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INTRODUCTION/POLICY PURPOSE

The purpose of this policy is to provide AP staff with guidelines and definitions for expense reporting and to assist the company in meeting the requirements of the taxing authorities. While no policy can cover every possible situation, this document's objective is to establish adequate guidelines to enable employees to make reasonable judgments. These guidelines are intended to cover the most common travel circumstances; in cases of breaking news or emergencies, the needs and urgency of the assignment take priority.

In addition, the goals of this policy are to enable:

- Employees to conduct business on the company's behalf in a convenient, cost-effective manner, while traveling with a reasonable level of service and comfort; and At all times, safety shall be the priority for AP employees traveling on business;
- Employees to be reimbursed for expenses incurred on the company's behalf promptly upon submission and approval of the expenses.
- Management to monitor and control expenditures incurred for business travel and entertainment; and
- The company to leverage its travel and entertainment volumes to negotiate discounts with suppliers and thereby reduce costs.

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Scope

This policy applies to all worldwide employees of the Associated Press except as follows:

- Where local laws or regulations specify requirements other than those indicated in this policy, the local law takes precedence.
- Where a union or other contract requires conditions other than those indicated in this policy, the requirements of the contract will take precedence.

General Policy

It is the AP's policy to reimburse staff for reasonable and necessary expenses incurred in direct connection with AP business. In no event should any expense items be lavish or extravagant. We expect each individual who incurs travel or entertainment expenses to exercise the same degree of prudence and judgment that he or she would exercise on his or her own personal expenses.

The following procedures must be adhered to:

- Individual and group travel must be booked through the designated corporate travel agency.
- The corporate sponsored charge card must be used wherever accepted.
- Expenses must be reported at least once a month and must be submitted no later than 5 business days following the month in which the expenses were incurred.

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Responsibility and Enforcement

Administration of this policy is the responsibility of the employee, employee's supervisor, and local management.

Employees are responsible for:

- Exercising good judgment with respect to travel expenses.
- Checking the accuracy of bills and other documents before payment.
- Obtaining and submitting all required documentation.
- Reporting all expenses and advances promptly and accurately with the required documentation and having their manager approve all expenses.

Note: By including an item on an expense report, employees are representing that the amount was actually incurred in connection with a legitimate AP business purpose. Employees who do not comply with this travel policy may be subject to:

- Delay in or withholding of reimbursement; and
- Disciplinary action, up to and including termination.

Management has the following responsibilities:

- Reviewing employee expenses to ensure they are necessary, reasonable, in compliance with corporate policy, and properly documented.
- Educating employees on policy issues, ~~and addressing exceptions with employees.~~
- Identifying expenses that do not comply with policy and ~~reclaiming reimbursement from~~ addressing these exceptions with employees, ~~if necessary.~~
- Documenting infractions, and taking disciplinary action when necessary.

~~Senior management will be responsible for the review of exception reports listing policy violations and may take disciplinary action as necessary.~~

EXPENSE REPORTING REQUIREMENTS

Expense reimbursement requests should be prepared promptly. In general, expenses must be reported at least once a month and must be submitted such that all expenses are submitted within 30 days of when they were incurred; this is particularly important for anyone issued a corporate card must file an expense report at least once a month in order to clear the card charges. Expenses should be broken out and itemized daily under the appropriate category (e.g., breakfast, lunch, dinner, hotel, air, ground, etc.). ~~Once~~ In locations where the Concur expense reporting system has been rolled out, all expenses must be reported using the system. All expense reports must be approved by the employee's manager (or elevated as necessary in accordance with established approval limits).

~~For small out of pocket incidentals, staffers are requested whenever possible to wait until total expenses aggregate at least \$50 before filing an expense report.~~

Documentation Requirements

Although employees are encouraged to obtain receipts for all items, ~~an original~~ receipt must be submitted for any expense over \$10 ~~that was not including those~~ charged to the corporate card. There is no daily or individual meal allowance or entitlement, and the absence of a receipt requirement should not be interpreted as such. General proof of payment requirements/guidelines are as follows:

- Credit cards are the preferred method of payment; use of cash should be minimized to the extent possible. If you have a corporate charge card, you must use it wherever it is

accepted. Handwritten "bottom of the check" tear strips ("chits") are discouraged; in situations where credit cards are not accepted, employees should request a ~~register tape~~ receipt to support meal expenses.

- For hotel bills, the detailed hotel folio showing itemized charges and proof of payment (i.e., a zero balance statement) must be submitted.
- For car rentals, a detailed payment receipts showing rental dates/car class/rate should be submitted.
- For airfare, the original passenger ticket (or receipt for e-tickets) must be submitted with the expense report. If a change fee is incurred, the related receipt should also be submitted.
- When requesting reimbursement for non-travel expenses (for example, purchase of supplies), an itemized receipt should be submitted.
- ~~Travelers-International employees submitting expenses for foreign travel~~ are responsible for submitting all receipts required for VAT reclamation, including itemized receipts for meal/entertainment expenses.

For all business meals/meetings/entertainment expenses, the date, location, business purpose, and name and title of all attendees must be documented. (While do you not need to disclose the name of a confidential source, you must indicate when a meal included a news source, and in accordance with IRS regulations, record the information elsewhere (e.g., story notes) to support the expense in case of an audit.) Business purpose must be also specified for any other items where it is not readily apparent.

Note that whenever a meal includes any other person (e.g., another employee, a client or member, a news source, etc.), the Concur expense type should be indicated as "business meal" or "catering," depending on whether the meal was provided on AP premises (catering) or off (business meal).

Accurate contemporaneous records of mileage, tolls and other reimbursable expenses should be maintained for personal or company vehicles used for AP business.

When an expense report is submitted using the Concur system, the system will generate a bar-coded cover sheet specifying the receipts required to be submitted. These receipts should be placed in a plastic sleeve or taped to a sheet of paper and faxed behind the cover sheet to the number indicated on the cover sheet. The system will create a PDF image of the fax that can be viewed online during the approval and reimbursement review processes. The employee should retain the cover sheet and the original receipts until the expense report has been approved and paid, in case of any transmission problems or other inquiries.

Reporting of International Travel Costs

Costs incurred in various foreign currencies must be converted into US dollars before submitting an expense report for reimbursement. Expenses paid using the corporate-sponsored ~~credit charge~~ card will automatically be transferred to the Concur expense service at the actual dollar amount charged by the corporate card company and no further documentation is necessary. For expenses not paid for with the corporate card, employees are required to document the exchange rate used for conversion as follows:

- For all expenses paid by personal credit card, the actual dollar amount charged by the credit card company should be submitted for reimbursement and supported by either a copy of the original credit card statement or a printout from an online credit card statement (showing the name on the account, amount of foreign currency charge, and US dollar amount). Employees can black out their account number as well as details of personal charges before submitting the statement.
- All cash expenses should be converted at the effective exchange rate based on actual cash exchanged, which should be documented with receipts from currency changers or copies of bank/ credit card statement details.

If the exchange rate used is not adequately supported, expense reimbursement may be limited to the exchange rate in effect on the date of the charge as published in the *Financial Times* or on <http://www.xe.net/ucc>.

When converting cash to local currency, staffers should make efforts to use the most cost effective means possible. Often, the best rate will be obtained by making a cash withdrawal using an ATM or obtaining a cash advance from a corporate ~~credit-charge~~ card (if applicable). Converting cash at hotels is not recommended. ~~If a ATM charges or commission fees is charged for converting cash to local currency, this fee may be incorporated into the effective exchange rate are reimburseable.~~

Expense Report Processing and Reimbursement

The following audit checks of an expense report are performed by the approving manager and/or Accounts Payable before reimbursement is processed:

- Business purpose is valid and fully explained.
- All required receipts have been submitted, and properly support the reported expenditures/ evidence proof of payment.
- The expense report has been properly completed and approved.
- The expenses qualify for reimbursement in accordance with this policy.
- Account codes are proper.

Improperly approved, incomplete, or unsupported expense reports will initially be returned to the employee with comments explaining the problem ~~to the employee or authorized approver~~ for correction and resubmission. If following the correction, any portion of the expense report remains contested, those portions of the expense report that are supported and approved will be reimbursed and not withheld during the review of questioned portions of the expense report.

Items that are not allowable expenses will be deducted from the reimbursement. Details of the correction will be provided to the employee and the manager/department head.

Employees who have signed up for payroll direct deposit will receive their expense reimbursement in the same manner.

CORPORATE CARD PROGRAM/CASH ADVANCES

Employees who travel or entertain regularly may be issued a corporate sponsored charge card through Citibank Diners Club. (For non-administrative staff, acceptance of the card is voluntary.) The corporate card is linked to the Concur system, such that any items charged to the corporate sponsored card will be automatically loaded into Concur; corporate card charges

should not be manually added to the system. Employees must include all corporate card charges on an expense report within 30 days of incurrence.

Business/Personal Use

The corporate sponsored card should be used for all business travel and entertainment expenses, including airfare, hotels, meals, car rentals, and all other day-to-day business expenses. (Use of the card will be restricted at establishments typically not related to business travel ~~such as retail stores.~~) The corporate card must be used whenever accepted; ~~e~~Employees should only pay with cash or an alternate credit card at businesses or establishments that do not accept the corporate sponsored card. The card should not be used for personal purchases.

Liability/Payment Responsibilities

~~Although~~ ~~†~~The corporate sponsored card is issued in the employee's name and is an employee personal liability card, which means the employee is responsible for all charges and for maintaining his/her account in a "current" status. However, to facilitate this, following submission of an approved expense report, the AP will directly reimburse Citibank Diners Club for business expenses charged to the corporate sponsored card. Any out-of-pocket expenses amount not paid to the card company will be reimbursed to the employee.

Non-reimbursable expenses charged to the corporate card (such as in-room movie charges included on a hotel bill) will also be paid directly to the ~~credit~~ card company. If the employee is due a net reimbursement sufficient to cover these charges, the personal items will be deducted from the employee's reimbursement. If the employee's net reimbursement is not sufficient to cover any non-business items, the amount due from the employee will be offset against a future reimbursement, or the employee will be asked to repay the personal balance to the AP ~~the employee will be responsible for directly paying the card company any remaining amount due.~~

Late fees and interest charges are assessed if an account becomes 60 days past due. Employees will be notified when their account has reached 45 days to be reminded to clear outstanding charges before the 60 day mark is reached. Delinquency charges resulting from an employee's failure to account for corporate charges on a timely basis will be the employee's responsibility.

Advances

The Corporate Card can also be used to get cash advances from ATMs. Employees issued corporate cards should no longer request cash advances ~~from their bureau or the cashier's office~~ and instead should make ATM withdrawals in order to pay for out-of-pocket cash expenditures incurred while on AP business (e.g., tips, taxis and similar expenses that cannot be paid with the Diners Club card). The standard cash advance limit on the card is \$250 per week. (This limit can be changed on a temporary basis with supervisor approval; please have your manager contact the AP Travel Manager to arrange this.) Cash advances taken with the corporate card will be reflected as ~~a card transaction~~ such in the Concur expense reporting system and must be applied against the related expenses. (Procedures are detailed in the Concur quick start guide.) ~~employees will be required to indicate how the cash was used.~~

Under AP's agreement with Citibank, ATM fees are waived if cash is withdrawn at a Citibank facility. ATM fees incurred at other facilities are considered a business expense.

Employees who do not have corporate credit cards may request travel advances in an amount sufficient to cover all anticipated out-of-pocket reimbursable expenses paid by cash. (Cash advances should not be taken for expenses to be paid by credit card; credit cards should be used whenever possible.) All travel advances must be approved by the appropriate manager, and if more than \$1,000 must also be approved by Corporate Finance. Travel advances should be considered along with other travel arrangements, and requests should be submitted at least five days before the trip whenever possible.

Except in emergencies or extended assignments, new cash advances will not be given if previous advances have not been cleared. Advances must be cleared within ~~two weeks~~ 30 days of assignment completion. If an employee does not clear an advance in a timely manner, he/she will be asked to repay the advance in cash. ~~If the employee does not comply, AP may recover the advance via payroll deductions and/or may include the advance in the employee's year-end Form W2 as taxable compensation.~~

Lost or Stolen Cards/Disputed Charges

If your card is lost or stolen or you have reason to dispute a charge that appears in your Concur account or on your statement, notify Diners Club immediately by calling Customer Service at 1-800-234-6377. In addition, notify AP's Travel Manager and Internal Audit department if you suspect fraudulent activity on your account.

AIR TRAVEL

Travel Agency

The company has chosen Travelocity Business as its designated travel agency; **all** air travel must be booked through the designated agency. There are several reasons for this:

- By booking all tickets through one central agency, the company can better demonstrate its consolidated buying power to negotiate volume discounts with airlines.
- In the event of an emergency, it is ~~important~~ vital for the company to have comprehensive information about where its employees are traveling and on what flights. If you book outside the designated agency, this information will not be available.
- The designated agency will ensure adherence to class of service and other policy requirements.

Class of Service

For all flights that originate and terminate within the continental limits of the United States, Canada, Mexico and the surrounding Caribbean Islands, economy (coach) class tickets should be purchased. On all other flights where the flying time (excluding connection time) exceeds eight hours, premium economy class may be used with supervisor approval. On any route where premium economy is offered (e.g., NY-London), premium economy is the preferred class above economy and airlines should be used that offer this class; however, if premium economy is not offered on a route, business class accommodations may be used with prior senior management (APMC) approval. In addition, for overnight flights longer than 6 hours where the employee is expected to work the next morning, premium economy or business class may be used with prior senior management approval.

For certain group travel events (such as the Olympics), all employees will be expected to use coach travel to minimize travel costs. AP also reserves the right to schedule air travel in blocks or by charter on a carrier of its preference when moving employees to major or special events.

Upgrades are permitted only if there is no charge to the company. Any charges incurred to upgrade will be treated as a personal expense to the employee.

The AP will only pay for the actual cost of travel for the staffer. If a staffer elects to downgrade from an authorized class of service to a lower, less expensive class of service, the resulting fare differential is not available for the staffer to use for any other purpose.

Fares

Our air travel policy objective is to purchase air travel at the lowest expense level consistent with good business practice and employee safety. The company has entered into agreements with certain airlines granting us contractually discounted fares on specific routes. Our corporate travel agencies will recommend flights that fall under these contracts. In some cases, our discount is contingent upon the volume of travel booked; therefore, it is important for all employees to use these preferred airlines.

Effort should be made to book arrangements well in advance to attain maximum cost savings, which ~~significant saving~~ can be realized by booking 21 or 14 days in advance. Except in emergencies, all travel should be scheduled at least seven days in advance to obtain the next best fares.

Business travelers should indicate their travel destination and preferred travel times. Travelocity will price the traveler's preference and also indicate lower priced options. At times, the lower airfare may require an interim stop (lay-over) or require employees to fly to/from alternate airports in the same metropolitan area (e.g., O'Hare-Midway, JFK-LaGuardia-Newark). Travelers are expected to be flexible in their travel arrangements and accept the lowest fare when it does not directly conflict with the business purpose of the trip. In particular, employees should consider:

- Accepting a lay-over provided all of the following conditions are met:
 - (1) it involves no more than one stop each way,
 - (2) the scheduled lay-over time does not exceed one hour on a domestic flight or two hours on an international flight, and
 - (3) it results in at least a 25% reduction in the cost of the one-way ticket (\$100 minimum).
- Accepting the alternate airport when the cost savings are substantial enough to offset any incremental ground transportation expenses and total travel time is not unreasonably increased.

Employees ~~Generally, employees~~ should ~~always~~ accept the ~~cheapest~~ least expensive direct flight; however, employees are expected to use their best judgment when choosing flights, and should consider all costs (airfare, airport transfers, overtime), assignment needs, and security requirements. Note that an employee's frequent flyer preference is secondary to obtaining the most cost-effective fare. Although employees may keep any frequent flyer mileage they accumulate on AP business trips, employees may not refuse a lower fare on a particular airline or routing in order to accumulate mileage in a frequent flyer program. **If the lowest direct fare is not selected, employees will be required to document a reason before booking can**

continue. Exceptions will be documented in management reports and employees who repeatedly refuse lower fares without a valid reason may be subject to disciplinary action.

Ticketing

Travelocity offers both self-booking (through the online tool) and ~~reservation agent~~travel counselor assisted booking. Because the service charge associated with using a ~~reservation agent~~travel counselor is substantially higher than that for self-booking, employees are encouraged to self-book all basic itineraries and only use reservation agents for more complex travel planning. The majority of tickets issued by Travelocity will be electronic ("e-tickets"). Employees must accept e-tickets on all available routes as the airlines will charge a \$50 surcharge to issue a paper ticket on an itinerary where an e-ticket is available.

Non-refundable tickets provide considerable cost savings, and should be used whenever possible. Employees should note that the cost of a non-refundable ticket can be applied toward the purchase of a future ticket for the same passenger on the same airline, provided the ticket has been canceled in advance of the scheduled flight time. In the event that an employee is unable, for valid business reasons, to travel on a flight booked as non-refundable, the fee associated with transferring the ticket to a future reservation is reimbursable.

For all employees issued corporate cards, Travelocity will automatically charge the individual corporate card account for any air or rail travel booked through the agency. These transactions will appear in Concur and must be included on an employee expense report. Tickets booked in advance should be included on expense report within 30 days of booking (even if the trip has not yet been taken) to keep the corporate card account current.

For individuals who have not been issued cards, the cost of air and rail travel booked through the corporate travel agency will be directly billed to the AP and should not be included on an expense report filed through Concur and charged as an advance to the employee. To clear the advance, the employee must include these charges on the related expense report indicating payment type as "company paid".

The original passenger copy of the airline ticket or the passenger receipt for e-tickets should be submitted with the expense report. If a change fee is incurred, this must also be supported by an airline issued receipt.

Unused Tickets

A staffer holding a non-refundable ticket whose travel plans subsequently change must contact ~~either the airline or~~ the corporate travel agency and notify them to cancel the ticket before the scheduled flight takes off. The staffer will then have a credit with the airline that can be used toward a future flight. If the flight was booked and canceled online, the online system will hold the canceled ticket information and attempt to use it for a future flight. If booking over the phone, It is the staffer's responsibility to should inform the travel agency counselor that they have the credit the next time they book a flight. In general, the credit will be available for 12 months; however, the staffer should make every effort to use it as soon as possible. Travelocity will maintain a record of unused tickets and apply the credit to a future booking.

Flight Insurance

AP provides insurance coverage for employees for accidental injury or death while traveling on company business. Additional air travel insurance (\$350,000) is provided by Citibank Diners Club for all tickets charged to either the corporate ghost account or a company-issued individual charge card. Any other business travel insurance is a non-reimbursable expense, except as specified in a labor agreement.

Personal Travel

Personal travel should not be booked through the Travelocity Business site or using the Travelocity Business reservation agents. Employees requesting to book personal travel will be redirected to the leisure site.

Non-employee Travel

Travel arrangements that are made for non-employees (clients, board members, prospective employees, etc.) must be booked through the corporate travel agency. The staffer booking the travel must submit an expense report to clear the airfare from his/her advance account, and should request the ticket receipt from the non-employee to facilitate this process.

Spouse Travel

Expenses of this type are generally not reimbursable, although there may be limited exceptions when it is in the company's interest for an employee's spouse to accompany the employee on a business trip or attend a business function. In circumstances where spousal presence has been approved and determined to benefit the company, arrangements must be made through the corporate agency and expenses for the spouse indicated as such on the employee's expense report. All spouse expenses must be charged to the employee's corporate card.

RAIL TRAVEL

Rail travel follows the same policies as air. All rail travel arrangements must be made through the designated travel agency. Business class is permissible on Acela service; on all other rail service class of service must be coach/economy unless approved by your supervisor.

LODGING

Rates

The AP will reimburse lodging accommodations for reasonably priced single occupancy rooms at moderate hotels. Employees are expected to use sound judgment in selecting accommodations. Hotel choice should meet the requirements of the assignment with respect to security, communications and location, but should not be classified as exclusive or luxurious. (If you are unfamiliar with an area, the local bureau can offer advice.) If double occupancy room charges are incurred as a result of traveling with someone whose expenses are not reimbursable, AP will reimburse the employee for the single occupancy room rate only.

All reservations should be booked through Travelocity. ~~The AP and Travelocity have which has negotiated rates at selected hotels in many cities. In locations where the company has negotiated preferred rates with certain hotels, (including NYC hotels previously booked through Administrative Services),~~ Travelocity will offer accommodations at these properties first and

indicate the properties as "preferred". Preferred properties should be chosen when available to ensure AP maintains its preferred pricing contracts. Alternate hotels should be used only when one of the following criteria is met:

- Company-preferred properties are sold out; OR
- The employee is attending a conference at the alternate property; OR
- The location of the company-preferred properties would result in additional ground transportation expenses; OR
- The rate received at the alternate property is less than the rate available at the least expensive company-preferred hotel in the area.

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~~If an alternate hotel is selected, it must be at a comparable rate.~~ Upon check-in, the rate quoted at reservation should be confirmed. (Note that although the reservation is made through Travelocity, hotel stays are not direct billed to the AP. ~~the~~ The room rate and all incidental charges will be the employee's responsibility at checkout and should be charged to the employee's corporate card or personal credit card.)

In rare circumstances where Travelocity does not offer properties in a certain location (e.g., rural areas) or in emergency situations, employees may book with a hotel directly. In addition, if traveling to a convention or other special event where the organizers have arranged for everyone to stay at a certain hotel using a special group rate, arrangements can be made outside Travelocity according to the organizer's instructions.

Late Arrival/Hotel Cancellation

~~When arrival is expected to be later than 6:00 p.m., it may be necessary to~~ Most hotels require a credit/charge card to guarantee late arrival with a credit card reservation. If the employee's travel plans change and the reservation is not canceled, a "no-show" charge may be billed. To avoid this, whenever a reservation will not be used, the employee should contact Travelocity or the hotel directly to cancel the reservation and keep a record of the cancellation number. This helps resolve "no-show" billing disputes. If an employee fails to cancel a reservation, the no show charges will not be reimbursed unless there was an unavoidable reason for not canceling.

Other Hotel Charges/Travel Incidentals

Business calls made from the hotel will be reimbursed, as will ~~fax and hotel~~ internet access charges. In addition, when out-of-town, employees are entitled to make occasional personal calls, which will be reimbursed provided they are of reasonable frequency and duration. Employees should be mindful that hotels often charge high per minute rates and therefore long distance calls should be minimized to the extent possible. Employees who have been issued corporate cell phones or corporate calling cards should use these for all long distance calling.

Room charges for personal items (such as movies) are not reimbursable. Customary baggage tips ~~(\$1/bag)~~ and housekeeping gratuities ~~(\$1/day)~~ are reimbursable. The AP will reimburse employees for laundry services when an out-of-town assignment lasts more than five days and such service is required on the road. Emergency dry cleaning and laundry expenses for shorter assignments will be reimbursed on a case-by-case basis. The AP will not reimburse for laundry services done after the staffer returns from an assignment.

GROUND TRANSPORTATION

Local transportation costs for business purposes other than commutation are reimbursable. When determining the method of ground transportation, employees should review all available options (public transport, taxis, car services, car rental, etc.). Transportation must be the least costly available option that meets the business requirements and safety considerations.

Rental Cars

As with all expenditures, car rentals should be used only when necessary. A car rental would not normally be justified solely for transportation between the airport and hotel if less expensive shuttle or cab service is available. Many hotels have courtesy cars that will pick up and return the traveler to an airport for no charge; employees are urged to take advantage of this free service whenever possible. In addition, at most major airports, airport limousine or bus services are available, which are as quick as a taxi and much less expensive. Employees should also assess whether using taxis is more economical than renting a car.

When a rental car is required, reservations can be made through the corporate travel agency, who will book the rental from one of the companies with which the AP has a negotiated rate. The standard size for a vehicle rental is intermediate; larger cars should be used only when you are sharing the car with two or more other individuals, or when equipment being used on the assignment necessitates a larger car. In no case should luxury or premium car classes (including SUVs and sports cars) be rented, unless required by assignment conditions (e.g., SUV use when covering hurricanes or snowstorms) and approved in advance by the employee's supervisor. In addition, optional add-on equipment such as satellite navigation systems should not be rented unless approved in advance by a supervisor.

When renting cars domestically, employees should always decline the Collision Damage Waiver (CDW) and Personal Accident Insurance (PAI) coverage. ~~AP provides~~In addition to the insurance coverage AP provides to all employees on assignment, CDW insurance is provided by the corporate charge card. For car rentals in international locations, consult with Risk Management (212-621-7510) regarding required insurance coverage before completing any rental arrangements. Insurance claims involving rental cars should be sent to Risk Management for processing.

Employees should decline the fuel purchase option, and should always refuel rental cars before returning. Rental agency refueling charges are often two to three times the prevailing rate per gallon. Unless there was an unavoidable reason for not refueling a rental car, employees may not be reimbursed for the additional refueling costs.

~~Employees will not be reimbursed for parking tickets or traffic fines.~~

Car Services

The AP has entered into agreements with several car services in New York. (A list is available from Administrative Services or through this [link](#).) Preferred vendors are to be used whenever feasible; however, employees should also consider using local car services or taxis if they are more economical, especially when the pickup location is outside the NYC area. (Employees should always consider use of public transportation, which is generally cheaper and often equally convenient.) When traveling in other cities, check with local management on the availability of local car services. Car services are to be used for business purposes only. Use of car services when working late requires supervisor approval.

Car vouchers should be properly completed with the passenger's name, pickup location, destination, date and time of pickup, cost center, etc. Employees should ensure they are at the designated pickup location at the scheduled pickup time to minimize waiting time. Any waiting time indicated by the driver on the voucher should be initialed by the employee. No tips should be added to vouchers.

Taxis

The use of taxi cabs is permitted when other transportation is not available or when it is less expensive than other transportation options such as car services. When working late, taxis may be reimbursed with supervisory approval. Tips should be reasonable and customary for the location but should not exceed 15%.

Use of Personal Vehicle for AP Business

Employees will be reimbursed for mileage, tolls, and parking when using their personal vehicle for business purposes. Unless otherwise specified by a labor agreement, eExpenses for normal commuting between an employee's home and business location are not reimbursable, and- Unless otherwise specified by a labor agreement, mileage is reimbursed at a pre-set rate per mile, which is established annually by the IRS (or, for non-US employees, other the national taxing authority in the employee's assigned country). For a list of current rates, click [here](#).

The personal automobile mileage reimbursement rate is intended to cover gas and oil, normal wear and tear (maintenance and repair) and insurance on the vehicle; the AP does not reimburse for these items separately unless otherwise specified in a labor agreement. When requesting mileage reimbursement, employees should indicate origin, destination, total mileage, and assignment.

Employees using their own vehicle for business must carry adequate auto insurance coverage (minimum bodily injury and physical damage liability of \$100,000/\$300,000 per claim/annual limit). Except as defined by labor agreement, AP will not reimburse employees for accidents (, parking tickets, or traffic citations incurred when personal vehicles are used for business.

Company Cars

Individuals who are provided with or use a company car will be reimbursed for gasoline, oil, repairs and maintenance (tires, batteries, tune-ups, etc.), insurance, parking and tolls incurred when the car is used for business related trips. Employees with company cars are not eligible for a standard mileage rate reimbursement. Tolls, parking, and gas expenses incurred when the car is used for personal reasons or for normal commutation will not be reimbursed. In addition, AP will not reimburse staffers for traffic tickets or parking fines incurred while driving a company car.

Employees are required to keep accurate records of business and personal mileage. In accordance with IRS regulations, personal use of a company car, which includes commutation to or from an employee's normal place of business, is compensation and will be reported on the employee's W-2. (Personal use of specialized AP technician vans may be exempt from this rule.)

Prior approval of the leasing company (PH&H) is required for any repair and maintenance expenses over \$100 for all company cars except executive cars.

Parking Fees/Traffic Fines

Except in very limited circumstances, AP will not reimburse staffers for traffic tickets or parking fines incurred while driving a rental, personal, or company car.

MEALS

Depending on location, job description, or assignment, employees may be reimbursed for meals on either an actual or a per diem basis. Please refer to the appropriate section below.

Actual Meal Costs

The AP will reimburse employees for reasonable meal expenses **incurred** in conjunction with AP business. Although receipts are not required to be submitted for individual meals less than \$10, this should not be interpreted as an allowance or entitlement. All charges submitted for reimbursement should represent actual out-of-pocket expenses that the employee has paid on behalf of the company (i.e., actual cost incurred for meals eaten while traveling on AP business).

Each meal should be recorded and reported separately as breakfast, lunch or dinner. ~~Snacks are not reimbursable.~~ Meals requested for reimbursement should be consistent with time of travel (e.g., breakfast can be charged to the AP if the employee leaves for a trip before normal breakfast time; dinner can be charged if the employee's return time is after normal dinner hours).

If two or more AP employees dine together, the senior person (in terms of job title) must pay for the meal and include it on an expense report. The full name of each participant and the business purpose of the meal should be clearly defined.

Employees should exercise good judgment with respect to choice of restaurant; meals should not be lavish and tipping should be reasonable and consistent with local practice (15-18% domestically, 10-12% internationally). Current tax laws make a portion of meal expenses taxable to AP, which makes it even more important to watch this type of spending. ~~Meals with non-employees and meals with employees not involving an overnight stay are considered entertainment expense and must be reported as such.~~

Per Diems

A per diem is a pre-determined daily expense allowance given to an employee traveling on behalf of the company. Per diem allowances do not require receipts, but are limited by IRS regulations. Employees receiving pPer diem allowances must ~~be documented on an expense report~~ the dates and purpose of business travel. For a list of current per diem rates by location, click [here](#).

The per diems established by the AP for certain staffers and special events such as the Olympics are intended to cover all meals, refreshments, and drinks, ~~and incidentals~~. Occasionally, a staffer who is traveling on a per diem basis may need to entertain a business associate. In this case, the staffer may submit the actual entertainment expense but must also reduce the daily per diem by the ratio detailed below. In no event will a staffer be reimbursed for a specific meal and receive a full daily per diem.

In addition, when a per diem staffer has a business lunch or dinner paid by someone else, he or she should reduce the per diem by the ratio for each such meal. Staffers should not entertain each other in order to submit actual meal costs in excess of the per diem amount; requests for actual reimbursement should be limited to meals including business associates. Where meals are provided or included within accommodations terms (e.g., breakfast included in room rate), the per diem will also be reduced by the value for that meal.

In calculating deductions, the following ratio is used to determine meal value:

- Breakfast 20%
- Lunch 30%
- Dinner 40%
- ~~Incidentals~~ 10%

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ENTERTAINMENT

Reasonable expenses for entertaining members and business associates are reimbursable if the entertainment directly precedes, follows, or coincides with a business discussion or was scheduled in connection with such a discussion. A business benefit must be derived or be expected to be derived from the entertainment.

Discretion should be used in determining the nature of entertainment activities and the number of AP staffers included. The ~~most senior~~ highest ranking AP employee must pay for the entertainment and include it on his/her expense report.

In accordance with tax guidelines, employees must detail the full name and title of the individuals entertained (~~except in cases of confidential sources as indicated previously~~), the business relationship, the date and location of the entertainment, and the business purpose of the event for each expenditure. Once input, the Concur system will "remember" recent business attendees and include them in a drop down list to facilitate entry of this information.

MISCELLANEOUS EXPENSES

Mobile Phone Usage

Employees using their personal mobile phones to make calls related to AP business will be reimbursed when business calls result in the employee exceeding his/her monthly minute allowance and incurring over plan charges or when roaming charges directly related to the business calls are incurred. Upon submission of an itemized bill showing usage, employees will be reimbursed for any excess minute and roaming charges resulting from the business calls.

Broadband Home Internet

Employees who use a high-speed home internet service for business purposes may be reimbursed at the manager's discretion, based on whether (a) use is primarily for business purposes, (b) the employee's job performance would be impaired if high speed home internet were not available, and (c) high speed service to the home would be discontinued if it were not reimbursed.

Other

Travel Incidentals

Reasonable incidental travel expenses (such as telephone, fax, and internet access charges, laundry and valet services, tips, etc.) are reimbursable expenses while traveling. Items of a personal nature are generally not reimbursable.

~~The AP will reimburse employees for laundry services supported by receipts when an out-of-town assignment lasts more than five days and such service is required on the road. Emergency dry cleaning and laundry expenses will be reimbursed on a case-by-case basis. The AP will not reimburse for laundry services done after the staffer returns from an assignment.~~

Examples of Reimbursable Items:

The following is partial list of items that may be reimbursed with prior approval:

- Professional or business association membership dues
- Seminar fees (with prior approval and submission of sufficient documentation, including registration forms and proof of payment)
- Business gifts of a nominal value (i.e., \$25 or less), but not gifts to employees

Examples of Non-Reimbursable Items:

Except in ~~very~~ limited circumstances and only with manager advance approval, the following items are non-reimbursable:

- Toiletries, medicines, prescriptions, etc.
- Candy, chewing gum, cigarettes, etc.
- baby-sitting fees
- haircuts
- kennel fees
- luggage / gear bags / clothing (except as covered by labor agreement)
- airline club memberships
- personal credit card fees (~~except as covered by labor agreement~~)
- in-room movies
- personal reading material
- health club memberships
- Passport fees

~~• ATM fees (except when obtaining foreign currency)~~

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Equipment

All capital equipment purchases should be processed through Corporate Purchasing via an approved electronic purchase requisition (EPR) and paid for through Accounts Payable. Except in emergency situations, individuals should not independently purchase equipment or related parts and request reimbursement through an expense report.

CORPORATE TRAVEL AGENCY CONTACTS

US-Based Employees

Travelocity Business

<http://wcp.getthere.net/apglobal>

1-866-321-8407

UK-Based Employees

~~Travelocity Business~~

~~<http://wcp.getthere.net/apglobal>~~

~~Phone # TBD~~

NEW YORK PREFERRED HOTELS

~~The Southgate (Affinia Manhattan)~~

~~371 Seventh Avenue~~

~~New York, NY 10001~~

~~212-465-3700~~

~~<http://www.affinia.com/NYC-Hotel/Affinia-Manhattan/Overview.cfm>~~

~~Corporate rates of \$179—209/249 (studio) and \$289 (one bedroom suite with fitness center access) per night includes continental breakfast~~

Wingate Inn Manhattan Midtown

235 West 35th Street,

New York, NY 10001

212-967-7500

<http://www.wingateinnnyc.com/>

Corporate rates of \$289 per night

Metro

45 West 35th Street

New York, NY 10001

212-947-7500

<http://www.hotelmetronyc.com>

Corporate rates of \$215 (queen) - \$225 (king) per night included continental breakfast

The New Yorker

481 Eighth Avenue

New York, NY 10001

<http://www.newyorkerhotel.com/>

Corporate rate of \$169—189 per night includes continental breakfast

CAR SERVICES

Planet Limousine

Phone: 516-354-1616 or 1-800-805-9251

Account # 01388

Americar

Phone: 212-629-8000

Account #45033

US-Based Employees

The mileage reimbursement rate is based on a rate set annually by the Internal Revenue Service. For January 1 - August 31, 2005, the rate was \$0.405 per mile. Effective September 1, 2005, the rate was increased to \$0.485 per mile for the remainder of 2005. The rate for 2006 is \$.445.

For employees covered by the News Media Guild Agreement, the daily reimbursement is subject to a \$12.50 minimum.

UK-Based Employees

The mileage reimbursement rate is based on a rate set by the Inland Revenue Service as follows:

Company Vehicles:

Engine Size	Pence per mile	
	Petrol	Diesel
<1400cc	10.0p	9.0p
<2000cc	12.0p	9.0p
>2000cc	1416.0p	1213.0p

Private Vehicles:

Number of Miles	Pence per mile	
	Petrol	Diesel
<10,000 miles	40.0p	40.0p
>10,000 miles	25.0p	25.0p

Other Personal Transport:

	Pence per mile
Motorcycle	24.0p
Bicycle	20.0p

[Return to Mileage Policy](#)

US-Based Employees

For US-based employees, per diems are only used for major events such as the Olympics or certain election-related events. In instances where per diems are used, they will be based on the Internal Revenue Service per diem guidelines.

UK-Based Employees

For ~~2005~~2006, the following per diems are in effect:

	Amount per day
• Europe (except Switzerland and Scandinavia)	€50
Switzerland and Scandinavia	€60
• North America (USA, Canada)	\$50
Rest of America	\$50
• Asia (excluding countries below)	\$35
Japan	\$75
Malaysia, South Korea, Singapore, Taiwan,	\$50
• Rest of World	\$50
• The UK is subject to Inland Revenue guidelines. The Inland Revenue sets a rate of £65.00 for breakfast, £76.00 for lunch and £121.00 for evening meal as the basic rate of subsistence within the UK; this amount can only be claimed if you are away from home for more than 10 hours.	

[Return to Meal Reimbursement Policy](#)