

SECTION 1 - GENERAL POLICIES

TIME AND EXPENSE REPORTING

The accurate reporting of time and expenses establishes accountability and allows for efficient and effective management of PSE's human and financial resources. It is the policy of PSE to reimburse members of the Board of Directors, employees, and PSE members who are performing authorized and approved official PSE business all reasonable and necessary expenses incurred consistent within the provisions of this policy. No member of the Board of Directors, staff or others shall use PSE personnel to arrange for personal travel unrelated to PSE business.

It is the policy of PSE to treat fraudulent claims for reimbursement as theft from the corporation and PSE will take appropriate disciplinary action, up to and including termination from employment, and/or criminal or civil action if appropriate.

Authorizations and Approvals

Expenses incurred on behalf of PSE are subject to the following approvals:

- A. Board of Directors - All Board travel shall be consistent with the provisions of the annual operating budget as approved and/or amended by the Board of Directors. Requests for reimbursement **must** be submitted within 3 months of the time expense was incurred.
- B. Executive Board - Authorization to travel is subject to the prior approval of the President.
- C. Zone Director - Zone directors may travel anywhere within their zone to carry out the business of their zone within the parameters of the budgeted money for that purpose. Travel and expenses incurred when a zone director or other board member represents PSE at functions outside of their respective zones must be approved in advance by the state president.
- D. Board Members - Each board member is entitled to have one guest ticket for the annual convention awards banquet and one guest ticket to the legislative auction dinner. If PSE requests a board member attend a PSE authorized event, and if the PSE president and treasurer determine it is appropriate or necessary that a spouse or guest accompany the board member, the cost of having the guest attend will be covered. In addition, all catered meals provided at open board meetings (including the retreat and orientation) will include the spouse or guest accompanying the board member.

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- E. Committee Chairs – All travel expenses should be approved in advance by the President.
- F. Committee Members – All travel should be approved in advance by the committee chair and/or liaison.
- G. PSE Members – Any PSE member who travels out-of-state and chooses to drive instead of fly will have their actual mileage reimbursed up to the equivalent cost of an airline ticket to the location, including the mileage that would have been driven to and from the airport had they flown.
- H. Staff
 - 1) Out-of-state travel - All out-of-state travel by any staff must be approved in advance by the Executive Director. If a staff member chooses to drive instead of fly they will have their actual mileage reimbursed up to the equivalent cost of an airline ticket to the location, including the mileage that would have been driven to and from the airport had they flown.
 - 2) In-state travel - Each Service Group Director has the authority to approve in-state travel outside of the normal work area of the employee.
 - 3) Normal assigned work area - Employees have discretion to travel within their assigned work area consistent with their work requirements subject to review by the appropriate supervisor.

Non-reimbursable Travel Expenses

The following are travel expenses that are considered personal and not essential to the transaction of PSE business:

- A) Cleaning/Laundry Services(except on out-of-state trips of over 5 days in duration). Cleaning/laundry charges incurred on the last day of an extended trip will not be paid.
- B) Video/VCR/Radio/TV rental or items of similar nature unless used as part of a PSE training program.
- C) Taxi fares, vehicle rental and other transportation costs to or from places of entertainment.
- D) Costs of personal trip insurance.

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- E) Personal telephone calls beyond the limitations set forth under the telephone expense section of this policy.
- F) Tips or gratuities associated with non-business activities.
- G) Expenses incurred because of the accompaniment of guests or family members with the exceptions noted in Authorizations and Approvals.
- H) Travel or parking fines.
- I) Room upgrades.
- J) Alcoholic beverages
- K) Purchases of water, coffee, sodas or snacks when not part of or instead of a reimbursable meal.

In order to be reimbursed, Board, staff, or members must complete the appropriate expense form and submit it along with supporting receipts and documentation. These reports are: (1) Weekly Employee Expense and Time Report (F-8) and (2) Member Expense Report and Reimbursement Claim (F-9). Reports must be legible and complete including activity codes and signed by the person requesting reimbursement. The Administrative Support Services division shall review all expense claims to double check the accuracy of the figures.

Time Reporting

In order to efficiently budget for various activities it is necessary for PSE to know how much time is spent carrying out these activities. It is also critical to be able to accurately identify time spent on primary union activities in the event of a challenge to our agency fee calculations. In addition, it is important to meet reporting deadlines for the Public Disclosure Commission (PDC). Therefore, all staff shall accurately complete the activity code section along with the location and purpose section, and submit the expense form within the pay period (two weeks). All board and staff who have an expense that exceeds \$25 related to a GR activity, must submit that report as soon as possible following the activity.

Expense Reimbursement

Staff expense reimbursement will take place on the second check signing of each month. In order for reimbursement to occur on these dates, all expense reimbursement forms must be received by the administrative staff no later than five work days before the reimbursement date. Failure to submit expense forms within the required time could result in a delay of one month for reimbursement. It is the responsibility of the individual requesting expense reimbursement to submit the required documentation in a timely fashion. Requests for reimbursement must be submitted within 3 months of the time expense was incurred. If a request for reimbursement is submitted after 90 days it must contain a written justification for the late submission. No expenses shall be denied solely on the basis of late submission.

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Corporate Credit Cards

Corporate credit cards may be issued to certain board and staff members for the purpose of carrying out official PSE business. Employees and board members entrusted with corporate credit cards will be held strictly accountable for their use and appropriate reporting of expenses incurred in accordance with the approved and adopted PSE expense guidelines. The employee or board member is fully responsible for the security of the credit card and safeguarding it from theft. Administrative personnel shall reconcile expense reports to corporate credit cards and shall immediately advise the executive director of any irregularity or any credit card charge that does not have appropriate documentation or explanation. The misuse, or use of corporate credit cards for personal or family expenses, or failure to properly account for expenses incurred on the card, is deemed a serious act of misconduct and will result in disciplinary action, up to and including dismissal from employment for staff and a disciplinary meeting for board. It is the policy of PSE to treat fraudulent use of a PSE corporate credit card as a criminal act against the corporation and to aggressively pursue all available and appropriate criminal and civil remedies against the offending employee or board member. In addition to such disciplinary action and/or civil or criminal remedy, charges on the card in violation of this policy, accompanying procedure, and PSE expense guidelines, shall be deducted from any funds due the employee or board member, in accordance with the signed credit card agreement required as a condition of issuance. Charges may be deducted from normal pay or reimbursement, accrued vacation or sick leave, or any other source to be paid by PSE, provided that such deduction not interfere with prosecutorial efforts if appropriate. Failure to provide proper documentation supporting amounts charged to corporate credit cards may result in termination of the card.

Requirements:

1. Corporate credit cards may be issued in accordance with this policy to the President, Executive Director and Director of Administration upon approval of the Executive Director and the PSE Treasurer. Board approval is required to issue credit cards to additional staff or board members.
2. Each employee or board member receiving a corporate credit card will sign and date a copy of the PSE Corporate Credit Card Use Agreement (F-6) acknowledging their understanding of the policy and recognition of the consequences of misuse of the credit card. A copy of the signed acknowledgment will be placed in the employee's personnel file and the board member's file and a copy will be retained by the Director of

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Administration along with the name of the credit card, the credit card number, and expiration date.

3. Every use of the PSE corporate credit card must be reported on the expense report and the card member copy must be attached. Expense reports containing credit card charges must be filed promptly.
4. The Administrative staff will review credit card company bills and match the monthly statement to the reported expense by the employee or Board Member.
5. Administrative staff shall promptly process credit card bills for payment. Such bills shall be paid in full each month.
6. Credit cards must be surrendered on demand and are subject to unannounced audit at any time.

Cash Advances

Staff

Employees who, as a part of their normal duties, regularly travel may be issued a \$300 cash advance to defer personal financial hardship. The \$300 advance will be replenished on a regular basis through reimbursement of expenses incurred on the Weekly Employee Expense and Time Report that will reflect the remaining balance on the \$300 advance. All employees who receive a cash advance shall sign the acknowledgement and authorization for PSE to deduct the advance at termination. (see F-5)

Board and Committee Members

Board members may receive a one-time \$150 advance and may defer repayment until the end of their term. Committee members may request up to \$50 and must offset the advance on their next expense report. Board members may also request an advance prior to a specific zone activity. The appropriate advance form must be signed (see F-5). Advances for special activities will be deducted from the next expense report filed. Travel advances will be deducted from the final reimbursement check.

Air Travel

The extensive travel needs of PSE require that travel arrangements be made with the goal of cost savings and efficiency. Our policy is to seek bids for travel services from agencies and to seek out competitive fares on the internet to be certain we are obtaining the best rates and services. When selecting a fare and airline schedule the individual's time loss and

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inconvenience will be taken into consideration. Accumulation of frequent flyer miles on a particular airline shall not be considered if a lower fare is available on another carrier.

Rental Vehicles

A rental motor vehicle may be used for official business when other transportation is not available or when the use of the rental motor vehicle is advantageous to PSE, or more economical than other means of transportation. The rented vehicle must be for business use only. A compact or mid-sized car should be requested when a single individual is traveling. A full-sized car or van may be requested when a group is traveling. If not available, a higher priced category of car may be rented. Use of rental vehicles should be approved in advance by the employee's immediate supervisor under normal circumstances. Since it is not possible to charge rental vehicles on a corporate travel account, individual or corporate credit cards are to be used.

The person renting the vehicle will be reimbursed for any out-of-pocket costs related to the rental car including gasoline.

Personal Vehicles

All persons using their personal vehicles to conduct authorized PSE business shall be reimbursed for their actual business miles at the prevailing mileage reimbursement rate established by the state of Washington.

1. Automobile mileage will be computed over the most reasonable route that can be verified by using the Rand-McNally Highway Mileage Guide and/or a mileage estimating internet program such as Map Quest. Deviations may be made for special travel needs such as inclement weather.
2. Employees shall be assigned to a regional office or allowed to work out of their home. This will be determined on a case-by-case basis, but generally only field representatives whose assignment area is located more than 45 miles from an office may be authorized to work out of their home. All others are assigned to regional offices. Field lawyers and regional managers are assigned regional offices as their primary work site.
3. Employees assigned to regional offices will be reimbursed for business mileage computed from either their official workplace or their official residence whichever is less. Reimbursement for mileage between home and regional offices or state headquarters is not authorized.

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4. Employees assigned to a home office will be reimbursed for actual business miles driven beginning and ending at home. An exception to this would apply to those who live outside their assignment area as a result of a voluntary request for reassignment, who will be reimbursed only for mileage within their official work area.

Personal Vehicles

Board members or employees must report any accident, theft or malicious damage involving their personal vehicle while used on PSE business in writing to their supervisor who shall forward it to the Executive Director, regardless of the extent of damage or lack of injury. Such reports must be made as soon as possible, but no later than 48 hours after the incident. Employees are expected to cooperate fully with the authorities in the event of an accident. However, employees shall make no voluntary statement other than in reply to questions by investigating officers.

Other Modes of Transportation

Expenses for buses, cabs, ferries, and tolls will be reimbursed and the receipt should be attached when available. When specific transportation has been provided, additional travel expenses will not be paid for unless PSE business has prevented the employee/board member from utilizing the transportation provided.

Telephone Expenses

Board and Committee Members and staff traveling overnight are allowed a short (suggested 5-10 minutes) telephone call home upon arrival and once every 24 hours thereafter. Since calls from hotel/motel rooms often include a surcharge for telephone service, you should make the call on your PSE telephone calling card.

Prepaid Telephone Calling Cards

Prepaid telephone cards are issued upon request to board, staff, and committee members.

Special Meetings

- A) When travel and other related costs are to be reimbursed or paid by PSE for a conference, convention or other meeting, the location and facilities for the meeting shall be selected with consideration for cost as well as the suitability of the facilities and convenience of those attending.
- B) If a meeting is held at a site that will incur a cost to PSE, the individual responsible for the choice of the location and facilities is to submit justification in writing in advance to the appropriate supervisor. The justification is to include the purpose and objective of the

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meeting and disclose, if practical, the names and numbers of those attending. The justification is also to provide an estimate of the cost and possible options.

Special Meetings

- C) It is preferable to bring PSE's LCD projector, laptop computer, and other audio visual items needed to conduct special meetings. When that is not reasonable, expenses for such items are reimbursable upon prior approval from the department director. The costs of such rental should be checked in advance.

Lodging

It is the policy of PSE to reimburse actual room and tax expenses for lodging. PSE will reimburse reasonable tips for hotel services such as bellman services (when the weight or volume of luggage or materials warrants), housekeeping, and room service. Housekeeping tips that exceed \$2.00/day will not be reimbursed without a written explanation of the circumstances. Lodging is authorized when an employee is more than 100 miles from home (over 50 miles for board members), or when there are a continuing series of meetings, or when conditions make travel unsafe. Anyone staying over for personal or leisure activities shall be responsible for paying their own lodging costs following the conclusion of official business. Individuals are responsible for canceling their own reservations and may be billed for one night's stay when they fail to do so and PSE incurs a cost.

Meals

Reimbursement for meals shall be contingent upon an employee either being on "travel status", or conducting official PSE business wherein the meal is part of the business meeting. It is the policy of PSE to reimburse employees the actual cost of the meal plus an industry standard gratuity. Board members and staff are expected to be reasonable in the selection of restaurants and menu items. Excessive or unnecessary expenses will not be reimbursed.

A receipt is required for reimbursement of all meals. A meal should not exceed \$30 per person (excluding tax and gratuity). A reasonable gratuity is 20% or less except in special circumstances. If a single meal does exceed \$30, the extenuating circumstances must be explained in an attachment to the expense claim and an itemized receipt is required (neither the credit card slip nor the hotel bill is sufficient). Grocery items purchased instead of a restaurant meal shall be reported as a meal and consumed as such.

Breakfast shall be reimbursed when an employee is compelled to stay overnight as part of official business. Lunch shall be reimbursed when an individual is on official travel status and/or

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is conducting official PSE business. Dinner shall be reimbursed when an individual's workday takes them outside of their general working area and/or necessitates arriving home beyond the normal dinner hour while on official travel status. When specific meals have been provided or catered, additional meals will not be paid for unless PSE business has prevented employee/board member from participating in the meal provided.

Note: The term "Travel Status" is defined here as an individual when he/she is away from both the official residence and official workplace, exclusive of travel between residence and workplace.

Entertainment

Entertainment expense exists when (1) there is a clear business purpose to the expenditure, such as soliciting new members or improving an existing business relationship, and (2) it directly precedes or follows a substantial and bona fide business discussion.

At PSE, having a meal or sharing other expenses with a state board member, committee member, or staff member is not considered entertainment. Each of these groups have expense accounts for bona fide expenses.

It is not practical to get pre-approval for small-dollar entertainment expense such as soft drinks or coffee. However, if the supervisor does not feel that such expense is justified, it will not be reimbursed. Larger expenses associated with negotiations, etc., should be reviewed with the supervisor before the actual expenditure is made.

Miscellaneous Expenses

Miscellaneous expenses are those that do not fit anywhere else. As in all cases, they must be related to PSE as a legitimate business expense. Generally, they are infrequent and of small-dollar cost. However, if the expenditure is highly unusual and perhaps questionable, the employee should get advance approval from their supervisor.