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## New Jersey Schools Insurance Group

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### Board of Trustees Meeting of March 16, 2016

#### Action Item

#### Policy Second Readings Travel Expense Policy 6020

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The Travel Expense policy 6020 was on the January 20, 2016 agenda for a first reading. The attached policy 6020 includes the revisions which were suggested.

**Recommended Resolution:** Approve the revised Travel Expense Policy 6020.

*William Mayo*

William M. Mayo, Executive Director

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 1 of 2

Reviewed: 10/93, 03/12

## ~~STAFF TRAVEL~~

~~Public carrier fares are chargeable if travel is for official Group business. Reimbursement shall be based on the least costly practical means of transportation. For airplane and train travel, employees shall travel economy class unless such transportation is not available.~~

## ~~HOTEL ACCOMODATIONS~~

~~Room accommodations for Group travel shall be at rates considered mid fare or mid tier among available rates.~~

## ~~MILEAGE AND MEAL ALLOWANCE~~

~~Reimbursement may be claimed for any mileage accrued for business purposes when using a personal vehicle.~~

~~An authorized Group representative, using his or her personal vehicle for approved Group business, shall be reimbursed at a rate equal to the Internal Revenue Service mileage allowance in effect at the time. A Group representative who is authorized to use his or her own personal automobile must provide the Group with proof of a valid drivers' license and proof of liability insurance in force at the time the business travel occurs and with insurance coverage minimums equal to or greater than those set by New Jersey law.~~

~~If, while using a personal vehicle, business miles exceed 4,999 in one fiscal year, the following maintenance reimbursement schedule will be followed.~~

<del>5,000 – 9,999 miles</del>	<del>15%</del>	<del>Over prevailing reimbursement policy.</del>
<del>10,000 – 19,999 miles</del>	<del>20%</del>	<del>Over prevailing reimbursement policy.</del>
<del>20,000 – OVER</del>	<del>25%</del>	<del>Over prevailing reimbursement policy.</del>

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 of 2

Reviewed: 10/93, 03/12

## **~~MILEAGE AND MEAL ALLOWANCE~~**

~~A per meal allowance, up to the limits of the federal standard meal allowance, will be paid for meals consumed by an authorized Group representative conducting Group business. The allowance is not authorized for meals provided as part of any registration, conference or program whose registration was paid by the Group. Meal allowances are to be reasonable and customary as defined by the Executive Director. Questions regarding an allowable amount should be referred to the Executive Director before incurring the expense. Any meal expense in excess of the Federal per meal allowance must be borne by the individual submitting the reimbursement request.~~

~~Alcohol will be an approved expense only when part of business entertainment.~~

## **REIMBURSEMENT PROCEDURES**

~~Authorized Group representatives will be reimbursed for travel and other necessary expenses incurred while on Group business. Expenses shall be submitted and accounted for in writing to the Executive Director. Expense forms not submitted within 60 days require Trustee approval for payment.~~

~~All requests for reimbursement shall be accompanied by receipts except those expenditures under \$25.00.~~

~~Failure to follow or adhere to this policy may lead to disciplinary action up to and including termination.~~

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 1 of 2 8

Reviewed: 10/93, 03/12

## Travel Expense Policy

### INTRODUCTION

It is the policy of New Jersey Schools Insurance Group (NJSIG) to reimburse staff for reasonable necessary and necessary reasonable expenses incurred in connection with approved NJSIG business travel on behalf of the company. The purpose of this policy is to document the illustrate allowable business expenses eligible for reimbursement. These include necessary expenses as defined under section 162 of the Internal Revenue Code. Also included is a Additional reference information is included that may be useful to NJSIG employees in submitting Travel and Expense Report Forms in order for NJSIG employees to receive timely reimbursement.

"The mission of the New Jersey Schools Insurance Group (NJSIG)...is to provide the availability of insurance to the New Jersey school districts by offering the best coverage at the lowest possible cost and by providing insurance education and risk management services. We strive to keep more dollars where they belong: IN THE CLASSROOM."

While this policy does contain eExpense limits are set for reimbursement, however, we challenge all employees should to use their professional judgment while managing expenses and making decisions. Employees are expected to conduct themselves in a responsible and professional manner at all business functions/meetings. We Employees should always be mindful of NJSIG's keep our Mission Statement and the client's best interest in mind. With this philosophy in mind, NJSIG strongly encourages the use of travel discounts. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety.

There may be instances when clients or other business associates offer to pay for a meal or other business expense for an NJSIG employee. NJSIG employees are subject to regulatory limitations and in many instances cannot

~~accept an offer of over \$50!~~ Please see Employee Conflict of Interest policy #6160 or your Manager for further details and guidance.

## NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 of 28

Reviewed: 10/93, 03/12

### Travel Expense Policy

Business related travel, meetings, etc. and functions is represent an opportunity to reinforce bolster NJSIG's professional brand. It is expected that employees will uphold a high standard of ethics, business practices and professionalism, in order to positively represent and protect NJSIG's reputation and brand, at all times.

#### RESPONSIBILITY

NJSIG will reimburse employees for all reasonable and necessary expenses as noted in this policy while traveling on pre-approved company business or entertaining during a business function/meeting clients. The employee is responsible for being knowledgeable of and complying with all aspects of this policy. The Manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. NJSIG assumes no obligation to reimburse eEmployees will not be reimbursed for expenses that are not in compliance with this policy.

Expenses over the listed limits listed in this policy will not be reimbursed and the employee will be responsible for payment of the portion of any expense above the limits. Expenses requiring but missing an itemized receipt will not be reimbursed and the employee will have to pay for the incurred expense. Lack of care and consideration and/or aAltering of itemized receipts may result in disciplinary action, up to and including termination. If you have any questions about expense limits, itemized receipt requirements or other questions about this policy, please speak with your Manager before incurring the expense. Submission of your expense reimbursement request shall mean you understand this policy.

## CASH ADVANCES

**NJSIG's policy is not to issue cash advances. If an employee anticipates an expense requiring a cash payment of over \$500 that will result in an undue hardship, he/she should discuss the matter with his/her Manager. Any exceptions must be discussed with and approved by the Executive Director.**

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 3 of 2 8

Reviewed: 10/93, 03/12

## Travel Expense Policy

### PROCEDURES FOR REIMBURSEMENT

**Employee travel must be pre-approved or authorized as a typical component of an employee's job responsibilities. Employees should verify that planned travel is eligible for reimbursement before making travel arrangements.**

1. **Employee must ensure he/she has pre-approval from his/her Manager for the planned travel.**
2. **Employee must obtain lowest possible prices on ~~reasonable items~~ [hotel, airfare and the like](#), ~~as per this policy's expense requirements~~.**
3. **Employee must accurately complete all sections of the Travel and Expense Report Form including the correct Account number/Department Number.**
  - a. **Employee should contact his/her manager for clarification on the correct Account number/Department number if unsure.**
4. **Employee must submit the completed form with all ~~credit card statements~~, itemized receipts and any other expense documentation to his/her Manager for approval. ~~DO NOT STAPLE~~ [Do not staple](#) receipts, etc to form.**
5. **The employee's Manager must approve and sign all expense reports. No employee is authorized to approve his/her own, a peer's, or a Manager's travel expense report. The Manager is responsible for verifying:**
  - **Business purpose**
  - **Correct totals**
  - **Supporting documentation and itemized receipts**
  - **Policy compliance including that expenses are in-line with pre-approved expectations.**

6. Once approved the Manager forwards the Travel and Expense Report Form with all required receipts/documentation to Finance.
  - ~~Only accurate, complete and policy compliant Travel and Expense Report Forms with all necessary documentation should be sent to Finance.~~
7. Manager level expense pre-approvals and process is the same except Executive Director shall approves.

## NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page ~~2~~ 4 of ~~2~~ 8

Reviewed: 10/93, 03/12

### Travel Expense Policy

8. Executive Director level expense pre-approval and process is the same except NJSIG Trustee shall approves.
9. Within 60 days of completion of a trip or of incurring the an expense, employee must submit and complete this approval process to obtain reimbursement of expenses. a Travel and Expense Report Form. Travel and Expense Report Forms not submitted within 60 days require approval by the Executive Director.
10. ~~Expenses that do not follow all steps of this procedure and meet the submission deadlines will only be reimbursed upon Executive Director approval.~~
11. Expense reports that are incorrect, incomplete or include disorganized itemized receipts will be returned to the approving Manager for completion/correction and may result in delay or non-reimbursement of some expenses.
12. ~~Reimbursement checks are currently issued weekly. NJSIG will transition to a monthly reimbursement schedule that aligns us with common business practices.~~
  - a. Beginning effective June 1, 2016, reimbursement checks will be issued monthly.

### NON-REIMBURSABLE EXPENSES

The following items that may be associated with business travel will not be reimbursed by NJSIG:

- Airline club / Country club membership dues.
- Airline, Auto or Lodging upgrades.
- Car repair.
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges.
- Commuting between home and the primary work location.
- Costs incurred by traveler's failure to cancel travel reservations in a timely fashion.

## NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 5 of 2 8

Reviewed: 10/93, 03/12

### Travel Expense Policy

- Credit card interest charges.
- Evening or formal wear expenses.
- Excess **Overweight or additional** baggage charges.
- Expenses for travel incurred by companions / family members and/ or related to vacation or personal days while on a business trip.
- Haircuts, spa treatments and all other personal grooming (including toiletries).
- Laundry and dry cleaning.
- Loss / Theft of personal funds or property / Lost baggage.
- Medicines.
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment.
- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, books, magazines, bar bills, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs.
- Pet hotel stays or pet transportation.
- Traffic citations (parking tickets or fines).
- Travel accident insurance premiums or purchase of additional travel insurance.
- Other expenses not directly related to the business travel.

### ~~ENTERTAINMENT EXPENSES~~

~~The following items will only be reimbursed by NJSIG if it coincides with client entertainment, within reason. All items listed below with the exception of alcoholic beverages or bar tabs must be pre-approved.~~



- ~~Alcoholic beverages or bar tabs.~~
- ~~Golfing or green fees, golf cart rental, etc.~~
- ~~Theater, cinema or opera tickets.~~
- ~~Sporting events.~~

## NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 6 of 2 8

Reviewed: 10/93, 03/12

### Travel Expense Policy

#### ALCOHOLIC BEVERAGES

~~NJSIG's policy is to limit consumption of alcoholic beverages during business functions. However, in the event an employee chooses to consume alcoholic beverages in connection with a business function, the company expects that employees will act responsibly, avoid excess and uphold a high standard of ethics, business practices and professionalism, in order to positively represent and protect NJSIG's reputation and brand, at all times.~~

~~If an employee has any concerns that he/she is not capable of safely driving after an event, the company will reimburse the cost of alternative transportation to ensure that the employee does not place themselves or others in danger. An employee, who is arrested and convicted of Driving Under the Influence while in the performance of company business, or when returning from a business function, is subject to disciplinary action up to and including termination.~~

#### VACATION IN CONJUNCTION WITH BUSINESS TRAVEL

~~In cases in which~~ **When** vacation time is added **taken in addition** to a business trip, any expense variance in airfare, car rental or lodging **or the like, it must be clearly communicated and pre-approved by your Manager. NJSIG will not prepay any personal expenses with the intention of being "repaid" at a later time, nor will any personal expenses be reimbursed. No personal expenses will be reimbursed.**

## SPOUSES ACCOMPANYING TRAVEL

~~Additional costs for travel, lodging, meal or other travel expenses for spouses or other family members will not be reimbursed unless the individual has a bona fide company purpose for engaging in the travel or attending the event. Such travel is generally limited to senior management and should occur infrequently and in all cases must be pre-approved.~~

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 of 2 8

Reviewed: 10/93, 03/12

## Travel Expense Policy

### EXPENSE GUIDELINES FOR REIMBURSEMENT

~~The following table lists common travel expenses that are eligible for reimbursement. It is by no means not all-inclusive, so if you have any questions, please contact your Manager before incurring the expense. In order to gain be reimbursement reimbursed from NJSIG, the travel must be pre-approved (or authorized as a typical component of an employee's job responsibilities) and the guidelines and procedures in this policy must be followed with precision.~~

~~This table is provided as a guideline and resource for employees. It is not all-inclusive and it is the employee's responsibility to get clarification on expense qualification and reimbursement limits from his/her Manager before incurring the expense.~~

# NJSIG Policies

Adopted: 09/83

Index #: 6020

Amended: 06/12

Page 2 **8** of 2 **8**

Reviewed: 10/93, 03/12

## Travel Expense Policy

**Table: Expense Guidelines for Reimbursement**

<b><u>QUALIFIED EXPENSE CATEGORIES</u></b>	<b><u>DETAILS</u></b>	<b><u>EXPENSE GUIDANCE</u></b>
<p style="text-align: center;"><b><u>Personal Automobile</u></b></p>	<p><b><u>An employee who is authorized to use his or /her own personal automobile must provide NJSIG with proof of a valid drivers' license and proof of liability insurance in force at the time the business travel occurs and with insurance coverage minimums equal to or greater than those set by New Jersey law.</u></b></p> <p><b><u>Reimbursement may be claimed for any mileage accrued for business purposes, excluding commuting miles between employee's home and primary office location, when using a personal vehicle.</u></b></p> <p><b><u>Travel and Expense Report Form is required for reimbursement at the mileage reimbursement rate established by the IRS and subject to the chart to the right.</u></b></p>	<p><b><u>Mileage reimbursement is based on the prevailing IRS reimbursement rate. Please visit IRS.gov for the most up to date rate.</u></b></p> <p><b><u>If, while using a personal vehicle, business miles exceed 4,999 in one fiscal year, the following maintenance reimbursement schedule will be followed:</u></b></p> <p><b><u>5000-9999 miles: 15% over prevailing rate</u></b></p> <p><b><u>10,000-19,999 miles: 20% over prevailing rate</u></b></p> <p><b><u>20,000+ miles: 25% over prevailing rate</u></b></p> <p><b><u>Effective January 1, 2017, the maintenance reimbursement chart will expire and mileage reimbursement will be based solely on the prevailing IRS reimbursement rate.</u></b></p>

<p><b><u>Parking, Tolls Ferry, or Bus Passes</u></b></p>	<p><b><u>Original receipts are required for parking fees (including airport parking) totaling \$25 or more. The lodging bill can be used as a receipt when charges are included as part of the overnight stay. . No receipts for parking meters are required up to \$10.00.</u></b></p> <p><b><u>Tolls. Original receipts or Ez-pass statements/receipts are required for tolls totaling \$25 or more.</u></b></p> <p><b><u>Miscellaneous transportation. Original receipts are required for taxi, bus, subway, metro, ferry and other modes of transportation if costs are \$25 or more for each occurrence.</u></b></p>	<p><b><u>Original receipts are required for these expenses if any one expense totals \$25 or more.</u></b></p> <p><b><u>Alternate transportation to the airport such as a car service, or cabs will be reimbursed up to the expected total of parking, mileage and tolls should the employee have driven him/herself. Receipts for the alternate transportation are required.</u></b></p>
<p><b><u>Airfare</u></b></p>	<p><b><u>Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs, and book as far in advance as possible.</u></b></p> <p><b><u>For airfare reimbursement an original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.</u></b></p>	<p><b><u>For airplane travel, employees shall travel economy class unless such transportation is not available at which point, employees must discuss options and get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances.</u></b></p> <p><b><u>Additional fees for upgraded seating or any other upgrades must be preapproved or they will not be reimbursed.</u></b></p>

<p style="text-align: center;"><b><u>Rail Transportation</u></b></p>	<p><b><u>NJSIG will reimburse rail transportation provided that the cost does not exceed the cost of the least expensive airfare. or travel in the employees personal vehicle.</u></b></p> <p><b><u>For rail transportation reimbursement an original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.</u></b></p>	<p><b><u>For rail transportation, employees shall travel economy class unless such transportation is not available at which point, employees must discuss options and get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances.</u></b></p>
<p><b><u>Rental Vehicles</u></b></p>	<p><b><u>Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required.</u></b></p> <p><b><u>The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts are required.</u></b></p> <p><b><u>When vehicle rentals are necessary, NJSIG encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. NJSIG will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied.</u></b></p> <p><b><u>Drivers should <del>should</del> must be aware of the extent of coverage (if any) provided by his or her personal auto insurance company for travel that is</u></b></p>	<p><b><u>NJSIG authorizes reimbursement for the most economic vehicle available. In certain circumstances larger vehicles may be rented, with Manager approval. Exceptions should be made only under extraordinary circumstances.</u></b></p>

	<p><u>business or not personal in nature.</u></p> <p><u>Parking fees, tolls and other incidental costs associated with the vehicle use are not covered by the rental agreement but may be covered under this policy. See Parking, Tolls Ferry, or Bus Passes section.</u></p> <p><u>Employees are required to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates. Any service fees or additional fuel rates for failure to fill the tank prior to returning the vehicle will not be reimbursed.</u></p>	
<p><u>Conference Registration Fees</u></p>	<p><u>Conference registration fees are reimbursed as long as they are pre-approved.</u></p>	
<p><u>Lodging (commercial only)</u></p>	<p><u>The cost of overnight lodging (room rate and tax only) will be reimbursed to the employee if the authorized travel is 45 miles or more from the employee's home or primary worksite. Exceptions to this restriction must be approved in writing by your Manager.</u></p> <p><u>NJSIG will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate.</u></p> <p><u>Only single room rates are authorized for payment or reimbursement unless the second party is representing the company in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If</u></p>	<p><u>As a general guideline, room accommodations for travel shall be at rates considered mid-fare or mid-tier among available rates.</u></p>

	<u>reimbursement for more than the single room rate is requested, the name of the second person must be included.</u>	
<u>Meals</u>	<p><u>Per diem and per meal allowances are reimbursable for in-state and out-of –state overnight travel that is 45 miles or more from the employee’s home or primary worksite.</u></p> <p><u>NJSIG per diem and per meal rates are based on the U.S. General Services Administration Guidelines. In addition to meals these rates include incidental expenses such as laundry, dry cleaning and service tips (e.g., housekeeping or porter tips). Incidental expenses, unless specifically cited in this policy, will not be reimbursed.</u></p> <p><u>Per diem reimbursements are based on departure and return times over the entire 24-hour day and are prorated accordingly. If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed.</u></p> <p><u>Receipts are required for per diem and per meal allowances if <del>any single expense exceeds \$25.</del></u></p>	<u>Per Diem meal and incidental expense allowance is up to \$65/day.</u>
<u>Business Meals and Entertainment- Business Meeting expenditures</u>	<p><u>Employees must provide the following information in order to be reimbursed for any business related meals or <del>entertainment</del> business meeting expenditures:</u></p> <ul style="list-style-type: none"> <li><u>Names of individuals present, their titles and company name listed on the receipt or Travel and Expense Report</u></li> </ul>	<u>Employees are expected to provide all information required for business meals and business meeting expenses. Employees are also expected to exercise good judgment to keep these expenses reasonable in</u>

	<p><b><u>Form</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>Name and location of where the meal or event took place</u></b></li> <li>• <b><u>Exact amount and date of the expense</u></b></li> <li>• <b><u>Itemized receipts for all expenditures in excess of \$25.00.</u></b></li> <li>• <b><u>Itemized receipts for meals, in excess of \$5.00.</u></b></li> <li>• <b><u>Alcohol will not be an approved expense only when part of business entertainment.</u></b></li> </ul>	<p><b><u>support of NJSIG's mission to keep more dollars in the classroom.</u></b></p>
<p><b><u>Business Expenses</u></b></p>	<p><b><u>Business expenses, including faxes, photocopies, Internet charges, data ports and business telephone calls incurred while traveling, can be reimbursed.</u></b></p> <p><b><u>Original itemized receipts are required.</u></b></p> <p><b><u>Telephone calls. The costs of personal telephone calls are the responsibility of the individual.</u></b></p>	<p><b><u>Employees are expected to exercise good judgment and balance business need with lowest possible cost when incurring business expenses and making business phone calls.</u></b></p>
<p><b><u>Visa, Passport Fees, and Immunizations</u></b></p>	<p><b><u>If these items are required for international travel, their reimbursement is left to the discretion of your Manager.</u></b></p> <p><b><u>Original itemized receipts are required.</u></b></p>	<p><b><u>Levels of expense may vary but must approved by your Manager</u></b></p>

Review date 01/20/15