

2.11 Expense Rule

EFFECTIVE DATE AND REVISION DATES:

June 5, 2019

2.11.1 PURPOSE

The purpose of this Sponsor Board rule (**rule**) is:

- To provide a framework of accountability to guide the effective oversight of pension plan resources in the reimbursement of expenses.
- To set out rules and principles for the reimbursement of expenses to ensure fair and reasonable practices.

2.11.2 APPLICATION AND SCOPE

This rule sets out the rules for managing travel, meal and other expenses for the LAPP Sponsor Board (**Board**) members.

This rule applies to all expenses incurred in the course of LAPP business by the above individuals for travel, meal, and other incidental expenses regardless of how the expense has been paid or is being reimbursed.

The following definitions apply for the purpose of this rule:

- *Claimant* refers to any person making a claim under the terms of this rule.
- *Approver* refers to the person with the authority to make approvals under this rule.

2.11.3 PRINCIPLES

- LAPP Corporation is funded from the LAPP trust fund and therefore funds are to be used prudently and responsibly with a focus on accountability and transparency.
- Expenses for travel, meals and other items support LAPP Corporation business objectives.
- Plans for travel, meals, accommodation and other items are necessary and economical with due regard for health and safety.
- Only legitimate authorized expenses incurred during the course of LAPP business are reimbursed.
- Prior approval to incur expenses is obtained where appropriate.

2.11.4 MANDATORY REQUIREMENTS - GENERAL

- Alcohol should not be claimed and will not be reimbursed as part of travel or meal expense.

- Expenses must be attributable, meaning expenses incurred by one individual on behalf of another, must be attributable for disclosure purposes to the individual for whom those expenses were incurred.

2.11.5 TRAVEL AND MEALS

Reasonable and appropriate meal expenses may be reimbursed. You may incur a meal expense when you are travelling on LAPP business.

Detailed receipts for travel, meals (unless an allowance is being claimed) and other expenses must be included with the expense claim. The receipt should itemize the purchases made including food and beverages consumed. If a detailed receipt is not available, the claimant may complete the Lost Receipt Form detailing the following:

- the expense was incurred and related to LAPP business;
- the expense has not been claimed previously; and
- the circumstances as to why the receipt is missing.

The claimant may claim the appropriate reimbursement rate as specified in **Appendix A**.

This form must be signed by claimant and the approver of the claim.

2.11.6 MILEAGE CLAIMS

Board members may be reimbursed at \$0.505 for return mileage incurred from one point of departure to travel destinations as per the list below:

- Board meeting
- Other meeting (e.g. SCG)
- Education Sessions or Conferences

2.11.7 AIRFARE

Economy class is the booking class for all flights. If a medical condition necessitates upgraded travel, a physician's order must be obtained prior to booking.

Personal upgrades can be used to upgrade to business class, or a Board member may opt to pay personally for the price differential from economy class.

Board members may add and pay for a personal leg to a business itinerary, while clearly distinguishing between business and personal expenses. If a combined business/personal itinerary is equal to or less than the cost of a business-only return airfare, there is no personal cost to the Board member.

2.11.8 GROUND TRANSPORTATION

Taxis or commercial ride share services are the preferred method of ground transportation. There is a recognition that there may be limited circumstance(s) where the use of a town car has a valid business purpose.

In a situation where a rental car is practical, an intermediate or smaller car is preferred, however, the size and type of rental car should be appropriate for the number of people in the car, road conditions, and nature of the need. In-car navigation systems and electronic toll payment (where appropriate) are reimbursable expenses but all other convenience options are non-reimbursable.

2.11.9 TIPS

Tips are a reimbursable expense and should be appropriate to the location, service level and local protocol and are never to exceed 20% of the total bill (before taxes).

2.11.10 MISCELLANEOUS REIMBURSABLE EXPENSE

Other possible expenses include:

- Laundry and dry cleaning when travel is longer than four consecutive nights,
- Internet connectivity in hotel, airplanes or other public places,
- Travel immunizations,
- Business visa (or equivalent) or expenses associated with obtaining a business visa or passport.

2.11.11 EXPENSE REPORT REQUIREMENTS

Expense claims must be filed quarterly, at a minimum. All expense claims should be submitted to LAPP Corporation by December 21 in the year in which they occur. Expense reports must be in the form adopted by LAPP Corporation from time to time and must, at a minimum, include the following components:

- name of individual who incurred the expense;
- date of transaction(s);
- transaction amount(s);
- expense category (travel, including transportation, accommodation, meals and incidentals; and hospitality);
- description and rationale;
- supporting documentation (receipts). Credit card and debit card payment receipts are not considered receipts and cannot be used to support an expense claim.

2.11.1 APPROVER

The Board Secretary shall be considered the approver for all Sponsor Board member expense claims in accordance with this rule. If a question arises on a Sponsor Board member expense claim, the Sponsor Board Chair may be requested to review an expense claim before approval is provided.

Appendix A

Expense Reimbursement and Allowance Rates

Expense Type	Reimbursement with Receipt	Allowance without Receipt
Incidental Expense Allowance per 24 hour period of travel	NA	\$15.50
Personal Vehicle Mileage Allowance	NA	\$0.505
Breakfast	Actual Expense	\$12.50
Lunch	Actual Expense	\$15.50
Dinner	Actual Expense	\$26.50
Parking	Actual Expense	\$12.75
Accommodation	Actual Expense	NA