



Travel & Expense Policy

Policy Statement

The following is the Travel & Expense Policy for BBK Consulting, Inc. (The Company) for expenses incurred during required travel and in the normal course of business. This policy statement supersedes all previous regulations governing travel & expense reimbursement.

Purpose

The purpose of this policy is to outline practices and procedures in place at BBK Consulting, Inc. for travel and expense reporting. It is intended that this policy cover all aspects of reimbursement of reasonable costs incurred during trips to complete Company business. As with any statement of procedures, exceptions are expected; however, request for such exceptions must be made in a full written explanation and are subject to review and approval. Such explanations may be made on the completed expense report or by attachment thereto. Authorization for exceptional expenditures may be granted in advance by contacting your direct manager. Written authorization should be attached to the completed expense report. Any expenses not approved or deemed not business related will not be reimbursed by the Company.

Definition

This policy covers authorized company travel. All travel should be pre-approved by management before the travel and expense is incurred.

Procedure

For employees issued with Company credit cards, before you travel you should check with the CFO to see if you have Business Interruption Insurance provided through the credit card company. A copy of your coverage will be provided upon request from the CFO's office. The purchase of any additional insurance by a traveler is not reimbursable unless approved prior to the trip.

Travel To and From the Airport

It is expected that each employee use the best means of traveling to and from the airport, taking into consideration cost, time and transportation availability.

Public Transportation

The cost of necessary public transportation is reimbursable and does not require a receipt if no fare ticket is issued. Since this is usually the least expensive, it is to be considered first. It is understood that this method of transportation is the most time

consuming and sometimes the least available.

Taxi

A taxi may be used to and from the airport. Cost must be considered when choosing this method of travel. Where this cost exceeds the cost of a rental car and such rental car is available, then the rental car should be selected. All taxi charges must be supported with a valid receipt.

Rental Car

The rental car should be selected when the mileage is prohibitive and will increase the cost of a taxi beyond that of a rental car. Since rental cars are charged by the day and sometimes also by the mile, the car may be rented the night before or returned the morning after the completion of the trip if it does not exceed the term of the rental. A valid detailed receipt must accompany all requests for reimbursement. The Company will not reimburse for moving violations or parking tickets.

Private Auto

Private auto may be used in all cases. Payment for this type of transportation will be reimbursed at the current rate of \$0.58 per mile plus parking charges and tolls (receipts required).

Parking

Parking at the airport is reimbursable with a valid receipt. You should always use the most economical option when parking at the airport, such as Long Term Parking.

Airline Travel

Employees of the Company are advised to use special economy, coach, or comparably priced fare types for domestic travel – pre-booking trips well in advance where possible.

It is the employee's responsibility to cancel airline, hotel and rental car reservations if the trip is cancelled or postponed. The Company will not reimburse for trips that did not take place and were not cancelled. Airline and hotel reservations for certain events, such as meetings and trade shows should be coordinated and charged to the corporate AMEX card to take advantage of reward programs.

Expenses Connected with Air Travel

Expenses incurred while in flight for such things as wine, liquor, movies magazines or earphones are not reimbursable. Expenditures for the use of porter services is not reimbursable except if there is:

1. An excessive amount of material for the business purpose of the trip, or
2. Excessive baggage due to an extended trip.

Lodging

The Employee is expected to secure information regarding hotel and other accommodations including Company facilities in the destination city or cities.

The Employee should make use of any commercial or special rate arrangements the Company has with certain hotels or hotel chains or any Company controlled or supplied accommodations. Single room is standard policy. Valid detailed receipt required.

Car Rental

A rental car is generally the most expensive mode of transportation it should be used only when other suitable and less expensive means are not practical or available. Rental vehicles are not to be used unless the cost is less than that of other available transportation such as taxi or airport shuttle/limousine. If car rental is necessary, to reduce cost, employees should share rental cars, use

compacts, and utilize discounts. The company does not cover the cost of rental vehicles for personal use or to supplement a personal vehicle undergoing repairs.

For employees issued with company credit cards before you rent a car you must check with the CFO to ensure you have Business Interruption Insurance through the corporate credit card. If you have Business Interruption Insurance you should decline the LDW insurance offered by the car rental company. If you do not have this insurance at the time of rental you must take the insurance offered by the rental car company. Failure to ensure the proper insurance coverage is in place will result in the employee being responsible for all expenses related to being uninsured. The Company will not reimburse for moving and parking violations. A detailed car rental receipt is required for reimbursement.

Business Meals

Customers or Other Outside Business Associates

Business meals provided for customers or other outside business associates for the purpose of a business discussion or the promotion of goodwill which are furnished in an atmosphere conducive to a business discussion such as in a restaurant, hotel dining room or similar place not having a floor show or other entertainment are generally considered to be directly related to the active conduct of business and therefore reimbursable. Business lunches or dinners which are part of a business program or which are officially sponsored by business or professional associations are also considered directly related to the active conduct of business and accordingly are reimbursable. All business meals that involve customers or other outside business associates must have prior approval from a member of Senior Management.

Company Employees Only

Business meals involving Company employees only are not reimbursable by the Company except in unusual circumstances. Such circumstances would include special situations wherein a time limitation factor and/or the nature and sensitivity of the matters to be discussed were such that a luncheon or dinner meeting was clearly in the best interest of the Company. Such business luncheons or dinners should, if possible, take place on the Company premises or if that is not practical, should take place at a club or restaurant the atmosphere of which is conducive to a business discussion. All business meals that involve company employees only must have prior approval from a member of Senior Management.

Overtime Meals

Occasionally employees are required to work overtime, or on the weekends. During these times meals may be purchased for employees with prior approval from a member of Senior Management. A detailed valid receipt must accompany all requests for reimbursement.

Non-Reimbursable Expenses

The Company will not reimburse employees for any personal expenses, which include, but are not limited to, entertainment, or meal expenses not directly related to or associated with the active conduct of the Company's business. Nor will the Company reimburse business entertainment or meals expenses that are lavish or extravagant.

It is Company policy that employees should refrain from drinking alcohol during the normal

workday. However, it is appropriate to offer and partake of an alcoholic beverage with a business guest when the situation warrants. Employees dining without a business guest are required to pay for their own alcohol. A detailed receipt is required for all expenditures (not just the credit card receipt). The number of people dining out, company, the name of the guest, account number and reason for the meal must be written on the back of the receipt.

Costs

Reasonable costs of meals are reimbursable. Depending upon the circumstances of a particular trip, the costs of one, two, or three meals per day may be appropriate. In all situations where the traveler views any meal costs to be somewhat high, that traveler should furnish an explanation of these costs on the expense report in order to complete the required documentation.

Reimbursable Expenses

Entertainment Expense Levels

Entertainment of only Home Office personnel by Home Office personnel is not reimbursable. Entertainment of non-Home Office personnel by Home Office personnel is limited to:

1. Meals (including tax and tip), which should not be excessive in cost. When entertaining others, a traveler often has less control over the aggregate costs than when he or she is dining alone. The lack of flexibility is recognized in the determination of the reasonableness of the meal charges. However, in all situations where the costs appear to be questionably high to the traveler, he/she should furnish an explanation on the expense report including all receipts and required documentation.
2. Beverages only, which should not exceed \$6 per person, including host or hostess, per occasion. This expense is reimbursable only if there is no meal expense.
3. Other entertainment, such as golf, hockey games, etc. The prior approval of the Senior Manager should be obtained before such charges are incurred. In addition, the expense report should indicate that the Senior Manager's approval has been obtained.

Business Meals and Entertainment

Acceptable business practices include the necessity for certain personnel to host commercial contacts under conditions conducive to business discussion. Such occasions should not be lavish, extravagant or unreasonable, and they must serve a definite business purpose. Purchase of alcohol for purely personal reasons will be considered like the purchase of tobacco - a personal expense - and a possible deterrent to the success of the travel mission.

Under no circumstances should one employee entertain another employee at company expense. Documentation should include the following:

1. Date, name, and location of the restaurant (detailed receipt)
2. Cost, including tip and taxes
3. Names, titles, and business affiliations of those entertained
4. Business Reasons
5. Authorization of manager or supervisor

Incidentals

In certain circumstances, incidental expenses may be listed for reimbursement. However, they must fall within the criteria set forth in this paragraph or be specifically approved through submission of an explanation of the circumstances involved. The inclusion of the incidental charges is subject to review for reasonableness and necessity:

1. **Laundry:** Valet service or laundry service provided at the hotel is allowable for reimbursement if the trip exceeds four days or the nature of the work is such that the clothes are frequently or heavily soiled at an unexpected rate. It is also allowable if the trip is extended over the anticipated number of days.
2. **Tips:** Tips are reimbursable if services have been provided for the traveler in addition to those considered normal. Such services include baggage handling

(where excessive baggage is involved), and errand services for business connected purposes. Tips should not exceed 15% of the total charges.

3. **Telephone:** Telephone expenditures are fully reimbursable for business purposes and allowable for personal calls on a reasonable basis. If the cost of calls is unusually high, whether for business or for personal reasons, the traveler must explain the nature of the calls. The Company will not reimburse for the use of 411 directory assistance. Other options that are free of charge, like Google 411 should be used.
4. **Cell Phones:** Employees traveling out of State or Country should make sure they have the appropriate roaming package set up prior to their trip. See the IT Director for assistance. The Company will not reimburse for excessive roaming charges.
5. **Parking/Tolls:** The Company will reimburse the cost of parking fees you incur on company business. Acceptable parking charges include fees charged at hotels, offices you visit, and airport parking lots.

Combined Business and Personal Trips

If an employee, while traveling for business purposes, decided to take a vacation either before or after the business trip or brings along family members, the cost of the trip must be split appropriately between business and personal expenses. Only business expenses will be reimbursed. Personal expenses should not be charged to the Company credit card or billed to the company.

Hotel Accommodations

If the employee extended the trip beyond the number of days required to complete the business purpose of the trip, those days are considered personal and the hotel costs will be the responsibility of the employee and not reimbursed by the company. If the employee has family members along on the trip, the difference between single accommodations and multiple accommodations will be charged to the employee including the proportionate tax. An example of this is as follows:

Single accommodations incl. tax \$45 Double accommodations incl. tax \$55
Personal expenditures - (per day) \$10

Duration of Trip

Generally, business appointments should be planned to enable the employee to remain at or in the vicinity of the trip destination for the period of time required to conclude the business. In cases where trips to the same location or its vicinity are separated by a day or longer, the following rules apply:

1. **Within 3 hours of the home office,** the employee should return to the home office at the completion of the day's business and be available to report to work on the following day. These trips may not be extended over a weekend at the Company's expense.
2. **In excess of 3 hours,** the employee should stay at the trip site while having sufficient work planned for those days between business meetings or appointments. Alternatively, the traveler may take those days as vacation. For interruptions more than two working days, the employee should return to the home office as early as possible to maximize available work time. The Company will pay the usual costs including hotel and local transportation for the period during which an employee remains at the travel site between meetings if the time span is within the period specified above.

Non-Reimbursable Expenses

The Company will not reimburse the following types of expenses:

1. Maid tips at lodging facilities

2. Flowers, gifts, or cards for special recognition days (such as Secretary's day). The only exception is that flowers may be sent to express condolences to employees or certain clients when a serious illness or death occurs if approved by a Vice-President or equivalent – these arrangements will be coordinated through the HR department
3. Excessive personal phone calls or text messaging
4. Any items bought for personal use (including toiletries, personal care items, magazines etc.)

Mileage

Employees who are required to use personal vehicles for business purposes are required to have a valid driver's license and at least the minimum insurance coverage required by law. Mileage will be reimbursed at the current rate of \$0.54.5 per mile and should be net of any normal commuting distance, as employees are not entitled to claim mileage on their daily commute to/from the office.

Primary insurance for employees who use their personal vehicles for business purposes shall be through their own personal automobile insurance policy and will be responsible for any damage to the vehicle, as well as for liability.

The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee. The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets.

Customer logs/mileage reports for the Outside Sales Reps must be completed and updated to SharePoint by Monday morning of the following week. Mileage on the report must show the start mileage and end mileage each day for business activity. Any mileage for personal trips/errands during the day must be deducted. All reports will be approved by the Vice President of Sales & Operations for reimbursement.

The Company will not reimburse for any mileage claims submitted for payment that are more than 30 days late.

Reporting of Expenses

You must report all travel and entertainment expenses related to company business on the expense report form. Employees with corporate charge cards will receive a copy of their credit card statement each month. All employees must prepare and send expense reports with the proper supporting receipts and documents to their immediate supervisor for approval by the cutoff date indicated.

Approved expense reports should be forwarded to the Accounting Department for processing and reimbursement in a timely manner. Any incomplete expense reports will be returned to the employee for correction.

Any charges to the Company credit card that do not have a valid receipt may be deducted from the employees pay as per Cardholder agreement. Expense reports not submitted on time or submitted incomplete on a recurring basis may result in their company-issued credit card being revoked.

Personal charges on the Company issued credit card are subject to a \$25 fee per transaction.

The Company will not reimburse any expense report or mileage claims submitted for payment that are more than 30 days late.

This policy will be updated from time to time as required. The rate of mileage reimbursement may change and not be reflected in the latest version of this policy – check with the Accounting Department for the current rate of reimbursement.