

## **SRI BUSINESS EXPENSE POLICY**

Staff Resources, Inc. will reimburse Employees for travel expenses which are reasonable and necessary in conducting the Company's business. Such reimbursement is not intended to provide supplemental income to any Employee. The Employee is expected to use the Companies funds with discretion and only to the extent necessary to enhance and further the prosperity of Staff Resources, Inc.

Particular care and good judgment should be exercised by Employees when incurring business expenses. It is the Client Company's responsibility to determine the most economical means of obtaining lodging, meals, and transportation based on corporate guidelines.

Client restrictions/allowances vary widely. Check with your client supervisor for the exact details regarding expense reimbursement for your project. You must learn, adhere to and abide by the client's expense reporting policy.

Disregard for the client business expense policy, submission of false or misleading documents or information, misappropriation of funds or altering of receipts will result in disciplinary action up to and including termination.

In the absence of any expense policy by the client, the following procedures govern:

The objectives of this policy are:

1. To provide Employees with a uniform method of reporting and accounting for business expenses.
2. To set standards that identify acceptable expenses for which the Company will reimburse.
3. To improve the management and control of travel and entertainment expenses incurred while conducting Company business.
4. To furnish guidelines in compliance with the requirements of the I.R.S. with respect to the necessary documentation of legitimate and necessary business expenses.

Reimbursement of travel expenses are subject to examination by the Internal Revenue Service. To the extent that such reimbursed expenses are found to have been lavish or extravagant in nature, or not to have been properly accounted for or otherwise, not to conform to the guidelines outlined in this *policy*, such expenses could be disallowed by the I.R.S. as travel expenses and considered to be compensation to the Employee.

There will always be cases not covered by the following policy. As much as possible, when a situation arises outside of the policy, prior agreement and approval should be obtained before the expense is incurred. If it is not practical to get prior approval, detailed documentation and explanation is required for reimbursement. All expenses are to be covered on a receipt-basis unless the amount is less than that covered in this policy.

### **EXPENSE REPORTING**

Employees must submit expense reports for all business travel and entertainment expense incurred on behalf of Staff Resources, Inc. Expense reports must be submitted by 10:00 AM (ET) on Mondays on a weekly basis. Expenses will be paid out on a bi-weekly basis on the following payroll date. Expense forms are found on the company intranet at Companies/SRI/Office Documents.

## **FOREIGN EXPENSE REPORTING**

Employees are to complete an expense report in U.S. dollars. (DO NOT mix currencies). The exchange rate used should be based upon the actual exchange rate utilized (provide exchange receipts) or the rate published on [www.XE.com](http://www.XE.com) and must be listed in "Remarks" section of SRI's expense report.

## **DOCUMENTATION**

Accurate documentation is required for ALL business expenses.

Receipts must be provided for all business related expenses. Improperly documented items will not be reimbursed. I.R.S. accepts as valid receipts only those bearing the name and address of the establishment as part of the receipt.

Legible copies of supporting documents and receipts are acceptable.

## **CHARGE CARDS**

Employees are encouraged to use personal credit cards. Cash payments will be reimbursed if supported by original receipts, when the establishment does not accept any credit card.

## **CORPORATE TRAVEL**

1. The employee is required to arrange travel through an agency designated by SRI.
2. All Company air travel will be economy class and be guided by the lowest regular fare rule.
3. Deliberately causing the Company to pay more than the lowest obtainable airfare for the purpose of obtaining personal gratuities is strictly prohibited. Any increase in cost will be charged back to the individual's personal account.
4. Any reduction in fare, rebate or refund is the property of the Company and must be tendered to the company or offset against expenses indicated in your Expense Report.
5. Conversion of airline tickets for personal benefit in connection with downgrading of tickets or returning of unused tickets for either cash, credit or personal airline tickets is specifically prohibited and will be considered grounds for dismissal.
6. **CAR RENTAL**
  - a. Car Size
    1. Compact car for a single traveler.
    2. Mid-size to full-size for two (2) or more passengers.
    3. Any upgrades given due to car rental membership clubs are at the expense of the traveler.
    4. If the car size reserved is not available when the employee arrives for pickup, this is to be considered the rental agency's problem and the employee should insist the lower rate be charged to the Company.
  - b. You are cautioned to review your credit card and insurance coverage prior to renting.
  - c. Return of Vehicle.

1. Employees must return rental cars with a full tank of gasoline. **DO NOT USE THE RENTAL COMPANY'S OPTION TO PREPAY FOR A TANK OF GAS.** The charge by the rental company to refill the gas tank is usually 2.5 times the local gas station rates.
2. Always return the rental vehicle to an authorized attendant to avoid misplaced or stolen vehicle charges to the Company.
3. Return rental cars to the original point of departure to avoid drop off charges.

d. Rental Car Receipt are always required.

7. Airport Parking:

Off site parking at lower rates for long trips is required. Under no circumstances will the Company accept expenses for parking in short term lots while on business trips.

8. Be aware of your rights as an air traveler relative to over bookings, denied boarding compensation, and lost or damaged luggage. Generally, this information is printed on the cover sheet of each ticket or can be requested of the carrier.

9. Accommodations:

- a. If there is any chance that arrival at the hotel/motel will be after 6:00 PM, employees should request a guaranteed reservation. Some hotels require guaranteed reservations regardless of the time of arrival.
- b. Cancellation of hotel reservations is the responsibility of the Employee. The Employee should either notify the hotel directly (obtain and note the cancellation number and the name of the person accepting the cancellation).
- c. Room costs that are a result of a failure to cancel will not be reimbursed, and will be charged to the Employee, unless business reasons prevent cancellation.
- d. Medium priced at reasonable, respectable, and convenient lodging facilities are authorized.
- e. At check in, the traveler should verify that the lowest available rate is being offered. Due to special promotions, rates lower than Corporate may be available in a specific locale.
- f. The use of deluxe hotel/motel, suites or luxury accommodations will not be reimbursed unless **PRIOR WRITTEN APPROVAL** by your Manager is received and other rooms are not available. Prior written approval from your Manager should be attached to the expense report when it is submitted.
- g. In-room movies are not an allowable expense.
- h. When attending seminars and conventions, lodging arrangements should be made at the host facility to take advantage of group discounts usually offered as part of these functions. There are times when this will also eliminate the need for a rental car with transportation to and from airports by the lodging facility.

- i. Laundry and valet services are not allowable unless the trip exceeds five (5) consecutive days.

### **CUSTOMER ENTERTAINMENT REQUIRES PRIOR SRI MANAGEMENT APPROVAL**

Staff Resources, Inc. will reimburse Employees for their business meal expenditures, however, Staff Resources, Inc. must substantiate that business is discussed during or directly before or after the meal. In addition, meals or entertainment that involve pure "goodwill" are not tax deductible. Prior approval by SRI management is required before incurring entertainment expenses.

When submitting charges for business meals and entertainment the following data MUST BE PROVIDED on the expense report for reimbursement

- Names and titles of participating persons.
- Business purpose and benefit derived or expected to be derived as a result.
- Date the entertainment or business meal occurred.
- The time spent entertaining a client on a particular day should not be included on your weekly timesheet.
- Place where entertainment or business meal occurred.
- Amount of each separate expenditure. (Lunch and golf after are considered two separate expenditures).
- All claims for reimbursement must be substantiated by receipts, paid bills, etc, which show evidence of being paid. A restaurant bar tab bearing name and address is considered a valid receipt only when the establishment does not accept any credit cards.
  1. To be reimbursable, entertainment expenses must be directly related to the act of conducting Company business. Entertainment is necessary if it is the best way to accomplish the Company's business objective and is not, as such, for the benefit of the host.
  2. An employee who is a host at a business event should include only as many employees as is necessary to accomplish the business purpose. This is not just a matter of eliminating unnecessary expense, but that the individual and the Company's judgment may be measured by the customer or third party on just this basis. Expenses of other Company employees and relatives may be appropriately included if they actively participate in entertaining customers or authorized guests and their presence is essential to the business purpose.
  3. Incurring an entertainment expense for other employees (no customer or third-party present) while traveling is considered an exceptional or unusual event and can only take place with prior management approval.
  4. In all cases when multiple Staff Resources employees are present, the senior employee in the group will report the expense(s) in his/her Expense Report
  5. The purchase of business meals should directly relate to a project related activity.
  6. In order for the expense of any spouse to be reimbursed, the expense report must meet I.R.S. guidelines, showing a "clear bona fide business purpose", rather than a personal or social one for incurring such expenses and must be documented on the expense report accordingly.

7. Per I.R.S. guidelines, entertainment expenses, such as sporting events, theater and concert tickets will be reimbursed at face value. Brokerage fees and scalpers prices are not reimbursable.
8. In all cases, whether entertaining a client or attending a company social event if a person who seems intoxicated intends to operate an automobile, take all reasonable steps to dissuade the individual from driving. Insist on alternative-transportation, such as a taxi or a ride home with another person.

#### **EXPENSE REIMBURSEMENT CONDITIONS**

1. SRI and the client may provide a per diem food allowance for each work day while on-site, in the form of a cash advance before starting the assignment. The food allowance is currently Forty Dollars (\$40.00) per day under IRS guidelines.
2. We shall not reimburse the Employee a full Forty Dollars (\$40.00) per day if the Employee is entertaining a customer at SRI expense for a lunch and for dinner. A similar adjustment to the Forty Dollars (\$40.00) per day would occur if a Project/Group Manager uses his SRI charge to pay for a project meeting - meal attended by SRI Employees.
3. When per diem food allowance is provided in advance, it may not be necessary to submit any Expense Report forms. Please confirm all travel arrangements with the Secretary before the start of your assignment.
4. Incidental Expenses such as laundry, personal telephone calls, etc. should be discussed with the client supervisor prior to starting the field assignment
5. The cost of meals on one day trips are not reimbursable.
6. I.R.S. and Staff Resources, Inc. do not allow for lunch expense reimbursement incurred during non-overnight travel.
7. Employees are encouraged to eat their meals outside of hotels and airport restaurants which are usually more expensive due to the "captive audience" factor to help stay within the Forty Dollar (\$40.00) per day guideline.
8. The cost of each individual meal (including taxes and tip) by day must be reported on the expense report. Receipts should be provided for all business related meal expenses, however, a receipt must be attached for all meals.

## **MISCELLANEOUS EXPENSES**

### 1. **TELEPHONE EXPENSE**

The need to use a personal cellular phone for business will depend on the client requirements and should be discussed with the client supervisor prior to starting the field assignment.

### 2. **TIPS/GRATUITIES**

Reasonable tips in relation to services rendered will be reimbursed. In case of meals, tipping is not to exceed fifteen percent (15%) of the total meal cost and is included in the Forty Dollar (\$40.00) per day meal allowance. In case of taxis, ten percent (10%) of the total fare is deemed acceptable. In all cases, receipts are required for taxis. Tipping of maids, bellhops and porter are not reimbursable.

### 3. **LAUNDRY**

Laundry and valet services are not allowable unless the trip exceeds five (5) consecutive days.

### 4. **TRAVEL INSURANCE**

The purchase of flight or luggage insurance is a personal expense to the Employee and is not reimbursable. Staff Resources, Inc. will not reimburse for personal belongings lost or stolen while on company business.

### 5. **MISCELLANEOUS EXPENSES**

ALL miscellaneous expenses must be categorized and itemized by day (i.e., parking, tolls, etc.).

1. Week ending dates WILL ALWAYS be a Sunday, fill out all expenses incurred for that week under the proper dates and proper expense titles.
2. Provide copies or scans of legible receipts for all expenses.
3. Supervisor's signature is required on the expense report.

## **NOT REIMBURSABLE**

The following list is given as a guide and is not necessarily a complete list of those expenses which are not reimbursable.

1. Airline or other travel Insurance.
2. Baby sitter fees.
3. Pet care.
4. Golf fees (except Sales personnel when part of customer entertainment).
5. Personal property insurance.
6. Shoe shines.
7. Movies, magazines, books and newspapers.
8. Theft or loss of personal property.
9. Parking or traffic tickets.
10. Safety shoes.
11. Prescription safety glasses.

An expense report which is incorrect in form and/or amount will be returned to the approver for corrective action as appropriate.