



**TRAVEL AND ENTERTAINMENT POLICY  
OF  
THE ARIZONA COMMERCE AUTHORITY**

**I. Purpose.**

This Travel Policy sets forth the goals and parameters of the ACA for all travel necessary to conduct the business of the ACA. The goals of the Policy are to ensure that:

- A.** Travel expenses incurred in the course of conducting ACA business are necessary, appropriate and add value to the ACA; and
- B.** Travel accommodations are conducive to the business needs of the ACA and appropriate and reasonable for the safety and convenience of ACA travelers.

**II. Applicability.**

This Policy governs travel and entertainment conducted in furtherance of ACA business by officers and employees. Travel for ACA clients, partners and candidates for employment shall be governed by the ACA Grants and Procurement Policy.

**III. Definitions.**

- A.** The following definitions apply throughout this Policy:
  - 1. Approved Travel** – Travel that is (i) approved pursuant to this Policy and/or (ii) conducted by motor vehicle within the state as part of an employee’s regular duties.
  - 2. Chief Financial Officer or CFO** – The Chief Financial Officer of ACA.
  - 3. Chief Operating Officer or COO** – The Chief Operating Officer of ACA.
  - 4. Conference** – A meeting, colloquium, convention, symposium, seminar, assembly, gathering, convocation, course, class, workshop, lecture, or forum organized by any association or organization, formal or informal, involving discussion, research, the advancement of trade or the exchange or dissemination of information pertinent to the ACA.
  - 5. Duty Post (Regular)** – Officer or Employee – The regular duty post of an officer or employee is the place the person spends the largest portion of regular working time or the place to which the person returns on completion of a temporary assignment. An officer or employee who has more than one place of

work on a regular basis for the same employer is deemed to have multiple regular duty posts.

**6. Entertainment Expenses** – Expenses incurred during a meal, event or travel that is business-related but social or celebratory in nature.

**7. Meals and Incidental Expenses (MIE)** – MIE to be covered under the MIE per diem are the following:–

- a) The cost of the meals, tax, and gratuity;
- b) Fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries;
- c) Transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and
- d) Mailing cost associated with filing travel vouchers and payment of charge card billings.

**8. Lodging** – The temporary use of a hotel room, motel room, extended stay facility, apartment, house, residence or any other temporary accommodation while traveling on behalf of the ACA.

**9. Personal Residence** – The actual dwelling place of an individual without regard to any other legal or mailing address. In the event an individual is on field assignment away from his designated duty post in a location in which he maintains a second residence, the ACA may, for the period of the assignment, designate the second residence as the primary dwelling place.

**10. Travel** – Travel begins when the traveler leaves the personal residence or duty post, whichever occurs last, and ends when the traveler returns to the personal residence or duty post, whichever occurs first.

#### **IV. General Provisions.**

##### **A. Authority.**

1. The CEO is ultimately responsible for ACA's adherence to this Policy and any related laws, rules and regulations. The CEO's authority may be delegated in writing. The CEO has concurrent authority for all actions and approvals assigned to other ACA officers and employees in this Policy.

2. The COO has specific authority as set forth herein which may be temporarily delegated in writing from time to time as circumstances dictate.

3. This Policy may be amended only by an action of the Board.
4. The CEO may adopt more specific travel and entertainment procedures consistent with this Policy.

**B. Standards of Conduct** - The ACA's Conflict of Interest, Ethics and Gifts policies apply to all procurement and grant-related activities.

**C. Exceptions to the Policy** – The Policy is intended to give the ACA the flexibility (i) to conduct travel that furthers the interest of the ACA in a cost-effective manner and is reasonably comfortable for the traveler, and (ii) incur client entertainment expenses that advance the interests of the ACA. In the event the Policy does not allow ACA to do so in a given instance, an exception to the Policy may be made at the discretion of the COO (or designee in writing in case of exigent circumstances) to further the interests of the ACA and this Policy. Requests for exceptions shall be submitted to the COO and shall be accompanied by a written explanation of why the exception is required. Documentation of the exception shall be retained in accordance with records retention below.

**D. ACA business** – Travel shall be conducted as necessary for ACA business.

**E. Alternatives to travel** – When travel is contemplated, consideration should be made for other alternatives for conducting business, such as conference calls or web conferences.

**F. Actual expenses** – Except as otherwise provided, ACA payment of expenses under this Policy will be for actual approved expenses.

**G. Travel accommodations** – Subject to the foregoing, travel accommodations should be fair and reasonable, but planned for the convenience of the ACA using the most economical means.

1. If approved travel is subsidized by another person or entity, such as by corporate sponsors, those funds may be used to upgrade the travel accommodations, so long as those subsidizing funds completely cover the difference between the level of accommodations otherwise required under this Policy and the upgraded level of accommodations.

2. Travelers with special needs – ACA may approve expenses deemed necessary to provide reasonable accommodations to travelers with a physical disability or physical characteristic, which may include height or weight, that is either (i) clearly visible and discernible; or (ii) substantiated in writing by a competent medical authority. Travel expenses for special needs travel are expenses deemed necessary to accommodate the employee, including but not limited to the following: (i) Transportation and expenses incurred by a family member or other attendant who must travel with the traveler to make the trip

possible; (ii) specialized transportation to, from, and/or at the temporary duty location; (iii) specialized services provided by a common carrier to accommodate the special need; (iv) costs for handling baggage that are a direct result of the special need; (v) renting and/or transporting a wheelchair; (vi) premium-class accommodations when necessary to accommodate the special need; (vi) services of an attendant, when necessary, to accommodate special needs.

**H. Best method of travel** – Transportation expenses should be selected based on the most reasonable and customary mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip.

**I. Travel planning** – When practicable, travel planning should be done far enough in advance to limit:

1. The number of overnight stays;
2. Meals, lodging and transportation expenses;
3. Time in travel status (analyze cost vs. benefit);
4. Number of travelers; and
5. Use of private facilities versus public facilities.

**J. Cancellation or late charges** - Payment for cancellation and late charges incurred due to personal reasons will be reviewed on a case by case basis, taking into consideration whether the charges were reasonably avoidable.

**K. Records retention** – All documentation related to official ACA travel and entertainment must be maintained for audit and examination by the public for the time period established by State of Arizona law. Documentation to be retained includes but is not limited to travel requests, travel claims and supporting documentation.

**L. Non-compliance with Policy** – Non-compliance with Policy or the improper claim of expenses may result in the appropriate disciplinary action, including up to termination of employment and prosecution.

**M. Travel Packages** – Multiple travel components may be purchased as part of a package—such as if air fare and hotel are purchased together through a travel website— if, in the judgment of the ACA, doing so would be the most cost-effective method overall of purchasing those components. In that event, there shall be no other need to demonstrate that any of the individual components otherwise comport with the price guidelines herein. For example, If airfare and hotel could be purchased separately for a total of \$500 or as a package for \$200, the \$200 package should be purchased, in which case the hotel priced would be deemed to comport with this Policy without further investigation or substantiation.

**N. Saturday night stay-over** – So long as written approval is granted in advance by the COO, Travelers may extend the duration of domestic travel to reduce or save travel costs. As an example, additional expenses associated with a Saturday (additional) night stay

may be paid when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip through Saturday (additional) night. If the additional costs of lodging, car rental, and meals (subject to the rate caps) incurred within the vicinity of the business destination do not exceed the amount saved through the reduced airfare, the trip may be extended and the additional costs paid by the ACA.

**O. Business and personal travel combined** – With advance approval from the COO, travelers may extend a business trip for personal reasons, including through indirect or interrupted itineraries. However, lodging and meal expenses will be paid only for the days the traveler is doing business for the ACA, including the travel to and from the temporary duty post. The transportation expense equivalent to a single traveler round-trip fare directly to/from the business destination will be reimbursed. If the transportation costs are more due to personal extension, the traveler will be responsible for the difference. If the travel is to a destination located outside the US, the cost of transportation may also need to be prorated for personal use. All additional costs associated with the extension of the trip will be the responsibility of the traveler. Any additional time spent traveling for personal reasons will be done on paid leave time.

**P. Additional expenses** – Per the COO's discretion, certain additional expenses will be allowed for travel stays of greater than seven days when required for ACA business. Examples of such charges may include laundry and dry cleaning.

## **II. Transportation Expenses.**

### **A. General Requirements.**

- 1. Allowable transportation expenses** – The following transportation expenses may be paid by the ACA: commercial airlines; privately owned motor vehicle; rental motor vehicles; taxicabs, bus, trains or streetcars; parking fees and bridge or road tolls.
- 2. Driver's license** – A valid driver's license is required if the traveler is driving a private or rented vehicle on ACA business. All ACA employees shall verify on an annual basis that their driver's license is in good standing and shall notify the ACA immediately if that changes during the year.
- 3. Insurance** – A traveler using a privately-owned motor vehicle or a rental car on ACA business must have current vehicle liability insurance with limits consistent with state law. All ACA employees shall verify on an annual basis that they have liability insurance and shall notify the ACA immediately if that changes during the year.
- 4.** ACA will not pay for parking tickets or moving violations.

### **B. Privately-owned motor vehicle.**

**1.** A traveler may use a privately-owned motor vehicle for official ACA business if it is the most cost-effective mode of travel or if it is determined to be more convenient for the ACA (saves travel time.) The expense should normally be less than an alternative method of transportation.

**2.** Mileage reimbursement.

a) Actual mileage traveled on ACA business shall be reimbursed at the maximum allowable rate under IRS guidelines. Actual vehicle expenses are not reimbursed. The cost of commuting between a personal residence and a regular duty post is not reimbursed, regardless of the distance.

**Example 1:** A traveler's normal daily roundtrip commute is 40 miles. The traveler incurs personal vehicle mileage 50 miles in a day to attend a local seminar. The traveler is eligible for reimbursement for 10 miles so long as the traveler did not use the vehicle for any other travel.

**Example 2:** A traveler's normal daily roundtrip commute is 40 miles. The traveler incurs personal vehicle mileage of 150 miles on a two day business trip with an overnight stay. The traveler is eligible for reimbursement for 110 miles so long as the traveler did not use the vehicle for any other travel.

b) A daily travel log should be maintained by the traveler to document business mileage. The vehicle odometer reading should be used to determine allowable business mileage and documented in the daily travel log. The daily travel log used to substantiate business miles on a travel claim must be maintained for audit purposes by the traveler.

**3.** In the event of collision, fire, or theft while the employee's personal vehicle is being used for business travel, the traveler must immediately notify the local authorities and then notify the traveler's supervisor or manager.

### **C. Motor vehicle (car) rental.**

**1.** A traveler may use a rental vehicle for official ACA business if it is the most cost-effective method of travel or if it is determined to be more convenient for the ACA. Economy vehicles should normally be used for single person travel. The expense should normally be less than alternative method of transportations. The ACA may utilize State of Arizona contracts for rental vehicles.

**2.** Actual costs of motor vehicle rental may include the rental fee, gasoline (excluding pre-paid), oil, tolls and parking, not including the following:

a) Pre-paid gasoline purchased by the traveler for vehicle rental.

- b) Optional upgrades, such as a vehicle with satellite radio or GPS, purchased by the traveler for vehicle rental.
- c) Vehicle liability insurance or a collision damage waiver (CDW) purchased by the traveler for vehicle rental within the U.S.

**D. Commercial Airline travel.**

- 1. A traveler may use a commercial airline for official ACA business if it is the most cost-effective method of travel or if it is determined to be more convenient for the ACA (saves travel time.) The expense should normally be less expensive than alternative methods of transportation.
- 2. Coach or economy class – Except as otherwise provided herein, coach, economy or other discounted class of fare should be used for commercial airline travel. The Traveler Coordinator will check for the lowest fares and consider connecting flights when practical.

**E. Railroads and Buses** – Railroad or bus travel may be used when convenient or economical and if excessive travel time does not result.

**F. Airport parking and transportation.**

- 1. The most cost-effective means of transportation should be used when traveling to and from airports or other transportation terminals.
- 2. Actual airport parking and mileage expenses will be paid only if they are less or comparable to roundtrip taxi fare between the traveler's residence and the airport, or duty post and airport, whichever is applicable. To the extent utilized, airport parking should be at an economical location.

**III. Lodging Expenses.**

**A.** When lodging expenses may be incurred – Lodging expenses may be incurred when a traveler is conducting (i) approved travel (ii) for more than 12 hours in a day (iii) outside a radius of 50 miles from the traveler's personal residence.

**B. Lodging Rates.**

- 1. Maximum allowable rate for continental U.S. – Lodging expenses may not exceed the maximum single-person occupancy per diem rate for the type of expense and destination as established by the General Services Administration (GSA) for domestic travel and the Department of State for international travel.
- 2. Lodging rates for hotels associated with conferences are acceptable notwithstanding that they may exceed GSA rates.

3. Higher rates may be approved by the COO in advance if it is determined that reasonably safe and convenient lodging is not available at the GSA rate.

4. The destination used to determine the appropriate rate for lodging is based on the address on the lodging bill/statement.

C. Commercial establishment – Lodging should be at a commercial establishment and the individual is required to request the lowest available rate (government, commercial, corporate, etc.).

D. Shared lodging with another traveler.

1. When lodging is shared with another ACA traveler, the per person rate should not exceed the amount allowable per person at the single room rate plus tax.

2. Shared lodging with family member – When lodging is shared with an individual not on ACA business (such as a spouse), the rate for the ACA employee shall not exceed the single room rate plus tax.

#### IV. Meals and Incidental Expenses.

A. **Meal and incidental expense (MIE) per diem** – ACA shall cover the MIE of travelers by paying travelers an MIE per diem, as provided herein, when the traveler travels outside a radius of 50 miles from the traveler's regular duty post for the time periods set forth below. The MIE per diem shall be paid on a reimbursement basis (i.e., after the traveler returns from travel), without itemization or documentation of actual expenses.

B. **MIE rates** –

1. **Full travel days** – For days in which the traveler is in travel status for 24 hours, the MIE per diem rate shall be the maximum per diem base rates established by the GSA for full travel days.

2. **Partial travel days with overnight stay** – For days in which the traveler is in travel status for less than 24 hours in conjunction with an overnight stay, the MIE per diem rate shall be the maximum per diem rate established by the GSA for first and last travel days.

3. **Partial travel days with no overnight stay** – For days in which the traveler is in travel status for less than 24 hours and there is no overnight stay, the MIE per diem rate shall not exceed the corresponding rates established by the State of Arizona.

4. The destination used to determine the meal rate if no lodging is incurred, is the location in which the meal is purchased.



**C. Exceptions**– Actual cost of meals will be reimbursed, regardless of cost, when served in conjunction with a meeting when there is no choice in the price of said meals, including when meals are included in conference registration fees or provided by the ACA or other government institution. In that event, the traveler’s per diem shall be reduced by the actual cost of the meal or the amount otherwise attributable to the meal(s) as provided in GSA tables for such circumstances, whichever is less.

**V. Travel Approval Payment.**

**A. Travel Approval.** Except for in-state vehicular travel that is part of an employee’s regular duties, all travel plans for ACA business must be approved in advance and in writing by the employee’s department head and the COO.

**B. Travel Payment.**

**1. Travel Card Program.** The CFO shall develop and implement a Travel Card Program, subject to the approval of the COO, under which certain ACA employees, at the COO’s discretion, are issued travel cards (charge cards) for travel and entertainment expenses. The Travel Card Program shall be documented in writing and made available in conjunction with this Policy. The Travel Card Program shall make clear that travel cards are to be used for travel and entertainment expenses, only, and that misuse of travel cards is grounds for disciplinary action, including up to termination and prosecution.

**2. Payment.** ACA shall adopt procedures for ACA to pay travel expenses when not incurred on an ACA Travel Card, which procedures shall prescribe the documentation required for reimbursement, the time limits for reimbursement requests and approvals and the staff approvals required for reimbursements.

**VI. Entertainment.**

**A.** Business entertainment expenses incurred with respect to clients are normally reimbursable provided that such expenses further the interests of the ACA and are reviewed carefully by a manager for their appropriateness. Each entertainment expense incurred on behalf of ACA should result in some useful information or action.

**B.** State of Arizona funds shall be used to pay for only the meal portion of business entertainment expenses. Any other element of business entertainment expenses – including but not limited to alcoholic beverages and tickets to sporting events – shall be paid for with other funds (which may include on a reimbursement basis in the event meal and other entertainment expenses are included within the same bill).

**C.** Client entertainment shall not be conducted at adult entertainment establishments.

**D.** The payment of business entertainment expenses shall be made in the same manner as travel expenses as set forth in ACA procedures. To provide management with a clear understanding of the appropriateness of entertainment expenses, the following information shall be provided when entertainment expenses are incurred: (i) the names, company affiliations and titles of all persons entertained; (ii) the reason for the entertainment; and (iii) the outcomes, next steps, and business information resulting from the entertainment.

**RECEIPT AND ACKNOWLEDGEMENT**

By signing below, I acknowledge and understand the following:

- I have received, read, and understand the Arizona Commerce Authority (ACA) Travel and Entertainment Policy (the “Policy”) approved by the ACA Board of Directors on 9-27-11.
- I agree to abide by the Policy as a condition of my employment and my continuing employment at the ACA.
- I understand that if I have any questions regarding this Policy at any time in the future, I will ask my supervisor or management for an explanation.

\_\_\_\_\_

Name

\_\_\_\_\_

Position

\_\_\_\_\_

Date