



# TRAVEL AND EXPENSE REIMBURSEMENT POLICY

SILVER STAR PROPERTIES

Human Resources & Office Services Department

# Travel and Expense Reimbursement Policy



# Table of Contents

<b>Statement of Purpose</b> .....	
<b>Responsibilities and Enforcement</b> .....	
<b>Travel Arrangements</b> .....	
Air Travel .....	
Car Rentals .....	
Other Transportation/ Mileage .....	
Lodging .....	
Conferences .....	
<b>Meals and Entertainment</b> .....	
Personal Meals .....	
Business Meals .....	
Entertainment Expenses .....	
<b>Telecommunications</b> .....	
<b>Other Reimbursable Expenses</b> .....	
<b>Non- Reimbursable Expenses</b> .....	
<b>Expenses/ Reimbursement</b> .....	
<b>Employee Acknowledgement</b> .....	

## STATEMENT OF PURPOSE

Silver Star (“the company”) is charged with maximizing investor returns. This is our strongest and, at the end of the day, bottom line reason people invest with the company. For this reason, the company’s expense philosophy is simple: “Dignified but not extravagant”. With the establishment of this policy, the company seeks to simplify the travel process by providing guidelines to follow in order to protect the interests of both the employee and the company. This document serves to clarify the means by which travel should be arranged and the parameters to which employees must adhere to. It is company policy to reimburse employees for ordinary, necessary and reasonable travel expenses when directly connected with or pertaining to the transaction of company business.

All travel and expense reimbursement must be done in accordance with this policy.

## RESPONSIBILITIES AND ENFORCEMENT

The company realizes business travel can be costly. An organized and clear guide for submitting expenses is crucial to ensure all expenses are reimbursed in a timely manner.

Silver Star employees who incur travel and entertaining expenses are required to comply with this policy. Employees submitting expenses not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Cases of significant abuse will be investigated and may result in disciplinary action up to and including termination.

Employee travel and the expenses associated with it will be reimbursed only in circumstances which are clearly consistent with the mission, vision and purpose of the company. Managers with approval authority are responsible for ensuring all policies detailed herein have been adhered to prior to approving employee expense reports. Any deviations must be explained on the employee’s expense report with the approval of the reviewer noted. Reimbursement for expenses not in compliance require the written approval of the CEO or are subject to non-reimbursement.

The Travel Coordinator and Office Services Manager are responsible for ensuring this Travel and Expense Reimbursement Policy is available to all travelers, expense approvers, accounts payable staff and newly

hired employees who may be expected to travel. This policy is also available to all employees who may incur any business-related expense.

Maintenance and updating of Corporate Travel Policy is also the responsibility of Office Services staff.

Any questions or concerns regarding this travel policy should be addressed to the Office Services Manager.

**Managers Responsibility:**

- Managers should know the current travel policy and inform their staff of company policy and procedures.
- Managers should determine if travel is necessary to achieve business goals.
- Managers should approve expenses in accordance with this policy.

**Employee's Responsibility:**

- Employees are responsible for notifying the Travel Coordinator of necessary travel arrangements **14 days in advance**. Generally, the Travel Coordinator will not schedule travel if given less than 14 days of advanced notice. In situations where new travel, or changes to existing travel are not inside this 14-day period, it is the employee's responsibility to obtain pre-approval from their manager in order for the travel request to be honored. Absent this approval, travel requests and/or changes are subject to non-scheduling and/or non-reimbursement
- Employees should only incur expenses consistent with business needs and exercise care in determining appropriate expenditures.
- Employees should submit expense reports as outlined in the expense section of this policy on a timely basis.

**Office Services Responsibility:**

- Ensure all employees follow this policy for travel and reimbursement. With this principle in mind, the Travel Coordinator and Office Services Manager might reject travel requests if they do not meet the necessary requirements or if no extra documentation is provided.
- The Travel Coordinator and Office Services Manager might reject travel requests for users that constantly violate this policy.

## TRAVEL ARRANGEMENTS

**Emergencies:** In the event that a travel emergency arises, the manager of the department should be notified immediately at the number documented in the employee directory. This includes emergencies arising after business hours or during weekends. If the manager is unavailable, employees should schedule their own travel according to the parameters set in this policy.

### Air Travel

**Class of Service:** All employees will travel coach class unless they receive a complimentary upgrade.

**Preferred Company & Lowest Airfare Available:** Silver Star's preferred airline is Southwest. However, all air travel will be scheduled via the most direct and economical means. The travel portal will determine the lowest fare and routing based on the employee's requested flight. The following criteria will be utilized to determine lowest available airfare:

- The flight's departure or arrival time is within two hours before or after the requested departure or arrival time.
- One stop or connecting flight will be considered if savings of \$100.00 or more can be achieved, or when no connections are provided.
- Alternate airports must be used if savings of \$100.00 or more can be achieved.
- Flight cost is not to exceed \$350.00 roundtrip (excluding taxes) for travel including Houston, Dallas and San Antonio.
- Flight cost is not to exceed \$450 roundtrip (excluding taxes) for other cities when travel is necessary to attend conferences, meetings and/or events.

If travel does not meet one or more items of this criteria, the travel will require approval from a Direct Manager and Office Services Manager.

**Airfare Notice:** Advance notice to schedule air travel must be received by the Travel Coordinator or booked no less than 14 days in advance. If the travel is requested less than 14 days in advance, the employee might be financially responsible for the difference and additional cost unless prior approval is obtained or special arrangements have been made.

**Frequent Flyer Program:** Employees may retain memberships in frequent flyer programs: however, travel should not result in material loss to the Company or any material gain for the employee. However, the company allows employees to use miles gained from business travel toward their personal use.

- Participation in these programs must not influence flight selection which would result in incremental costs to the company.

## **Car Rentals**

**Preferred Company:** Silver Star's preferred car rental company is Hertz. However, all car rentals will be scheduled via the most direct and economical means.

**Price:** Rental cars should not exceed \$65.00 per day, without taxes.

**Size Limit:** A mid-sized car will always be used unless a full-size is needed for client convenience or when three or more employees are traveling together, or if a full-sized price is the same or less as a mid-sized due to any promotions or deals. The travel coordinator will determine the size of the rental car required. One-way rentals will be avoided where a drop charge will be imposed.

**Car Rental Insurance:** Employee's own personal auto insurance should be used for all rental cars. The employee may choose to purchase any insurance offered by the rental car company, but this expense is NOT reimbursed by the company.

**Refueling:** Employees are required to refuel cars prior to returning them to the rental car company. This practice can save as much as 50% of the gasoline charge. However, if the Gas pre-pay option with the car rental company is lower than the price offered in the closest gas station, pre-pay should be the selected option. Employee must submit proper documentation to support this expense (i.e.: picture/screenshot of gas station price)

**Payment and Documentation:** Employees are responsible for paying rental car expenses and submitting the charges for reimbursement with an original receipt, unless the car rental company accepts pre-payment due to a Corporate Partnership.

**Additional Charges:** If any incidents occur the employee must report the incident to the proper authorities and notify his/her personal insurance company immediately. If the employee incurs any fees for deductibles, this may be submitted to the Company for reimbursement but is only reimbursable up to \$1,000.00. Fines

and penalties imposed for the violation of traffic laws with rental cars are the employee's responsibility and not reimbursable.

## **Other Transportation**

**Personal Car:** Employees may utilize their personal vehicles for business travel.

The use of personal car for business will be reimbursed at the standard IRS rate up to 100 miles. This mileage allowance covers all costs (i.e.: gasoline, repairs, insurance, etc.), except parking and toll fees.

The company will pay a flat rate for roundtrips to Dallas at \$350, and to San Antonio at \$250. This includes mileage and fuel costs.

Mileage from employee's home to regular assigned work location is not reimbursable. However, if the employee goes directly from home to another work assignment other than the regular work location, and the distance to the work assignment is greater than the distance to the regular work location, the employee can expense the difference. Mileage must be calculated as below:

Home to regular work= X

Home to alternate location= Y

Amount to be reimbursed= Y- X

In order to receive reimbursement for mileage, the employee must complete an expense report specifying purpose of trip, start and finish odometer reading point of origin, destination and time of trip.

The employee assumes responsibility for all parking and traffic fines.

**Ride Sharing:** If two or more individuals are traveling to the same location, it is recommended that one employee share the ride with others.

**Taxi and other local transportation:** Silver Star's preferred method of local transportation is Uber or Lyft. The cost of taxis to and from places of business, hotels, or airports in connection with business activities is reimbursable. The use of taxis is authorized only when economical services (hotel vans, shuttles, etc.) are not available. Employees are encouraged to utilize public transportation whenever feasible. Receipts are required for all transportation expenses.



## Lodging

**Hotel Selection:** The safety of the traveling employee is of paramount importance to the company. This will be held in extreme consideration when the travel coordinator makes hotel arrangements for the traveling employee. All hotels will be subject to the lowest price available with a 3-star hotel rating.

Hotel costs should not exceed \$140.00 (excluding tax) per night. The travel coordinator is open to suggestions or employee preferences, but this does not guarantee that the employee's preference will be met.

**Hotel Booking:** All hotels are booked through the Travel Coordinator. Hotel arrangements booked solely by the employee are not subject to reimbursement unless otherwise approved by the travel coordinator. If approval is not received from the travel coordinator, the employee will only be reimbursed up to \$140 per night.

**Conferences:** If the room rate is over \$140.00 per night (not including tax) then the travel coordinator must be notified and will locate a hotel near the conference and available at a more reasonable cost. Employees will be required to stay at the alternate location. If the employee chooses to stay at the conference location, the employee is responsible for all additional room fees over \$140.00 and fees are not subject to reimbursement by the Company.

## MEALS & ENTERTAINMENT

**Personal Meals:** Expenses that are incurred by employees dining alone while on an out-of-town business trip. Personal meals will be reimbursed up to a daily limit of \$70 per day (not including taxes, tips or gratuity).

Employees are responsible for the allocation of the daily Per Diem between breakfast, lunch and dinner. Amounts incurred more than the Per Diem will be the responsibility of the employee. However, the following is the suggested allocation:

- Breakfast should not exceed \$20.00 (not including taxes, tips and gratuity)
- Lunch should not exceed \$25.00 (not including taxes, tips and gratuity)
- Dinner should not exceed \$25.00 (not including taxes, tips and gratuity)

**Business Meals:** Expenses that are incurred when an employee dines with clients, prospects, or associates during which business is discussed or transactions are taking place.

Business meals will not be restricted under the same daily limits as personal meals. However, business meal expenses must be supported by an original itemized receipt attached to the employee's expense report and must have the name of all attendees. If the employee fails to submit an itemized receipt, charges incurred will not be subject to reimbursement or will be subject to charge back to the employee. No tips over the automatic gratuity for parties of 6 or more will be reimbursed. Any excess costs will be the responsibility of the employee.

- Productive Relationships: Productive relationships are defined as relationships in which the rep/broker has done business with the company in the last two years in which profit was made for the company. This includes Client Events, Broker and Prospective Investor Meetings, and Broker Lunch/Dinner. Employees will be reimbursed depending on the market of the location where the event is being hosted. The size of the market will be determined by population according to the US Census Bureau. The only five cities to be considered major markets are as follows:
  - New York
  - Los Angeles
  - Chicago
  - Boston
  - San FranciscoMajor market: \$60 per person (not including taxes and tips or gratitude).  
Mid-market: \$45 per person (not including taxes and tips or gratitude).  
Minor market: \$35 per person not (including taxes and tips or gratitude)
- Prospective Relationships: Prospective clients are clients who have expressed an interest in doing business with the company or have not completed any business in the last two years where the company has profited. This is to include property broker luncheons. Employees should budget \$25 per lunch or per dinner per person when dining with prospective clients.
- Alcoholic beverages are allowable with dinner. Cost should not exceed \$8 per glass and should not exceed 2 glasses per person. This is a separate charge from the actual meal charge.

- Any cost for alcoholic beverages that exceeds the maximum \$16 per person will not be reimbursed and will be charged back to the employee.

**Entertainment Expenses:** Entertainment expenses include events such as theatre, wine tastings, cocktail receptions or sporting events where business is transacted. Events must be scheduled in advance and a pre-approval form must be completed. A copy of the pre-approval form must be attached to the itemized receipt, or charges are not subject to reimbursement or will be subject to charge back to the employee.

- Wine Tastings: Costs are not to exceed \$20 PP. Venue fees are not subject to reimbursement.
- Cocktail Receptions: Fees are not to exceed the total amount of \$500 per event. Cost should not exceed \$8 per beverage, and not to exceed 2 beverages per person.

## TELECOMMUNICATIONS

**Air Telephones:** Except in emergencies, or when an actual critical business issue is involved, employees should not use air phones due to their high cost.

**Hotel Surcharges:** When possible, avoid making calls from hotels that add surcharges. The traveler should make calls using their personal cellphone while in the continental US.

## OTHER REIMBURSABLE EXPENSES & MISCELLANEOUS

- Tips should not exceed 15% to 20%.
- Parking: Valet is only reimbursed when self-parking is not available. If employee still chooses to use valet over self, the employee is responsible for the difference of self-parking vs. valet. The employee must submit proper documentation for valet parking attached to expense report or employee will be subject to charge back.
- Baggage Fees: Maximum charge is one bag per employee per trip.
- Room Service: Should not exceed daily per diem.
- Employee Personal Cellphone Usage: Must be pre-approved by the Office Services Manager and approved by the department manager. Reimbursement must not exceed \$60 per month.

## NON-REIMBURSABLE EXPENSES

Generally, expenditures of a personal nature and those not specifically covered in the preceding sections of this policy are not reimbursable. The following list is a guide and not necessarily a complete list of expenses that will not be reimbursed/paid for by the Company:

- Expenses without proper documentation
- Unexplained expenses
- Insurance for personal car- rental car.
- Childcare or house-sitting fees.
- Donations, charitable contributions and gifts.
- Personal items (toiletries, magazines, books)
- Barber and hairdressers.
- Shoe shine.
- Gum, candy and tobacco products.
- Personal entertainment.
- Kennel fees or pet sitting services.
- Country Club dues.
- Airline Club dues.
- Loss or theft of personal property.
- Golf fees (except when part of customer entertainment).
- Transportation to and from office on regular workdays.
- Traffic tickets and parking fines.
- In-flight movies and refreshments.
- Hotel movies, movie rentals, games and other discretionary charges.
- Additional travel insurance coverage.

## EXPENSES AND REIMBURSEMENT

To process a business expense report in the most efficient way possible, a standard expense report should be submitted. Silver Star uses Paycom to submit and track all expenses. All supporting receipts and documentation must also be submitted. Following this policy will greatly reduce the time it takes to approve the expense reports and generate reimbursement to the employee.

All expense reports are subject to an audit by the Accounting Department, Department Manager and by Office Services. If an issue arises that could preclude reimbursement, the request will be held pending further discussion with the employee and proper management approval. Additionally, in accordance with good business practices, expenses older than 90 days that are submitted for reimbursement will not be processed for payment.

Expenses will be paid on a bi-weekly basis (through payroll), unless arrangements have been requested and approved. To be included in the payroll, expenses must be submitted and final approved by Tuesday of the payroll week,

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## EMPLOYEE ACKNOWLEDGEMENT

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I have had the opportunity to read the Travel and Expense Reimbursement Policy, and I understand that I may ask my supervisor or any employee of Office Services any questions I might have concerned this policy. I understand and accept the terms of the Travel and Expense Reimbursement Policy. I further agree that if I remain with the company following any modifications to it, I thereby accept and agree to such changes.

Since the information described herein is subject to change at any time, I acknowledge that revisions to the Travel Policy may occur. All such changes will generally be communicated through official notices, and I understand that revised information may supersede, modify or eliminate existing policies.

I certify that I understand and agree to follow the Travel and Expense Reimbursement policies as outlined in this document.

Employee Name: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_