

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY
TRAVEL AND DISCRETIONARY FUNDS POLICY

Adopted: April 11, 2023

1. Purpose. The Town of Montgomery Industrial Development Agency (the “Agency”) desires to establish a uniform policy regarding travel undertaken by Agency employees, officers and Board Members related to Agency business matters, and to protect against the use of discretionary funds for purposes that do not advance the Agency’s mission and public purposes. The purpose of this policy is to set forth the uniform procedures and requirements to be followed for the authorization and expenditure of funds for travel associated with the Agency’s business, and to provide for the proper use of discretionary funds.

2. Applicability. This policy applies to all Agency Board Members, officers and employees.

3. Travel
 - A. General Travel Policy. The Agency will reimburse its Board Members, employees and officers for necessary and reasonable travel expenses incurred in furtherance of the Agency’s official business subject to the presentation of appropriate documentation (“Qualified Expenses”). There is no reimbursement for travel expenses that are not related to official Agency business.

 - B. Pre-Approved Travel and Travel Related Expenses. Qualified Expenses incurred by Agency Board Members, officers or employees to be reimbursed by the Agency, using Agency funds that have been set aside for such purposes or that the Agency has available for reimbursement of travel expenses (the “Travel Budget”), must be approved in advance by the Chairman of the Agency, provided, however, that in the event of travel by the Chairman, such travel must be approved in advance by the Treasurer of the Agency. The Chairman will advise Treasurer of all approved travel requests.
 - i) The Executive Director shall continue to inform the Chairman of the status of the Travel Budget throughout the year, so that the Chairman is able to approve and/or deny travel expenses accordingly.
 - ii) The Chairman or his/her designee will assist the member, officer or employee, if desired, with arrangements for travel and the accompanying reimbursement procedures.
 - iii) Reimbursement of Qualified Expenses is subject to the substantiation and approval provisions contained within Section 3(G) hereof.

 - C. Unapproved Travel and Travel Related Expenses. Qualified Expenses that are incurred by Agency members, officers and employees who have not received prior approval

from Chairman (or, in the event of travel by the Chairman, prior approval from the Treasurer) may be submitted for reimbursement. However, if the Travel Budget does not contain adequate funds to cover the entire amount of such travel expense, full reimbursement is subject to an amendment of the Travel Budget by the Agency's members.

D. Specific Travel Expenses:

- i) Travel by Personal Vehicle/Mileage Expenses: Agency members, officers and employees will be reimbursed for use of a personal vehicle for official Agency business at the mileage reimbursement rate discussed below. Mileage shall ordinarily be computed between the Agency's Office and the traveler's destination. However, in the interest of convenience, mileage may be calculated from the traveler's residence and the traveler's destination, so long as the traveler resides within the county in which the Agency is located.
 1. The mileage reimbursement rate will be equal to the optional standard mileage rate published by the Internal Revenue Service at the time of travel. The optional standard mileage rate takes into account and is meant to compensate for all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc. Thus, charges for gasoline, oil, accessories, repairs, depreciation, anti-freeze, towing, insurance and other expenditures will not be reimbursed.
 2. Agency members and employees using personal vehicles for Agency travel will also be reimbursed for tolls, reasonable and necessary parking charges and similar expenses.
 3. Agency members and employees must wear seatbelts at all times while driving a personal vehicle for Agency events or business.

- ii) Travel by Air/Rail/Rental Car: Other transportation costs (*e.g.*, use of common carriers, rental cars, etc.) will be reimbursed on a case-by-case basis to the extent necessary. Coach class or any discounted fare shall be used in the interest of economy. The use of business or first-class or other higher cost services may be authorized only in extenuating circumstances, which extenuating circumstances shall be presented to the Agency's members in writing and approved by a majority of said members.

- iii) Subsistence Expense: Subsistence expenses incurred while traveling consists of charges for lodging, meals and incidental expenses. For trips lasting 12 hours or less, expenses for lodging, meals and incidental expenses will not be reimbursed. An exception to such prohibition will be allowed for meal expenses if the meal is an integral part of a business meeting. For trips lasting

greater than 12 hours, expenses incurred for lodging, meals and incidentals will be fully reimbursed if reasonable and if approved pursuant to this policy.

- iv) Lodging Expenses: Agency members and employees must book standard accommodations in reasonably priced hotels and motels and should always request municipal discounts or government rates. Lodging rates shall not exceed the U.S. General Services Administration (GSA) per diem rate for the location.
- v) Meals and Incidental Expenses: Agency members and employees will be reimbursed for actual and necessary meals and incidental expenses (*e.g.*, tips) up to the maximum GSA meal and incidental expenses per diem (daily rate) for the location.

E. Ineligible Expenses:

- i) Members and employees will not be reimbursed for alcohol, entertainment (*e.g.*, in-room movies, theater tickets, sight seeing, shows, night clubs, etc.), personal phone calls, parking tickets, speeding fines, laundry, valet services, personal expenses (*e.g.*, toiletries, clothing, gifts, etc.), expenses incurred by the employee's spouse, and any other non-business related expense.
- ii) The Agency does not pay or reimburse members or employees for taxes on in-state purchases and lodging charges that should not be incurred due to the Agency's tax exemption status.

F. Maximum Reimbursement Rates:

- i) The Agency adopts the federal lodging, meal and incidental expenses, and mileage guidelines as the general maximum amounts allowable for traveling members and employees. The Agency uses the GSA Rates for lodging and meal and incidental expenses reimbursement and IRS rates for mileage reimbursement.
- ii) Exceptions to Maximum Rates for Lodging and Meals:
 - 1. Any expenditure above the maximum rates for lodging and meals must have prior approval from the Chairman or Agency Board. Requests for exceptions should be made when the travel request is submitted for pre-approval.
 - 2. Exceptions to maximum lodging and meal rates may be allowed to accommodate special circumstances such as the following:
 - When the hotel hosting a conference charges a lodging rate higher than the maximum rate and paying and it is in the Agency's best interest to allow the traveler to stay at the higher rate rather than incur transportation costs to and from the conference site.
 - When lodging is not available at or below the maximum rate or lodging at the maximum rate cannot be found reasonably close to

the traveler's destination, as may occur during peak vacation periods in tourist areas or other heavily traveled areas.

- When meals are included as part of the hotel/conference fee and the traveler cannot separate the food cost from the hotel/conference price.
- When a traveler has special needs that necessitate increased expenses such as special dietary restrictions, health concerns or handicapped access.

G. Reimbursement Procedure: A travel expense voucher reporting all Qualified Expenses pertaining to a particular trip must be submitted to the Chairman and Treasurer of the Agency (or, when the travel was by the Chairman or Treasurer, to the First Vice-Chairman) within 45 days of the end of the trip.

- i) Substantiation: The travel expense voucher should include: (1) date and time of departure from and return to the Agency or traveler's residence; (2) purpose of the travel or the nature of the business benefit derived as a result of the travel; (3) whether or not the expenses incurred during the travel were preapproved; and (4) the amount of each expenditure, listed by date and location. MapQuest or similar document is required on all mileage reimbursements.
- ii) Receipts: The original of the following receipts must be submitted along with the travel expense voucher: (1) all travel tickets (i.e. airline tickets, train tickets, rental car agreement) (2) all itemized meal receipts (i.e. signed credit card slips or payment stubs); (3) all lodging receipts (i.e. hotel, motel receipts); and (4) all receipts for parking and tolls; if an original receipt cannot be located, the traveler can submit a copy of a bank statement or credit card statement in lieu of a receipt.
- iii) Final Approval: The Chairman and Treasurer shall review each travel expense voucher in order to ensure that the traveler has provided adequate substantiation and to determine whether the expenses listed therein are reasonable. The Chairman or Treasurer may require a traveler to submit additional substantiation and, if the Chairman or Treasurer finds a particular expense to be unreasonable (either as to amount or purpose), they may deny reimbursement of the expense or reduce the amount of the reimbursement for such expense. All determinations on reimbursement shall be made by the Chairman and Treasurer, except determinations regarding travel of the Chairman shall be made by the Treasurer and First Vice-Chairman and determinations regarding travel of the Treasurer shall be made by the Chairman and First Vice-Chairman.

4. Discretionary Funds

- A. General Policy. The expenditure of Agency funds must relate to an enumerated power, duty or purpose of the Agency, and shall be limited to expenditures that advance the Agency's mission and public purposes. Discretionary funds shall not be used for expenditures that are personal in nature, that would primarily benefit one or more individual Board Member, officer or employee, and/or are not necessary to advance the Agency's mission.
- B. Prior Approval. All expenditures of discretionary funds shall be approved by the Executive Director (or by the Agency Chairman or Treasurer in the case of Executive Director expenditures) prior to such expenditure and must fall within the applicable Budget allocation. The Executive Director or the Chairman or Treasurer, as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the Agency as opposed to an individual Board Member, officer or employee and (ii) directly advances the mission and public purpose of the Agency. Scrutiny of all expenses will be guided by judgement relating to the relevance of such costs and the benefits which may accrue from such activities.
- C. Guidance on Certain Discretionary Expenditures.
- i) Training/Conferences – Paying the costs for Agency Board Members, Officers or employees to attend relevant training/educational programs or conferences may be an appropriate expenditure of Agency discretionary funds. All travel related expenditures shall comply with the provisions set forth above.
 - ii) Membership Dues – Membership dues paid for the Agency to belong to a professional peer organization is a permissible use of Agency funds. However, professional licensing expenses or individual membership costs for Board Members, officers and employees to belong to a professional, social or fraternal organization whereby the membership is of and the primary benefit is to, the individual rather than the Agency, shall not be a permissible Agency expenditure.
 - iii) Sponsorships & Charitable Contributions – The appropriateness of using discretionary funds on a sponsorship or charitable contribution will depend on whether such expenditure directly relates to the powers, duty and purposes of the Agency, and whether such expenditure will directly advance the Agency's core mission and purposes.
 - iv) Marketing – Expenses incurred in the course of marketing the Agency's area to new or prospective industries and businesses and developing and maintain relations with existing industries and businesses and supporting partners in the furtherance of the Agency's mission and purpose may be an appropriate expenditure of Agency discretionary funds.
 - v) Food and Beverages – With the exception of food and beverages purchased during business travel as provided herein, expenditures of food and beverages

for the personal consumption of Board Members, officers and employees shall not be considered an appropriate use of Agency discretionary funds. Provided, however, expenditures for food and beverages purchased for or during the conduct of Agency business with persons that do business with the Agency may be an appropriate expenditure of Agency discretionary funds, provided that the expense is reasonable in light of the circumstances surrounding the Agency activity and is pre- approved as set forth herein.

- D. Documentation. The Agency shall maintain records of all expenditures of discretionary funds including the receipt or similar record detailing the goods or services purchased, cost, and date of the purchase, and date of the purchase, together with documentation of prior approval and the official business explanation.