

APPENDIX A: EXPENSE POLICY

1.0 Introduction

The purpose of Alliance's Travel and Expense Policy is to establish policies and procedures for travel and expenses incurred while on Alliance business. This section applies to all Alliance staff and any external individuals traveling or incurring expenses for Alliance business purposes unless contractual obligations stipulate otherwise.

Expenses (with the exception of mileage) incurred while participating in optional, or non-mandatory, Alliance affiliated volunteering events are not covered. Expenses for guests unrelated to Alliance business purposes are also not covered.

We should think about travel and expenses as if we were paying with our own money.

By making every effort to minimize expenditures, we demonstrate our commitment to being good stewards of funds, both public and private. Alliance employees should assume that the expenses we incur are subject to scrutiny.

By following the policies and procedures in this document, you will ensure full reimbursement for your expenses while on Alliance business.

Questions and Suggestions

Please direct all questions, concerns or suggestions regarding the Alliance travel and expense policy to your Area Business Manager or the Finance & Accounting team. Your questions and suggestions are welcomed.

2.0 Accountability

To ensure that you are fully reimbursed for all your expenses, you must comply with the policies outlined in this document. Alliance is under no obligation to reimburse employees for expenses that do not comply with these policies.

Important: The budget owner (Principal, Department Head) is responsible for ensuring that employees follow all travel and expense policies.

Important: Itemized receipts are required. Non-itemized receipts are not an acceptable form of proof of purchase.

2.1 Personal Responsibility

Alliance will strictly enforce the policies stated below:

- If you do not follow the policies and procedures, you may not be reimbursed.
- If you do not follow the policies and procedures 3 times in a semester, your privilege to submit expenses will be revoked until the following semester.

2.2 Exceptions to Travel and Expense Policies

There may be rare occasions where an exception to the Alliance travel and expense policy is necessary. To ensure that you are reimbursed for expenses which fall outside of this policy, you must have any exception approved by the Chief Business Officer or Vice President of Finance.

3.0 Reimbursement Process

This section describes the process for submitting your expenses. This process has been designed to balance accountability to stakeholders with a quick turnaround for employees.

To ensure that your expenses are fully reimbursed in a timely fashion, follow the steps in this procedure for documenting and submitting your expenses.

Important: Accounts Payable has the right to reject expense reports which are not correctly assembled or which lack appropriate approval.

3.1 Document Expenses:

Every expense item should have a corresponding itemized receipt and copies of all original receipts should be retained, regardless of amount.

You must also keep copies of the following types of documents:

- For non-local travel documentation of dates, locations, participants and purpose (ex: conference registrations)
- Airline and Train passenger ticket receipts
- Hotel folios

Important: Any expense reports that have missing receipts, approvals or any other required documentation will not be reimbursed until those documents or suitable alternatives are received by Accounts Payable.

3.2 Submit Expenses:

Enter expenses into the web-based system (Coupa) and submit on a monthly basis, or as incurred if expenses are incurred less frequently. Attach all required documentation and include a description of the purpose of the expense.

3.3 Reimbursement Turnaround

Expense submissions will generally be reviewed and approved within two weeks from the date of submission. Once approved, reimbursement will typically be issued within one week.

3.4 Time Limits

Submitting expenses soon after they are incurred allows Alliance to maintain an accurate budget. To ensure that expenses are processed in a timely fashion, you are

asked to submit expenses every month.

Important: Expenses submitted after 60 days of the expense date require the approval of the Chief Business Officer or Vice President of Finance. Alliance reserves the right to not reimburse expenses submitted after 60 days or more.

3.5 Lost Receipts

In instances you have lost the itemized receipt, a non-itemized receipt or credit card transaction history may be submitted. Credit Card transaction history must have clear vendor information.

Note: Each submission will count as a breach in policy, which may occur up to a maximum of 3 times per semester.

4.0 Guidance by Expense Type

4.1 Airline & Train Travel

The general rule is that employees should make every attempt to minimize airline and train travel expenses, where practical. All original receipts and other relevant documentation must be kept and submitted with expense reports.

4.1.1 General Guidelines for Air & Train Travel:

Please be as flexible as is practical when booking air and train travel. This will allow you to arrange for the most cost-effective and appropriate travel option.

Penalties and change fees are typically incurred when changes are made after air travel is booked. Please obtain a flexible fare or wait to purchase a ticket if you anticipate changes to your travel arrangements.

4.1.2 Class of Service

All air and train travel is to be booked in Coach Class unless contractually obligated.

4.1.3 Required Documentation for Airline & Train Travel

Proper documentation of air travel and air travel expenses is essential if you are to receive full and timely reimbursement of your expenses. Please retain and attach the airline or train ticket receipts to your expense report.

4.2 Ground Transportation

Ground transportation policies cover the use of rental cars, taxis, ride sharing, car services, parking, and the business use of personal employee vehicles. Once again, the general rule is that employees should make every attempt to minimize these expenses, where practical. All original receipts and other relevant documentation must be kept and submitted with expense reports.

Important: Parking and commuting costs for employees on normal day-to-day business are not reimbursable. Reimbursable expenses are only for expenses that are beyond the

NOTE: Transportation to and from airports is provided free of charge by most major hotels. When such service is not available, the most economical, reasonable mode of transportation should be used.

4.2.1 Car Rentals

The use of rental cars is acceptable when it represents the least costly transportation available.

NOTE: Negligent acts such as operating under the influence, allowing a driver who is not listed with the rental agency, traffic violations, etc. may subject the employee to disciplinary action and/or personal expense.

4.2.2 General Guidelines for Car Rentals

When renting a vehicle, please keep to the following general guidelines:

- Reserve intermediate/mid-sized cars when less than three people are traveling together. When three or more people are traveling together, you may reserve a full-size car.
- To avoid drop-off surcharges, rental car pick-up and drop-off should be at the same location whenever possible.
- To avoid refueling surcharges, please refuel rental cars before returning them to the rental office.

4.2.3 Rental Car Insurance

When renting a vehicle, please purchase full liability and comprehensive coverage through the rental car company.

4.2.4 Rental Car Claims

In the event that you are in an accident, or if the car you have rented is vandalized or stolen, you must process the claim as soon as possible. You will need to take the following steps:

- Report the accident to the police and file a police report. Make sure to keep a copy of the report.
- Notify the Principal or your direct manager on the assignment.
- Contact Human Resources and Operations and forward them a copy of the rental car agreement, with a description of the incident and the date, time, city, state, and location where it occurred.

NOTE: In the event of a claim, the deductible per the rental car policy will be charged to the school or department.

4.2.5 Required Documentation for Rental Cars

Proper documentation is essential if you are to receive full and timely

reimbursement of your expenses.

Please retain the following rental documentation and attach it to your expense report:

- Itemized receipt and proof of full liability and comprehensive coverage (for example, car rental agreement)

4.2.6 Taxis and Ride Sharing Services

Taking taxis and ride sharing services while on business activities is a reimbursable expense. Expenses incurred that are not business related will not be reimbursed.

Note: Cancellation fees are not reimbursable expenses.

4.2.7 Gratuities

Gratuities for taxis and ride sharing services should not exceed 20% of the pre-tax bill, and should be in line with local customs. Tips should not exceed 20% of the pre-tax bill.

4.2.8 Required Documentation for Taxis and Ride Sharing

Proper documentation is essential if you are to receive full and timely reimbursement of your expenses.

Please retain the following rental documentation and attach it to your expense report:

- Receipt for Taxi or Ride Sharing Trip

4.2.9 Use of Personal Vehicle

There are occasions when it is most convenient and acceptable for an employee to use his or her personal vehicle for business travel. On such occasions, Alliance will reimburse you based on the distance driven, calculated at the standard Internal Revenue Service rate. The reimbursable amount is only for the distance driven that is beyond the normal and expected commute. Mileage incurred for normal day-to-day business activities are not allowed.

Employees must carry, at their own expense, the minimum insurance coverage for property damage and liability. It is recommended for employees to obtain prior supervisory approval to ensure mileage will be reimbursed.

4.2.10 Calculating Reimbursable Mileage

Follow the below steps to determine the reimbursable mileage amount:

1. Determine the round trip distance between your home and primary location of employment
(E.g. Regular commute is 5 miles each way, 10 miles total)
2. Determine the distance for the total mileage you drove for Alliance business purposes

3. Subtract #1 from #2 to determine reimbursable miles
(E.g. 15 miles – 10 miles = 5 miles are reimbursable)

A copy of mileage between LA Alliance work sites is available for reference.

For employees without a vehicle, ride sharing services can be used with supervisor approval. Please note, taxis and ride sharing for an employee's regular commute between home and primary location of employment is not reimbursable. Only mileage traveled in addition to this regular commute is reimbursable.

4.2.11 Required Documentation for Reporting Mileage

To claim business use of your personal car, you will need to provide the following:

- Total reimbursable miles
- A brief itinerary of travel

4.2.12 Parking and Tolls

Fees for parking, bridge and highway tolls, ferries, etc. incurred while driving a rental car or personal vehicle on Alliance business, outside the scope of every day work activities, are reimbursable. This includes hotel parking when staying at a hotel on Alliance business.

NOTE: Please avoid valet parking where possible.

4.2.13 Required Documentation for Parking and Tolls

Proper documentation is essential if you are to receive full and timely reimbursement of your expenses.

Please retain the following rental documentation and attach it to your expense report:

- Receipt or Invoice for Parking and Tolls

4.2.14 Fines

Parking fines and other fines involving the use of a motor vehicle are not reimbursable expenses.

4.3 Hotel and Accommodation

Travelers should use standard accommodations, not luxury hotels. The traveler is reimbursed for actual reasonable expense of lodging; supporting receipts must be obtained. When investigating lodging costs, the traveler should inquire about education/corporate discounts.

Important: When selecting a hotel, the total expected cost of hotel and travel should be calculated to determine the most cost effective option.

4.3.1 Allowable Rates

The maximum allowable base rate (not inclusive of other taxes, fees, etc.) for a hotel is outlined below, unless a formal exception is granted by the Principal or Home Office Budget Owner. Exceptions must be supported with documentation showing no availability at lower rates within a 10 mile radius of the intended destination.

Maximum Allowable Rate

\$200/Night	\$250/Night	\$300/Night
Houston New Orleans	Los Angeles AND All Other Locations	Chicago New York San Francisco Seattle Washington D.C. AND Conference Specific Hotels

4.3.2 Room Guarantees and Cancellations

As with airline ticket policies, it is important that you are familiar with the specific check-in, change and cancellation policies of your hotel reservation. This will avoid unexpected cancellations or no-show billings.

As a general rule, all hotel reservations should be guaranteed for late arrival unless you have specified otherwise. While late arrival policies provide the flexibility of a late check-in, you should be aware that if you do not cancel by the time specified in the hotel itinerary (usually 4 p.m. or 6 p.m. on the day of arrival) and you do not check-in to the hotel, you will be charged for the room.

Important: Always request and retain a cancellation number for your records.

4.3.4 To avoid a no-show billing

You are responsible for canceling your hotel reservation if a change in travel plans occurs and your hotel reservation is no longer required. No-show charges are reimbursable only under extraordinary circumstances. The deadline for cancellation will be noted in your hotel itinerary and is based on the local time at the hotel.

To avoid a no-show billing:

- Check your itinerary for special cancellation conditions. Normally, 4:00 p.m. to 6:00 p.m. on the check-in date is the deadline for canceling without a charge.
- Cancel by the method used to acquire the hotel reservation.

- If you cancel with the hotel directly, obtain a cancellation number and/or the name of the person at the hotel who cancelled the reservation. Include the date and time you cancelled it.

4.3.5 Required Documentation for Hotel Expenses

Proper documentation of hotel and related accommodation expenses is essential if you are to receive full and timely reimbursement of your expenses.

Please retain the following documents and attach them to your expense report:

- Itemized hotel folio
- Documentation to support a nightly rate greater than specified above (*optional*)
- Approval for a nightly rate greater than specified above (*optional*)

Please note and subtract any non-reimbursable charges, such as in-room movies or mini-bar purchases, from the hotel folio when submitting it with your expense report.

Meals and Entertainment

The traveler is reimbursed for actual reasonable meal expenditures if attending an event or conference related to Alliance. Detailed, itemized receipts are requested for all expenditures; summary receipts will not be accepted or reimbursed.

Important: Alcohol is not a reimbursable expense. If alcohol is ordered as part of a meal, it must be on a separate receipt.

NOTE: When all or a portion of the meals are covered by a registration fee, daily meals should not be submitted for reimbursement.

4.4 General Meal and Entertainment

The maximum allowable expense for each day is \$50. Guidelines for expenditures for each meal are detailed below. \$50 is the maximum reimbursable amount, not the cash disbursement amount.

- Breakfast \$10
- Lunch \$15
- Dinner \$25

4.4.1 Gratuities

Gratuities included on meal receipts are reimbursable and are included in the allowable limits and should be in line with local customs. Tips should not exceed 20% of the pre-tax bill.

4.4.2 Required Documentation for General Meals and Entertainment

When submitting meal expenses the following documentation is required. Each meal must be documented separately when requesting reimbursement.

- Original receipts from restaurant or other venues at which expense was incurred
- Names of Alliance personnel who attended
- Names of guests including names of companies, organizations, etc. with which they are associated
- A short description of the business purpose of the meal or event

NOTE: Restaurant tear tabs are not acceptable forms of receipts unless accompanied by an explanation of what happened to the original. If a satisfactory receipt is not available, a signed statement should be provided explaining the reason for the lack of receipt and a list of all information that would have been included on the receipt (payee, date, location, attendees, company name, nature and amount of expense).

4.4.3 Employee Only Events

Occasionally Alliance will organize special meetings with employees. Examples include professional development and team building events or other organized outings involving employees.

Important: For all employee only events employees are recommended to seek **advance** approval by senior management.

If the appropriate approvals are not obtained in advance of the event, Alliance reserves the right to reject the expense claims.

4.5 Spending Guidelines

Note the following guidelines regarding Employee Only Events:

- Employee only events will be subject to the cap of \$17 per person/per meal for lunch or dinner and \$12 per person/per meal for breakfast, or to the amount allowed by the funding source, whichever is lower. A list of attendees must be provided for each event to ensure that the expenditure does not exceed allowable limits.
- For any charge related to an event in which a contract will be signed between Alliance, any Alliance School and another party (e.g. a hotel) and a deposit or advanced installment payments are required, a check request should be sent to Accounts Payable rather than paid on personal credit or debit card.

4.5.1 Documentation Required for Employee Only Events

When submitting snack expenses the following documentation is required:

- Original receipts
- Event name, purpose/description, and date
- Names of Alliance personnel who attended

Conferences, Training, and Memberships

Alliance encourages our employees to further strengthen their skills by pursuing personal development and training opportunities.

The following section describes what training and membership opportunities and subscriptions are reimbursable.

4.5.2 External Training

Alliance encourages employees to obtain relevant training. As with any expense supervisor approval is required for reimbursement for external training. Employees are recommended to seek pre-approval from Principals or Home Office Budget Owners prior to incurring the expense to ensure approval will be granted.

NOTE: Employees that voluntarily leave within 12 months of any external training may be required to reimburse Alliance.

4.5.3 Required Documentation for External Training

To ensure full reimbursement for expenses incurred while on an external course, you must include the following in your expense report:

- All original receipts for expenses incurred while on the course.
- Proof of attendance or completion of the training (e.g. conference agenda or completion certificate)
- Description of the purpose of the external training

4.5.4 Membership Fees

Alliance encourages employees to become members of educational organizations that provide support services to schools. As with any expense supervisor approval is required for reimbursement for membership fees. Employees are recommended to seek pre-approval from Principals or Home Office Budget Owners prior to incurring the expense to ensure approval will be granted.

4.5.5 Required Documentation for Membership Fees

To ensure full reimbursement for expenses incurred, you must include the following in your expense report:

- Receipt or invoice for membership
- Description of the purpose of the membership

NOTE: Employees that voluntarily leave within 12 months of joining an educational organization may be required to reimburse Alliance.