

Reimbursable Expense Guidelines for MPTN/MPGE Contractors

1. GENERAL:

This document provides the guidelines for approval of reimbursable expenses incurred by Contractors conducting business with MPTN/MPGE.

It is MPTN/MPGE policy to reimburse Contractors for actual costs for expenses incurred while engaged in performing an authorized MPTN/MPGE contract. Such expenses must be reasonable in the circumstances and necessary to the performance of the contract.

Payment of reimbursable expenses will be authorized only when it is determined that such expense is directly related to meeting the requirements of the contract. In the expenditure of funds while performing a MPTN/MPGE contract, Contractors are expected to use common sense in the disbursement of funds and treat expenditures as they would if they had to pay for them personally. Non contract related business expenses and contracted business expenses deemed extravagant will not be reimbursed by MPTN/MPGE.

2. AIR TRAVEL:

Flight Class

- Business Class on International flights over five hours and Coach Class on all other flights.

International flights are defined as a flight from one country to another country. If the approved class of travel is not available, the next lower class of travel is required.

Advance Booking

- Reservations should be booked as far in advance as possible to increase the opportunity for reduced and capacity-controlled discount fares.

▪ Alternate Departure/ Arrival Times

- Significant savings are possible on certain itineraries by scheduling later/earlier flights. When business scheduling permits, such flights are to be booked.

Restricted Availability

In instances where coach seats are sold out for a desired flight, efforts must be exerted to obtain coach class accommodations on an alternate flight. Should this prove impossible, a separate explanatory memorandum must be attached to the expense reimbursement submittal.

3. GROUND TRANSPORTATION:

▪ Car Rentals

- Rental cars should be used only when less expensive transportation is not available. The duration of stay in one location and the frequency of car trips required will dictate whether a car rental is necessary.
- Contractor Principles are authorized to rent full size automobiles when traveling. All others are to rent intermediate size cars (or smaller). If three or more passengers are traveling together in the same automobile, full size cars are permitted.
- The cost of automobile rental will not be reimbursed for weekend or holiday travel unless the car is required by and used for company business during this time.
- All reasonable efforts should be made to refill the fuel tank before returning the car to the rental agency since agency fuel surcharges are frequently up to 50% higher than prevailing "street" rates.

Vehicle Leases/Purchases

The lease or purchase of vehicles is acceptable in situations where there is a cost advantage relative to traditional car rental rates.

- All vehicle leases or purchases require approval by MPTN/MPGE.

Reimbursement for vehicle lease or purchase expenses will not exceed \$500.00/month/vehicle.

Personal Automobile Usage

Reimbursement rates will be based on the amount allowed by appropriate taxation authorities.

- Damage to a Contractor employee's car is the responsibility of the car owner.
- Travel between an individual's home and usual place of business is not reimbursable.

Other Transportation

- The cost of taxicabs from place of business, hotels and airports is reimbursable; bus or "airport" shuttle transportation to and from airports should be used whenever possible.
- Rental of chauffeur-driven limousines or other "luxury" ground transportation services is not permitted.

4. HOTELS

Accommodations

- Only Standard Hotel Rooms will be reimbursed. Hotel Suites are not reimbursable.
Reimbursement for Hotel Accommodations will not exceed \$200.00/day/person.
- The items listed below fall into the category of Non-Reimbursable Hotel Expenses:
 - a. Personal telephone charges except reasonable daily calls to residence.
 - b. Gift shop charges except where items are purchased for business purposes.
 - c. Entertainment of a personal nature (including in room movies)
 - d. Special health club services such as sauna, massage, etc.
 - e. Hairdresser services.
 - f. Golf, Tennis fees, etc.

▪ Meals

- The actual cost of meals is reimbursable within reasonable limits (Up to \$50.00/Day). Meals should be taken in popular priced restaurants at all times unless otherwise required for business entertainment. Extravagant meal charges will not be reimbursed.

Gratuities

- Reasonable gratuities are reimbursable when directly connected with a business purpose. Reasonable is what is appropriate in the location of the expense and should be considered a marginal token of appreciation only commensurate with the service received.

Tips on items of a personal nature are not reimbursable.

5. HOUSING (EXTENDED ON-SITE STAYS)

The lease or purchase of residential housing may be an effective cost containment measure where extended on-site stays by Contractor personnel are necessary to perform contractual requirements. In these instances the following reimbursement guidelines apply:

- a. Extended on-site stays are defined as contractual engagements requiring Contractor personnel to be on-site at MPTN/MPGE for a continuous period exceeding 180 Days.
- b. Reimbursement for individuals utilizing Extended Stay Housing will not exceed \$900.00/month/person.
- c. Meals for individuals utilizing Extended Stay Housing are non-reimbursable.

6. GENERAL NON -REIMBURSABLE EXPENSES

The following expenses are not deemed to be primarily for business purposes and, therefore, are not reimbursable:

- a. Personal travel and entertainment
- b. Airline trip insurance
- c. Barber shop, beauty salon, shoe shine, etc.
- d. Personal telephone (including mobile and air-phones), postage, repairs,
- e. Maintenance or insurance of personal automobile.
- f. Theft, damage or loss of personal luggage or effects.
- g. Clothing
- h. Traffic/parking violation fines
- i. Bar or liquor bills
- j. Newspapers and magazines
- k. Personal medical expenses
- l. Personal toiletries
- m. Chauffeur driven vehicles
- n. Entertainment
- o. Luxury Health Club services
- p. Airline Club fees
- q. Expenses for accompanying spouses
- r. Other personal or unreasonable expenses

7. REPORTING REQUIREMENTS

Contractors are required to maintain adequate records of reimbursable expenses. All of the following is required to substantiate reimbursable expenses:

- a. Itemization of expenses clearly identified (e.g. hotel, airline charges, car rental, ground transportation, etc.).
- b. Air Travel - dates of departure/ return, place(s) of travel, purpose of trip.
- c. Meals - dates, name/location (city) of restaurant, description of meal (e.g. breakfast, lunch, dinner).
- d. Extended Stay Housing – copy of Lease or Purchase Agreement, list of individuals in residence.