

FIN-PROC-01: Expense Reimbursement Procedures

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Foreword

The Board of Directors (BoD) of INCOSE recognizes that board members, officers, and INCOSE Representatives (“Personnel”) of INCOSE may be required to travel or incur other expenses from time to time to conduct business and to further the mission of this nonprofit organization. The purpose of these procedures is to ensure that:

- (a) adequate cost controls are in place,
- (b) travel and other expenditures are appropriate, and
- (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel.

It is the policy of INCOSE to reimburse only reasonable and necessary expenses actually incurred by Personnel (see: FIN-102, Travel Policy).

The BoD recognizes that because of the international constituency of INCOSE, certain cultural distinctions may require a different application of procedures below. If that appears to be the case, it is encouraged that the distinction be addressed and accommodated prior to incurring the expense with Line Item Owner. Any questions about travel expenses should be sent to INCOSE Central before travel takes place. The INCOSE Treasurer will resolve any disputes that may arise from expenses not approved by INCOSE Central.

When incurring business expenses, INCOSE expects Personnel to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend INCOSE money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent.
- Check with Budget Line Item Owner before incurring the expense, using the FIN-FORM-01, Travel Request Form.

Document Change History

The following table identifies each version or issue of this document and provides a description of the purpose or reason for the change. Performing a document comparison between any two versions of this document can identify detailed change differences.

Version	Date	Comment
1.0	13 FEB 2020	Initial Release
TBD		

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1.0 Scope

1.1 Purpose

The Board of Directors (BoD) of INCOSE recognizes that board members, officers, and INCOSE Representatives (“Personnel”) of INCOSE may be required to travel or incur other expenses from time to time to conduct business and to further the mission of this nonprofit organization. The purpose of this procedure is to ensure that:

- (a) adequate cost controls are in place,
- (b) travel and other expenditures are appropriate, and
- (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel.

It is the policy of INCOSE to reimburse only reasonable and necessary expenses actually incurred by Personnel (see: FIN-102, Travel Policy).

1.2 Objectives

The purpose of this procedure is to provide guidelines for uniform application of expense reimbursement practices.

2.0 Definitions

None; this policy uses generally accepted terms for expense reimbursement. Specific clarifications are provided at point of use, if needed.

3.0 Responsibilities

Responsible:

- Chief of Staff
- Operations Manager

Accountable:

- Treasurer

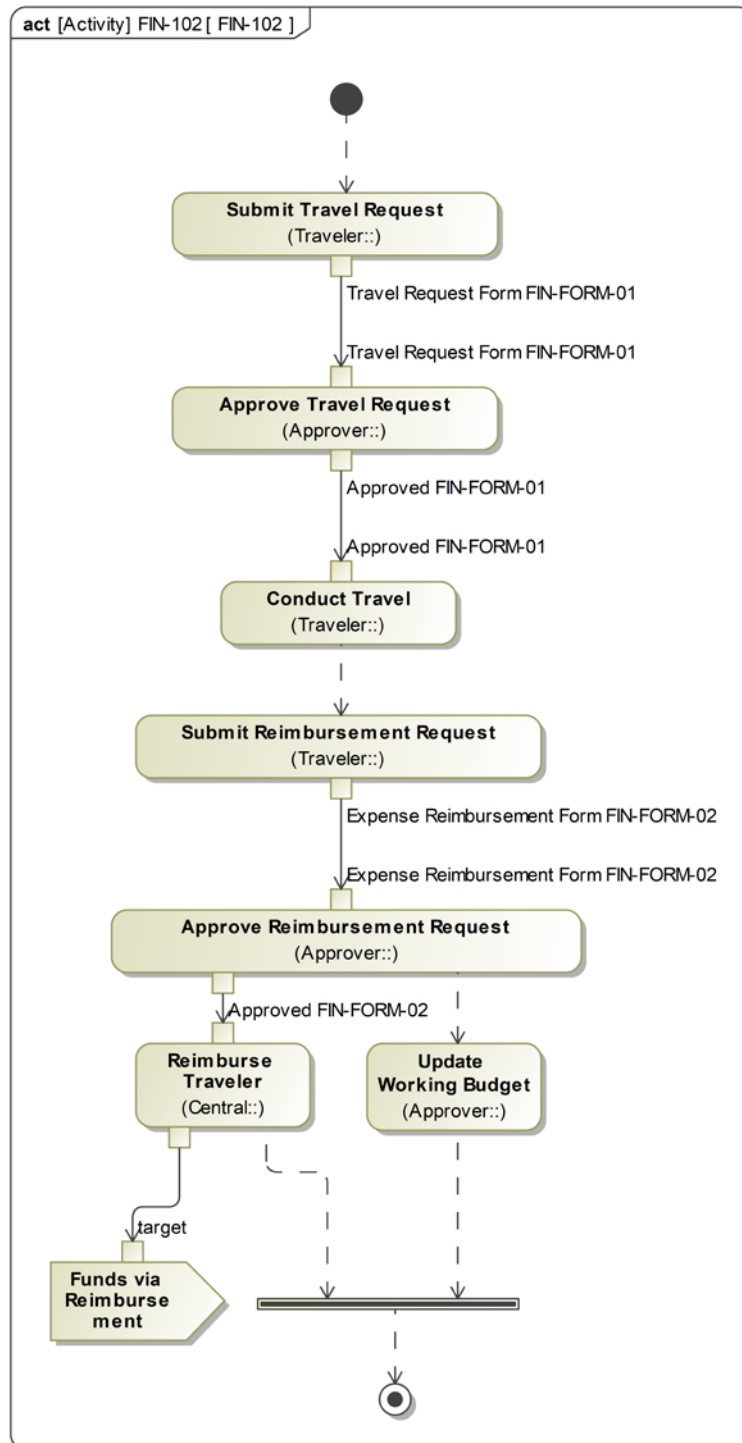
Consulted:

- Technical Director
- Deputy Technical Director
- Sector Directors: Americas /Asia-Oceania/EMEA

Informed:

- Director for Outreach
- Policy Management Committee Chair
- Associate Director for Events

4.0 Process Information



From FIN-102 Appendix A.

5.0 Expense Reimbursement

5.1 Expense Reimbursement Form

Expenses will not be reimbursed unless the individual requesting reimbursement submits [FIN-FORM-02 – Expense Reimbursement Form](#) (ERF). The ERF should be submitted within two weeks, or as soon as possible, of the completion of travel and must include:

- The individual's name and mailing address;
- If reimbursement for travel is requested, the date, origin, destination and purpose of the trip, including a description of each organization-related activity during the trip;
- The name and affiliation of all people for who expenses are claimed (i.e., people on whom money is spent (e.g., gifts, meals) in order to conduct INCOSE's business);
- An itemized list of all expenses for which reimbursement is requested.

The ERF must be submitted with approval by INCOSE Budget Line Item Owner. The form may be submitted by email/fax/scan or hard copy. Payment will be made within 30 days of receipt of completed form.

Reimbursement will be based upon current INCOSE policies. Receipts must be attached to the ERF for lodging, common carrier transportation, and receipts for any other authorized expenses

All members may send fax or email/scan copies of receipts; US members may also send hard copies if done in a timely manner.

5.2 Receipts

Receipts are required for all expenditures billed directly to INCOSE. No expenses will be reimbursed to Personnel unless the individual requesting reimbursement submits with the Expense Report written receipts from each vendor showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable). A credit card receipt or statement may be used to document the vendor and date of an expense, provided other required details of the expenditure are fully documented.

5.3 Organization Credit Cards

If a corporate credit card is issued to personnel for travel (and other) organization-related expenses, the requirements for regular expense reports, explaining charges, as described above under "Expenses Reports" must still be met, and charges may not be made for "Non-Reimbursable Expenditures" as described below. Failure to meet the Expense Report requirements or making of inappropriate charges will result in loss of the credit card.

Specific INCOSE requirements for General Travel are established by INCOSE Policy FIN-102, Travel Policy, and controlled by the Budget and Planning Committee.

6.0 Travel

6.1 General Travel Requirements

Necessity of Travel: In determining the reasonableness and necessity of travel expenses, Personnel and the person authorizing the travel should consider the ways in which INCOSE will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations should be taken into account in deciding whether the benefits to INCOSE outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, should be considered.

Personal and Spousal Travel Expenses: With advance approval from [designated officer or director], individuals traveling on behalf of INCOSE may incorporate personal travel or business with their INCOSE-related trips; however, Personnel shall not arrange INCOSE travel at a time that is less advantageous to INCOSE or involving greater expenses to INCOSE in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by INCOSE. Expenses associated with travel of an individual's spouse, family or friends will not be reimbursed by INCOSE.

6.2 Air Travel

General: Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares. Coach fares are to be selected at the non-refundable rates rather than the fully or partially refundable rates. Fares that included baggage are acceptable, as well as the associated baggage fees for fares that do not include baggage. Reimbursement can only be provided for coach/economy travel. Personnel that arrange for business or first class travel will only be compensated at the cost of an equivalent coach ticket for the same trip on the same dates. If the higher class of fare is selected, a print-out or screen capture for the cost of lowest logical coach fare on the same date of purchase must be submitted for reimbursement, which will be made in that amount. Any upgrade to a class higher than coach/economy must only be done at the traveler's own expense; no reimbursement will be made.

Frequent Flyer Miles and Compensation for Denied Boarding: Personnel traveling on behalf of INCOSE may accept and retain frequent flyer miles and compensation for denied boarding for their personal use. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles, if less expensive comparable tickets for logical routing are available on another airline.

6.3 Lodging

General: Personnel traveling on behalf of INCOSE may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary should be considered in determining reasonableness. Personnel should make use of available corporate and other discount rates available to them for all expenses, when possible, except as noted herein.

Lodging in connection with INCOSE events: Staying at a specific hotel or hotel chain due to loyalty programs is not an acceptable reason to pay a higher rate. If the travel is incurred to support

an INCOSE event, then the lodging must be made at the hotel of the event and at the lowest negotiated rate by INCOSE, or lowest rate for which INCOSE will receive credit towards the required number of room nights. Lodging for an INCOSE event will not be reimbursed for a different hotel than is under contract with INCOSE, unless the event hotel is sold out. Also, INCOSE will only reimburse the individual for up to the amount of the lowest negotiated rate. If the negotiated rate at the event hotel is no longer available (either met the limit or past the deadline), then the next lowest available rate should be selected. Any question on the rates should be directed to the event coordinator. If the event hotel is sold out, then a comparable priced hotel should be selected and coordinated with the budget line item owner who will review and approve the expense report.

6.4 Out-Of-Town Meals

Although the cost of meals and incidental expenses varies widely, an amount of \$75.00 per full calendar day is, in general, considered adequate under normal circumstances. It is not to be considered a fixed amount per day, but rather an “actual and reasonable” approach that requires reporting of each meal and incidental expenses and including the associated receipts. Amounts in excess of this should be explained on the traveler's report and will only be reimbursed if deemed reasonable and justified.

6.5 Ground Transportation

INCOSE Representatives are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, in this order of desirability:

Courtesy Cars. Many hotels have courtesy cars, which will take you to and from the airport at no charge. INCOSE Representatives should take advantage of this free service, whenever possible. Another alternative may be a shuttle or bus.

Taxis: When courtesy cars and airport shuttles are not available, a taxi or similar (Uber, Lyft, or other) is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved.

Rental Cars: Car rentals are generally the most expensive, so other forms of transportation should be considered when practical. INCOSE Representatives will be allowed to rent a car while out of town provided that the cost is less than alternative methods of transportation or if there are safety concerns with other forms of transport. If the INCOSE traveler will need to attend off-site meetings, then the traveler should consider the alternative costs of a rental car versus taxis to decide if a rental car is needed; INCOSE concurrence is not needed. Corporate and discount rates should be used wherever possible. Most major credit cards carry automatic insurance when renting cars. INCOSE representatives should take advantage of that and use a major credit card or, if another method of payment is used, rely on her/his own personal auto insurance policy. If the INCOSE representative has no other insurance, rental car insurance will be reimbursed. Also see 8.3 Insurance Provided by INCOSE.

Trains: Personnel should make use of discount and corporate rates. For travel between nearby cities, trains are often more economical than flights. In these situations, train transportation should be considered.

6.6 Personal Cars

Personnel are compensated for use of their personal cars when used for business. When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved US Government rate per mile or equivalent, adjusted for international currencies, as shown in:

<https://www.irs.gov/tax-professionals/standard-mileage-rates>.

In the case of individuals using their personal cars to take a trip that would normally be made by air or train, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round trip coach/economy airfare or train fare. In cases which include over 200 miles or 320 kilometers in total, a print-out or screen capture for the cost of lowest logical coach fare (air or train) on the same date of purchase must be submitted for reimbursement, which will be made in that amount.

6.7 Parking/Tolls

Parking and toll expenses, including charges for airport and hotel parking, incurred by Personnel traveling on INCOSE business will be reimbursed. The costs of parking tickets, fines, car washes, etc., are the responsibility of the individual and will not be reimbursed. Some services, such as valet parking, may be reimbursed in cases where they are the only option.

On-airport parking is permitted for short business trips. For extended trips, Personnel should use off-airport facilities.

7.0 Entertainment and Business Meetings

Recognizing that INCOSE is an international organization and that there may be cultural distinctions regarding what is considered an entertainment expense, reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by [Budget Line Item Owner] of INCOSE and, for US members, these qualify as tax deductible expenses. Detailed documentation for any such expense must be provided, including:

- Date and place of entertainment;
- Nature of expense;
- Name, titles, and corporate affiliation of those entertained;
- A complete description of the business purpose for the activity including the specific business matter discussed;
- Vendor receipts (not credit card receipts or statements) showing the vendor's name, a description of the services provided, the date, and the total expenses, including tips (if applicable);

- Pre-approval authority and date that it was approved.

8.0 Other Expenses

8.1 Telecommunications

Reasonable INCOSE-related telephone and fax charges due to absence of Personnel from the individual's place of business are reimbursable. For significant costs, receipts are required, as well as explanation of the need for the cost, including lack of other mode non-cost modes for communicating.

8.2 Gratuities

Reasonable and necessary gratuities that are not covered under meals, lodging or transportation may be reimbursed.

8.3 Insurance Provided by INCOSE

INCOSE has insurance coverage for the following:

- Auto insurance that covers all optional insurance coverage (liability and collision damage waiver (CDW)) when renting an automobile in the USA only on INCOSE business. Under these circumstances, all optional coverage should be rejected.
- INCOSE liability protection, in the event that an insured driver uses his/her car in the USA only on INCOSE business and INCOSE is sued as a result.

In the event that a driver incurs expense, a full record of the incident should be provided to INCOSE to allow assessment of the incident and reimbursement of the expense where appropriate.

8.4 Trip Travel Insurance

Trip travel insurance may be charged to INCOSE. This is the cost of the pre-purchased trip travel insurance that typically covers some or all of the following items:

- Cost of non-refundable tickets when traveling on INCOSE business if travel is precluded.
- Provision of emergency medical evacuation to a major city for a medical emergency when traveling on INCOSE business.
- Life insurance when traveling on INCOSE business, if this is not covered by personal by personal life insurance. Note: Typical personal life insurance policies provide coverage regardless of the travel requirements; please check your personal insurance coverage before taking out this coverage as part of trip travel insurance
- Property coverage for damage to luggage when traveling on INCOSE business.
- Lost luggage, if this is not covered by homeowner insurance when traveling on INCOSE business. Note: Homeowner insurance in the USA usually covers lost baggage; please

check your personal insurance coverage before taking out this coverage as part of trip travel insurance.

- Optional auto insurance when driving outside the USA on INCOSE business, if this is not covered by the driver's personal insurance or by the credit card used to rent the car.

9.0 Non-reimbursable Expenditures

INCOSE is a non-profit organization and, as such, seeks to preserve revenue for program expenditures, therefore, it maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed. Expenses that are not reimbursable include, but are not limited to:

- First/Business/Premium Economy class tickets or upgrades;
- Fully refundable fares (non-refundable should be used);
- When lodging accommodations have been arranged by INCOSE and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated by INCOSE. If alternative lodging is required because the INCOSE arranged travel is no longer available through no fault of the traveler, then reimbursement will be made at the rate of the alternative lodging; the traveler should take advantage of any available discounts, e.g., AAA, AARP, etc. Reimbursement shall not be made for transportation between the alternate lodging and the meeting site;
- Lodging upgrades beyond a standard single room;
- Limousine travel;
- Entertainment or alcohol: including movies (theater or in-room), theatrical shows, concerts, liquor, or bar costs;
- Membership dues or daily entry fees at any airline lounge, country club, private club, athletic club, golf club, tennis club or similar recreational organization;
- Purchase or rental of golf clubs or any other sporting equipment or associated services or instruction;
- Spa or exercise charges, including fees for facility access, instruction, or therapy;
- Clothing purchases or purchase of any personal items;
- Business conference, seminar, workshop, or meeting fees which are not approved by a [designated officer or director] of INCOSE;
- Valet service (except as noted above for restaurant parking);
- Car washes, repairs or other services;

- Fines, traffic tickets, parking tickets, or citations;
- Toiletry articles;
- ATM surcharges, bank fees, or credit card fees (except for foreign currency exchange);
- Additional expenses for spouses, friends, or relatives. If a spouse, friend or relative accompanies Personnel on a trip, it is the responsibility of the Personnel to determine any added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request;
- Laundry expenses will not be covered unless for extended trips of more than one week. Since hotels can charge high fees, reasonable use of this amenity is expected;

References

REF-1 INCOSE Policies

FIN-102: Travel Policy – 29 January 2020

REF-2 INCOSE Procedures, Templates, and Forms

FIN-FORM-01: Travel Request Form

FIN-FORM-02: Expense Reimbursement Form

REF-3 Other References

None