



Statement of Purpose and Responsibilities

This document establishes policies governing the reimbursement of travel, entertainment and other business expenses incurred during the conduct of USPSA business, as well as the issuance and use of credit cards. It is the Organization's policy to reimburse employees for ordinary, necessary, and reasonable expenses when directly related to the transaction of Organization business.

Directly related expenses are those in which there is the expectation of deriving some current or future benefit for the Organization, the employee is actively engaged in a business meeting or activity necessary to the performance of the employee's job duties, or, in the case of entertainment, there is a clear business purpose.

Employees are expected to exercise prudent business judgment regarding expenses covered by this Policy.

Reimbursement for expenses that are not in compliance with this Policy requires the prior written approval of the Organization's Managing Director (MD).

USPSA employees are responsible for complying with this Policy. Employees submitting expenses that are not in compliance with this policy risk delayed, partial or forfeited reimbursement.

IRS Requirements

The IRS requires that all organizations reimbursing employee for business expenses do so under the guidance of two (2) methods. An Accountable Plan or a Non-Accountable Plan as defined below:

Accountable Plan

- **Business Connection:** Expenses must occur in the performance of service as an employee
- **Substantiation:** Employee must substantiate the business expenses by providing the employer with evidence of the amount, time, place, and business purpose of the expense and do so within a reasonable period of time from occurrence.
- **Return of excess amounts:** If any amount of reimbursement exceeds the amounts the employee spent, the employee must return the excess amount within a reasonable period of time.

Non-Accountable Plan

- IRS Publication 15 – Payments to your employee for travel and other necessary expenses of your business under a non-accountable plan are wages and are treated as supplemental wages and subject to the withholding and payment of income, social security, Medicare and FUTA taxes.



The IRS specifically identifies two (2) types of business travel:

Traveling away from home

- Your duties require that you be away from the general area of the tax home substantially longer than an ordinary day's work, and
- You need to sleep or rest to meet the demands of your work while away from home.
- Tax Home is defined as your regular place of business or post of duty (at home office or Organizations primary place of business). The tax home includes the entire city or general area in which your business or work is located.

Local travel

- Ordinary and necessary expenses of getting from one workplace to another in the course of business when NOT traveling away from home. Substantiation rules apply to these expenses and the following elements must be proven:
 - Cost of transportation
 - Date of transportation
 - Business destination
 - Reason for the expense

Documentation

Requests for reimbursement of business expenses must be submitted on the appropriate expense reimbursement request form. Each expense shall be separately identified. Forms shall be dated and signed by the employee.

While original receipts are recommended for all expenses submitted for reimbursement, copies will be accepted. Receipts are required for expenses. Requests for exceptions to this policy should document extenuating circumstances and be approved by the MD.

The Organization complies with IRS regulations and defines this policy as an **Accountable Plan**, which require that all business expenses be substantiated with adequate records. This substantiation must include information relating to:

- the amount of the expenditure
- the time and place of the expenditure
- the business purpose of the expenditure; and
- the names and the business relationships of individuals other than the employee for whom the expenditures were made.

Requests for reimbursement lacking complete information will be returned to the requesting employee.

Reimbursement requests shall be promptly submitted, and in no event more than thirty (30) days after the expense. Reimbursement requests more than thirty (30) days old may be rejected.



Approvals

Expense reimbursement forms, together with required documentation, must be submitted to the Managing Director for review and signature approval prior to submission to the Accounts Payable group.

Approval of both the MD and Chairman of the Audit Committee is required for any non-Nationals Championship related expenses above \$10,000. MD can approve all National Championship expenses.

The Chairman of the Audit Committee may approve expense reimbursement in the absence of the MD. Any submission by the MD above \$100.00 must be approved by the Chairman of the Audit Committee prior to submission for payment.

Persons approving expense reports are responsible for ensuring that the expenses reported are proper and reimbursable under this Policy, the expense report has been filled out accurately and has the required documentation; and the expenses are reasonable and necessary.

Reimbursable Expenses

The following are reimbursable expenses, as long as they are in compliance with the applicable provisions of this Policy, and are for business purposes:

- Hotel or motel charges and related tips
- Airfare, train fare, bus fare, taxicabs, and related tips
- Meals, including tips between 15 and 20%
- Business telephone calls
- Charges for internet connectivity at the hotel or motel. If the employee does not have a mobile phone, once daily calls home of a reasonable length while travelling on Organization business
- Car rental expenses
- Personal mileage, if using own vehicle. (You cannot claim both fuel *and* mileage).
- Fuel for non-personal vehicles (when not claiming mileage)
- Toll and parking charges
- Conference and convention fees
- Business center costs (i.e., copying, faxing, etc.)
- Reasonable business entertainment expenses
- Laundry and/or dry-cleaning expenses during trips more than five days
- Other reasonable and necessary business expenses, not specifically excluded by this section



The following expenses are **not** reimbursable:

- Airline club dues
- First class airfare
- In-flight movies/refreshments
- Hotel room movies and other forms of personal entertainment
- Childcare costs
- Barbers/hairstylists
- Traffic fines
- Tips in excess of 20% and/or tips in addition to pre-applied gratuity
- Luggage or briefcases
- Alcohol, unless consumed during legitimate business-related entertainment activities
- Meals including only company employees, unless travelling on company business or approved in advance by the MD
- Parties and gifts for Organization employees
- Reimbursement for personal miles in excess of the cost of airfare to the same destination
- Reimbursement for expenses associated with employee spouses or spouses of business associates, unless there was a clear business purpose rather than personal or social purpose

No policy can anticipate every situation that might give rise to legitimate business expenses. Reasonable and necessary expenses, which are not listed above, may be incurred. Each employee and supervisor must use his/her best professional judgment in determining if an unlisted expense is reimbursable under this Policy.

Meals

Business meals should meet the following criteria:

- Meet all Substantiation requirements
- Meal is business-related and/or business-related entertainment
- Must be associated with travel away from home (outside of the tax home)
- Must not be considered lavish or extravagant
 - Employee should utilize best judgement; no set spend maximum but if the expense is determined to be lavish or extravagant the reimbursement may be limited to \$59 per day maximum
- Meal receipts must be itemized for every item purchased – a credit card slip is not adequate
- Alcohol purchases are limited to two (2) drinks per employee and must be part of a defined business meal
- Spouses – May not reimburse the meal costs of spouses, or the spouses of business associates, unless there is a clearly defined and documented business purpose rather than a personal or social purpose.



Air Travel

All employees are expected to travel coach class and are encouraged to search for the lowest available restricted but changeable fare, rather than the fully refundable fare. Personal frequent flyer credits may be used to upgrade travel class; however, no reimbursement will be made, and no contribution recorded on behalf of the employee for the business use of frequent flyer credits.

The cost of cancelling and/or rebooking of flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as a changed meeting date). Employees must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes.

Lodging

Prudent judgment should be used when selecting a hotel or motel. A single room with a private bath in a moderately priced business class hotel is the Organization's standard. However, it is understood that group lodging options (condo's, houses, etc) exist and are at times favorable to the employee as well as the Organization.

For all lodging expenditures, hotel receipts must be submitted; credit card charge slips do not represent adequate supporting documentation.

The Organization will not reimburse an employee for separate travel costs associated with his/her spouse or partner. However, the cost of a shared hotel room need not be allocated between an employee and his/her spouse or partner for purposes of this Policy.

Rental Cars

It is expected that reservations will be made for a mid-size vehicle, depending on the type of travel. Occasionally a full-size vehicle or SUV may be appropriate when more than one employee will be using the vehicle. The cost of premium, luxury or four-wheel drive vehicles will be charged to the employee renting the vehicle and reimbursement will be made at the or mid-sized or SUV rate as appropriate.

Employees are expected to accept "Loss Damage Waiver" coverage so that any damage to the rental car is covered with no deductible. Employees driving rental cars for business purposes will have liability coverage under the Organization's business liability policy.

Personal Vehicles

Employees who utilize personal vehicles for business purposes are required to have a valid driver's license and at least the minimum insurance coverage required by law. Mileage will be reimbursed at the currently defined rate. Miles submitted for reimbursement should be net of any normal commuting miles.

Primary insurance for employees who use their personal vehicles for business purposes shall be through their own personal automobile insurance policy and will be responsible for any damage to the vehicle, as well as for liability.

The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee. The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets.



Credit Cards

Credit cards issued in the name of the Organization may be provided, at the MD's discretion, to those employees whose jobs require a significant amount of travel, entertainment, or business purchasing. Employees requesting a credit card shall submit a written request to the MD, setting forth the necessity for the credit card. Credit cards issued in the name of the Organization are a privilege which may be revoked at any time. Organization-issued credit cards shall not be used for personal expenses. Additional information regarding Organization issued credit cards can be found in the Organization's Credit Card Usage Policy.

Policy Exceptions

Generally, any exception to this policy must have the prior written approval of the MD. Requests for exception should document extenuating circumstances or proposed overall savings to the Organization.

Specific Expenses

President

Per the bylaws, the President is required to attend all National, International and World Championship matches run within the United States under the authority of USPSA. The President is also required to attend or send a delegate to the IPSC General Assembly meeting. Therefore, the travel expenses for these events will be covered for the President. All expenses must still adhere to the above Expense Policy.

Also covered for President:

- The yearly in-person Board of Director meeting is fully covered for the President.
- Additional travel expenses up to \$15,000/year will be covered for the President so that he can perform any other duties as defined in the Bylaws.
- Any additional expenses beyond the above listed must be approved at least two weeks prior to the travel by the Managing Director.

Board of Directors

The following will be covered by USPSA for each Area Director so that he can fulfill his duties:

- The yearly in-person Board of Director meeting is fully covered for the Area Directors.
- All USPSA Nationals Events
- Area Championship match for Director's area.
- Additional travel up to \$6000/year will be covered for the Area Directors so that they can perform any other duties defined in the Bylaws.

For anything that was not covered in the above Expense Policy, please reach out to the Managing Director.