

SUPPLIER TRAVEL EXPENSE POLICY

(Excerpts of Salk Policy Applicable to Institute Suppliers)

Policy Statement

This policy applies to employees of suppliers of The Salk Institute who are required to travel in support of an awarded contract or purchase order and is intended to:

- provide a clear and consistent understanding of the Institute's travel expense reimbursement policy and procedures
- explain requirements that promote the reasonableness of costs incurred by the Institute for travel expense
- ensure compliance with applicable federal regulations and sponsor terms.

The Institute appreciates the efforts of those who travel on Institute business to keep costs within reasonable limits and to follow consistent policy and procedures with respect to the reimbursement of these expenses. The provisions of this policy must be applied consistently to all travel expenses incurred by individuals in support of Institute business, regardless of the source of funding for the travel.

The Institute's travel expense reimbursement program meets the Internal Revenue Service (IRS) definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not reported as taxable income to the individual, except as specifically noted.

Please refer to the specific contract/ purchase order terms and conditions regarding insurance, liability and indemnification.

Enforcement

The Institute assumes no obligation to reimburse individuals for expenses that are not in compliance with this policy. Suppliers who do not comply with this policy may be subject to a delay or withholding of reimbursement.

Reimbursable and Non-reimbursable Expenses

Allowable travel expenses include transportation, lodging, subsistence, and the cost of related items incurred by individuals when such expenses are attributable to specific work under an awarded contract or purchase order.

The following expenses are not reimbursable under this policy:

- The value of tickets purchased with frequent flier miles
- The value of free accommodations awarded in connection with hotel frequent guest programs
- Personal grooming services (e.g. barbers, hairdressers, shoe shines)
- Insurance for domestic travel (to cover personal or rental vehicles)
- Child care
- Credit card delinquency fees or finance charges
- Dues or fees for private clubs

- Airport airline club memberships
- Value of frequent flier and other similar awards for hotel and car rentals
- Fitness center and recreational fees (including massages and saunas)
- In-room entertainment (movies, games, etc.)
- Insurance (e.g., life insurance, travel insurance, baggage insurance)
- Laundry or valet service for travel of fewer than five (5) days
- Replacement costs for lost luggage
- Loss or theft of cash advances, airline tickets, personal funds or property
- Parking tickets or other traffic violations
- Personal automobile repairs or maintenance
- Personal credit card annual fees
- Personal telephone charges in excess of reasonable calls home, generally one per day
- Pet care
- Snacks, cigarettes, and other personal purchases while traveling
- Upgrades for air, hotel, car, etc. (Principal Investigators may use funds from their discretionary accounts for these items.)
- Personal telephone calls made from air phones or rail phones.
- Fees charged for renting cellular/car phones or personal cell phone use while traveling.

Responsibilities

Traveler on behalf of the Supplier

The traveler is responsible for complying with this policy and the related procedures.

Travelers should spend Institute funds prudently. Business travel expenses will be paid by the Institute only if they are reasonable, necessary and in accordance with this policy. Individuals who incur business travel expenses should neither gain nor lose personal funds as a result of their travel.

The traveler is responsible for submitting a detailed invoice referencing the appropriate purchase order or contract number and all required supporting documentation to the project manager or person with authority to approve the travel expenses for reimbursement to the supplier. In addition to details concerning expenses incurred, the documentation must show the dates of departure and return, as well as the destination and purpose of travel. The invoice must be accompanied by required documentation for the travel expenses and must be submitted within 30 days after expense was incurred.

The following documentation for reimbursable travel expenses must accompany the invoice:

- All ticket receipts for air and long distance rail or bus travel must include dates, destinations and amounts paid
- Receipts for lodging – traveler name, location, dates, and line item detail for charges
- Receipts for meals including the – traveler name, time, place and line item detail for charges
- Receipts for taxis are generally not required but are useful if the amount is unusually high, please ask the driver for a receipt

Incidentals, such as gratuities, must be reasonable and detailed by the date incurred but need not be supported by receipts.

Invoices complete with required documentation must be signed by the individual traveler and the Salk employee authorized to approve expenditures being charged. The Salk employee will submit the

approved invoice to the Accounting Department with the supporting documentation for processing and payment generally within one week of receipt by Accounts Payable.

Modes of Transportation

This section contains information on reimbursable transportation expenses. See Travel Charged to Grants and Contracts for additional information regarding travel funded by sponsored projects.

Air Travel

Travelers must purchase the lowest-priced tickets available using a commercial discount airfare or customary standard (coach or equivalent) airfare.

Exceptions may be allowed if the lowest-priced fare would:

- require circuitous routing or more than one additional interim stop each way (two additional stops for foreign travel);
- require departure/arrival time more than two hours before or after the requested time (three hours for foreign travel) or require travel during unreasonable hours;
- increase the one-way total elapsed trip time (origin to destination) by more than two hours (three hours for foreign travel);
- result in increased costs that would offset transportation savings;
- result in savings of less than \$100 per trip;
- be inadequate for the medical needs of the traveler.

The following types of low fare alternatives will be considered in determining the lowest logical airfare:

- specially-negotiated fares
- non-refundable fares
- penalty fares
- advance purchase fares
- connecting and one-stop flights
- off-peak flights
- alternate airports

Travelers should make reservations as soon as travel plans are finalized to obtain advance purchase discounts. When convenient, travelers should consider staying over on a Saturday night, which could result in airfare savings of more than 40%. The Institute will reimburse travelers for additional meals and lodging associated with a longer stay only if such costs are **less than** the airfare savings resulting from an earlier arrival or later departure.

First class or charter travel expenses that will be paid for by the Institute are not permitted.

Payment by the Institute for travel of companions that are not employees of the supplier and/or not required for the business purpose outlined in the contract or purchase order is not permitted.

Upgrades

Upgrades will not be reimbursed. A free upgrade must be noted on the documentation to demonstrate that the Institute did not pay for the upgrade.

Frequent Flier Programs

The Institute does not reimburse travelers for tickets purchased with frequent flier miles.

Travelers may retain frequent flyer program benefits if allowable by their employer. However, participation in these programs must not influence flight selection which would result in incremental cost to the Institute beyond the lowest available airfare, as defined in this policy.

Airport Airline Club Memberships

The Institute will not pay dues for membership in airline clubs.

Overnight Delays

Should an airline delay necessitate an overnight stay, the traveler must first attempt to secure complimentary lodging from the airline. If unsuccessful, reasonable expense for lodging will be reimbursed.

Cancellations

When a trip is canceled after the ticket has been issued, the traveler should inquire of the airline about using the same ticket for future travel. Travelers can typically use the airline tickets if:

- traveling on the airline within one year and
- certain airfare eligibility requirements are met.

Unused/Voided Airline Tickets

Unused airline tickets or flight coupons must be submitted to Salk in order to determine if a refund may be obtained.

Excess Baggage Fees

Charges for excess baggage are reimbursable only when the traveler is transporting Institute materials or when the extended period of travel necessitates excess personal baggage.

Rental Cars

Salk generally discourages the use of rental cars and prefers the use of public transportation whenever possible. The Institute will reimburse the traveler for the cost of renting a compact or standard-size car and for the automobile-related expenses if use of the rental vehicle is the most economical mode of transportation. Please contact Salk for information on their discount programs with the various car agencies before booking. The traveler should consider shuttle services and taxis, particularly for transportation between airport and lodging and lodging and the Salk Institute or other designated work area; if a rental car is deemed the best means of transportation please contact Salk for instruction on how to utilize their discounted contract rates with the various car rental agencies.

Upgrade to a full-size car is acceptable in the following circumstances:

- Supplier must send two or more of its employees to perform the services

- compact or standard-size cars are not available (typically the rental car agency will provide an available car at the original rental price in these circumstances – please ask)
- traveler can be upgraded at no additional cost
- traveler is transporting excess baggage to perform services required by Salk
- pre-approved medical reasons (i.e., drivers with disabilities)

The reason for an upgrade must be documented on the receipt and/or invoice.

Mileage is not reimbursable for rental cars. In these cases, the direct cost of gasoline may be reimbursed.

Suppliers are required to provide insurance coverage for their employees traveling on business.

Other Ground Transportation

Travelers should select the most cost effective means of ground transportation, whether shuttle, taxi, Lyft or Uber, as needed to travel between business locations.

Other Forms of Transportation

For travelers using railroads, non-local buses or other commercial vessels, the Institute will pay the cost of the lowest first-class accommodations available for the trip. Reimbursement will not exceed the commercial airfare that would be reimbursable for the same trip.

Lodging

The Institute will reimburse a traveler for allowable lodging expenses incurred during Institute-related travel. Lodging receipts are required. Meals and incidentals on lodging receipts must be itemized separately (see Meals and Incidentals). A lodging receipt must include all of the following information:

- name and location of the lodging establishment
- dates of stay
- separate amounts for charges such as lodging, meals and telephone calls

A traveler may accept a room upgrade to a suite or an executive floor room if the upgrade is at no additional cost to the Institute.

Deposits and Cancellations

Hotels normally hold a room without prior financial commitment until approximately 6:00 p.m. on the check-in date (local destination time). In order to hold a confirmed reservation beyond that hour, the hotel will generally require an advance deposit (normally prepayment for one night) or a guarantee by the traveler's credit card. After a deposit is submitted or a guarantee is made, the traveler is responsible for notifying the hotel of cancellation. The traveler will not be reimbursed for the deposit or guarantee penalty if he/she fails to make a cancellation notification unless there is extreme extenuating circumstances beyond the control of the traveler (for example, a canceled flight). Such circumstances must be documented on the invoice and receipts.

Hotel Frequent Guest Programs

Travelers will not be reimbursed for free accommodations awarded in connection with hotel frequent guest programs.

Other Expenses

Laundry

Travelers will be reimbursed for reasonable and actual expenses for laundry services that are necessary due to an absence from home for five or more consecutive nights or when unusual and documented circumstances mandate these services. These circumstances should be included on the invoice and receipts provided.

Telephone

Travelers will be reimbursed for telephone, fax and computer connection costs that are reasonable and necessary for conducting Institute business.

Travelers will not be reimbursed for any personal telephone calls made from air phones or rail phones. In addition, travelers may not rent cellular phones or purchase minutes on car phones. Personal cell phone use while traveling will not be reimbursed.

Meals and Incidentals

The Institute will reimburse a traveler for reasonable and necessary meal and incidental expenses incurred during Institute-related travel. The Institute will generally reimburse travelers for three meals per day (less any meals provided by Salk, another organization, or as part of a meeting or conference). On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel.

Itemized restaurant receipts are required for actual meal expenses to be reimbursed and should be submitted with the invoice. Government regulations strongly prohibit charging the cost of alcohol to grants therefore itemized receipts are important. The Institute will not reimburse for gratuities that are greater than the accepted standards (currently, the domestic standard is 15-20% of the total bill; international standards may vary).

If receipts are not available, a per diem of up to \$48 is allowed. For those attending meetings or seminars at which a meal or meals are provided and for travel days, the per diem will be reduced accordingly. The maximum per diem rate per meal is:

- **Breakfast – \$9**
- **Lunch – \$13**
- **Dinner – \$26**

These rates are consistent with The Office of Government-wide Policy, Per Diem Allowances. Whenever possible, the method used for meal reimbursement should be consistent for each day of travel for the entire trip.

Receipts

Dated and itemized receipts are required for all reimbursable expenses and must be submitted with each invoice.

Meal Receipts

Restaurant receipts must include all of the following information:

- name and location of the restaurant
- number of people served
- date and amount of expense

Gratuities may be shown on the credit card receipt or restaurant receipt. Excessive gratuities may not be reimbursable.

Lost Receipts

In the rare instance that a lodging or other receipt is not issued or is lost, a detailed log may serve as sufficient documentation of the actual cost (information must include the date, expense, name of the establishment, and the amount). The Institute expects that a good faith effort will be made by travelers to collect and retain all required receipts. A traveler should avoid using a detailed log unless absolutely necessary. Receipts are always the preferred form of documentation and Salk reserves the right not to reimburse expenses that do not have appropriate documentation.