returned home for each trip and the number of days spent on business away from home.
3. The destination or locality of travel, described by name or city, town, or similar destination.
4. The business reason for your travel or the business benefit gained or expected to be gained from your travel.

Entertainment:

1. The amount of each separate expense for entertaining, except for incidental items, such as taxi fares and telephone calls, which may be totaled on a daily basis.
2. The date the entertainment took place.
3. The name, address or location, and the type of entertainment, such as dinner or theater, if the information is not apparent from the name or designation of the place.
4. The reason for the entertainment or the business benefit gained or expected to be gained from entertaining and, except for "business meals", the nature of any business discussion or activity that took place.
5. The occupation or other information about the person or persons entertained, including name, title, or other designation sufficient to establish the business relationship to you.

Lodging:

When an employee is away from home overnight, on approved business for the Cooperative, he/she may be reimbursed for actual lodging expense upon the presentation of a receipt for the expenses.

Meals:

An employee will be reimbursed for actual meal expense if one of the following items applies:

1. He/she is required by the Cooperative to be away from his/her work area.
2. His/her normal work begins two or more hours before the normal workday or ends two or more hours after the normal workday, with no off-duty time between such periods, but does not require overnight absence.

3. After four (4) continuous hours worked outside of normal work hours.

Provided, however, that:

1. Time and cost of all such meals will be noted on interruption or overtime report.
2. Such meals will be on the employee's time for employee wage and benefit determination purposes; and
3. Reimbursement will not be given for any alcoholic beverages ordered with or separate from meals.

C. Transportation:

Employees may be reimbursed travel costs which may include:

1. Travel cost at the Internal Revenue Service approved rate per mile, when on Cooperative business and when using his/her personal vehicle, plus tolls and parking fees.
2. Actual expenses incurred when traveling by commercial carrier.
3. Provided, however, that the following shall apply:
4. Travel will be by Cooperative vehicles whenever possible and when time allows and where it is economically feasible.
5. In any other circumstances, travel will be by commercial carrier or a means mutually acceptable to the CEO/General Manager.
6. If a Cooperative vehicle is not available and the employee is required to use his/her own vehicle, reimbursement, if any, will be on the basis of the standard mileage rate consistent with IRS business expense guidelines. Evidence of legal minimum liability insurance shall be furnished by the employee.
  - a. When two or more employees are traveling to the same destination, and if a Cooperative vehicle is available and that

method of travel is advisable, then the two (2) or more employees shall travel together. If an employee wishes to travel by means other than the Cooperative vehicle and desires reimbursement, such employee shall submit his/her request for the same to his/her Supervisor. Said request shall detail the reasons why the alternate transportation is sought. If, in the opinion of the Supervisor, the request ought to be considered, the same shall be submitted to the CEO/General Manager for review and determination of what arrangements if any, will be allowed. All decisions will be made to consider the best interests of the Cooperative.

- b. When air travel is the appropriate means of travel, and should an employee desire to drive his/her personal vehicle to a convention or school, in connection with a reasonable vacation, the employee will be reimbursed by the Cooperative, at its discretion, for his/her lodging and meals during the convention or school and the lesser amount of either the regular plane fare, if applicable, or mileage. The employee will be allowed up to one day travel time going to and one day travel time coming from the destination.
- c. When an employee is using a vehicle belonging to the Cooperative, an employee's spouse and/or family may accompany the employee in a Cooperative vehicle, on a business trip, as long as he/she does not displace an employee who could have traveled in the same vehicle.
- d. Except in emergency circumstances, in order to obtain discounts and the most economical carrier or other fares reasonably possible, each Supervisor is to submit a travel request for each employee as far in advance as reasonably

possible, but not less than three weeks before scheduled travel. Requests may be made to the Executive Secretary who shall coordinate and make the travel arrangements with appropriate travel or other agents. Any other travel arrangements or emergency situations must be cleared through the CEO/General Manager.

D. **Miscellaneous Expense:**

1. Employees may, in the sole discretion of the Cooperative, be reimbursed actual and documented cost for miscellaneous expenses and costs of items purchased by them in fulfillment of duty assignments, including: telephone calls, local transportation, materials, supplies, and small tools. Receipts should be submitted for reimbursement, to the extent practical, as required by law or these policies and shall be required for purchases of materials, supplies, equipment or tools.
2. In lieu of furnishing a detailed accounting for each day away from his/her normal working area, an employee may be compensated or reimbursed on a per diem basis in accordance with the Internal Revenue Service guidelines for lodging, meals, and incidentals.

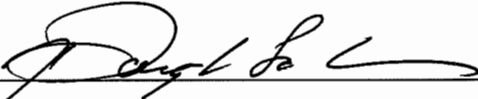
E. **Approval:**

Except in emergency circumstances, the incurring of expenses shall be approved in advance. The department manager or CEO/General Manager must approve travel expenses in advance.

V. **Primacy of Policy**

This policy supersedes any past or present policy relating to the subject matter thereof. This policy does not represent a contract between the employer and employee, and the policies herein may be changed by the Cooperative at any time by the Cooperative alone and without notice.

APPROVED BY THE BOARD OF DIRECTORS

  
\_\_\_\_\_  
Doug Schmier, President

DATE APPROVED: August 28, 2006

DATE REVISED: May 22, 2017

November 18, 2019