

AFA Travel — Expense Reimbursement Policy

REIMBURSEMENT POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, COMMITTEES, COUNCILS, and OTHER VOLUNTEERS

Approved by the Executive Committee 5 December 2019

Purpose:

The following travel policy is in effect for the reimbursement of expenditures for official Air Force Association travel. The purpose of these reimbursements is to defray a portion of the expenses of members of the Board, Committees, Councils, Heads of State Delegations to the National Convention, and Other Volunteers.

Timing Requirements:

AFA's reimbursement policy falls under what the IRS refers to as an accountable plan. Under normal circumstances money paid to individuals is considered taxable income. The AFA accountable plan allows AFA to make reimbursements of expenses that are not taxable to the recipient as long as certain conditions are met. For example, Internal Revenue Service regulations require reimbursement of valid business expenses within a reasonable amount of time or AFA is required to report the reimbursement to the IRS as taxable income to the recipient. In addition, the auditors will test to find out if AFA is adhering to its policies. Therefore, exceptions such as delays in turning in requests for reimbursements could result in audit findings, and they could result in the delayed reimbursement being taxable to the traveler.

Policy:

AFA reimburses travel expenses based on the principal of lowest reasonable cost.

AFA is the payer of last resort. If you are eligible for reimbursement by another entity, such as your employer or an AFA chapter, state or region, this policy requires you to submit your expenses for reimbursement to that entity first. Only amounts that remain unreimbursed by another entity may be eligible for reimbursement under this policy.

To be eligible for reimbursement, Internal Revenue Service requires receipts for all expenditures that are over \$25. However, all costs must be itemized on the reimbursement form and a detailed receipt showing items purchased must be attached. IRS also requires the date of the expenditure, the business purpose, and the signature of the traveler. Proper use of the AFA Travel Reimbursement Form satisfies these requirements. AFA suggests that all receipts, regardless of amount, be saved and attached to support expenditures. As part of its system of checks and balances, AFA requires a second signature or electronic approval before it will reimburse expenses. This is usually the AFA staff member who is responsible for the meeting or event, who has direct knowledge of the business purpose of the trip, that the trip was pre-approved, and that the traveler participated in the intended AFA activities.

Reimbursement for Meeting Days:

A "meeting day" is one in which attendance is required at a scheduled meeting as an official member of a board, committee, council, or attendee at an official function authorized by AFA. Expenses will be paid for a non-meeting day when it is cost effective for the Association to do so. However, an exception must be requested in advance of the trip along with the explanation of the reason for the additional costs.

a. For example: if a committee member has a meeting on Friday but stays overnight until Saturday, a non-meeting day, to take advantage of the special airline discount. In this case additional expenses will be reimbursed by AFA if the net expense is less than it would have been without the additional night in a hotel.

b. If an individual has meetings on non-consecutive days, expenses will be reimbursable for the day(s) between meetings unless transportation costs home and back would cost less.

c. An additional day of expense is authorized if a meeting is scheduled to begin and end so that it is not practical for the individual to travel to the meeting site or return home on the day of the meeting. An example: if a committee member lives in California and the meeting is scheduled from 8:30 a.m. to 5:00 p.m. in Washington, DC, another day would be authorized.

Maximum Travel Reimbursement per Trip for Volunteers:

For official pre-approved travel by volunteers such as, Board, Committees, Councils, Heads of State Delegations to the National Convention; actual transportation costs will be reimbursed to a maximum of \$525. For AFA Officers the limit is \$725. The National Convention business session is considered an official meeting for the Head of the State Delegation. Auto mileage will be computed at the IRS Standard Rate and is part of the \$525 or \$725 maximum. Mileage reimbursements for attendees who choose to drive instead of fly will be limited to the lowest cost coach airfare, with one stop, that can be booked six weeks in advance of the trip, plus baggage fees if they would apply, parking at the departure airport, and shuttle service to and from the destination airport. It is the responsibility of the traveler to provide a copy of an airfare comparison six weeks prior to the proposed travel date with your request for reimbursement. See "Airfare" below. Reimbursed local transportation (home to airport, airport to meeting location, etc.) via taxi, bus or private auto is considered part of the transportation costs for purposes of the \$525 or \$725 maximum as are air-fare, train-fare, parking, tolls, and shuttles.

Exceptions and In-Kind Contributions:

Exceptions to this policy must be documented in advance in writing, such as by email, by appropriate AFA personnel. In order to reduce costs, Board members, Committee members, and Delegates are encouraged to pay for some or all of their travel to AFA events. Part or all of the amount of the reimbursement that is due to volunteers can be designated as an in-kind contribution to AFA as long as the travel policy is strictly followed. Travel forms will be reviewed for compliance with this policy. Donors will receive thank-you letters from AFA documenting their contributions for tax purposes. AFA cannot allow in-kind contributions for expenses that are not reimbursable under its travel reimbursement policy. For example: first class airfare when coach is authorized, meals in excess of what is reasonable, expenses that have been reimbursed by another entity, or amounts over the \$525 transportation allowable charges are not allowed as in-kind contributions. Examples that illustrate how this works in practice are available from staff.

Airfare:

AFA reimburses for coach airfare at the lower of the rate that can be obtained by booking six weeks in advance of the trip, when this is possible, or the actual amount of the cost of a coach ticket, whichever is lower. The traveler is welcome to upgrade to business class or first class at their own additional expense if they include a print-out showing what the cost of a coach ticket booked six weeks in advance of the flight would have been. If this information is not included by the traveler, the cost of a coach ticket will be assumed to be \$200. Trip cancellation insurance is reimbursable as is one checked bag in each direction. Seat upgrades, optional fees paid in addition to the base fare to reserve specific seats, and overweight baggage charges will not be reimbursed. Personnel are expected to book the lowest cost airfare that is practical. AFA considers flights with one connection to be reasonable in most circumstances, thus the reimbursement of the cost of direct flights is not guaranteed and will be treated as an exception. Flights that are not booked far enough in advance, and are therefore not in line with the lowest reasonable costs of other tickets booked in the same time-frame, will be reimbursed only up to the amount that is reasonable based on other similar flights. Travelers are expected to plan accordingly to take advantage of these savings when practical. Exceptions to these requirements will only be made in the event accommodations are required due to a documented medical need. As with other expenses, airline flight information, and proof of payment are required for the reimbursement of airfares. On the rare

occasions that AFA authorizes international travel, the option of business class will be offered if the same day flight time exceeds 12 hours.

Shuttles & Taxis:

AFA staff may provide the names and arrival times of others who will be traveling on the same dates and times. In order to minimize the cost of local transportation, please coordinate the use of shuttle service, taxis, or rental cars if authorized with other travelers in the destination city.

Rental Cars:

Generally, AFA does not reimburse travelers for rental cars. AFA believes that shuttles, taxis, uber, or other public transportation are a reasonable lower cost alternative to rental cars.

Exceptions include:

Staying with relatives or friends in the destination city, thus saving AFA the cost of a hotel, resulting in the total cost being lower than it would have been without the rental car and with the hotel.

A business requirement for multiple short trips during the course of a day would make alternatives to a rental car more expensive than the rental.

Multiple AFA travelers share a rental car, the total cost of which is lower than if each person purchased a ticket on a shuttle or shared another option such as uber.

If the proximity of the final destination to an airport is such that a rental car would cost less than a taxi or uber.

Room Charges:

Generally, AFA pays for all room charges and the related taxes for the specific number of days that travelers will be on duty for the meeting. For group meetings, where a contract has been signed with the hotel, these expenses may be charged to a master account. If AFA has not made arrangements for hotel rooms in advance, please use the per diem rate for hotels only in the city in question from the GSA website as a guide. Government regulations require the cost of hotel rooms and other expenses paid on a master hotel account to be listed on the travelers expense reimbursement request form. This is so that the total cost of the trip is shown on a single form. Please request a copy of room charges at the time of check-out and review the charges for potential errors. The traveler is the best person to know if a charge is legitimate or not and can quickly have erroneous charges removed from the bill before leaving the hotel. Important: The costs of the trip that are paid for by AFA on a master hotel account or by way of an AFA corporate credit card account should be deducted from the total cost of the trip to arrive at the amount that is reimbursable to the traveler in the row of the travel form entitled "advances". Please do not hesitate to contact finance staff with questions about this. Expenses for additional days stayed beyond those needed and approved to conduct AFA business are the responsibility of the traveler. If the traveler resides within 20 miles of the meeting location, AFA expects them to utilize their home instead of staying in a hotel at AFA's expense. However, volunteers in this situation who elect to stay at the event venue instead of at home are expected to pay for the cost of the hotel.

Meals:

Meals are generally not reimbursed to volunteers with an exemption for national officers who are traveling within their travel budget on non-committee, but official AFA business. All exceptions for volunteers must be approved in advance. While traveling, meals are not reimbursed on a per diem rate. Reimbursement for meals are based on the actual expense incurred. AFA does not reimburse for the cost of room service meals.

Alcohol: AFA does not reimburse the cost of alcoholic beverages