

# Corporate Travel Policy

For All Employees of  
*White Hat Management*



DATE REVISED: 03/02/2006

**CORPORATE TRAVEL POLICY**

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## Corporate Travel Policy for the Employees of White Hat Management

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### Statement of Purpose

With the establishment of this policy, White Hat Management seeks to simplify the travel process by providing guidelines to follow in order to protect the interests of both the employee and the Company. This document serves to clarify the means by which travel should be arranged and parameters that employees must adhere to. It is company policy to reimburse employees for ordinary, necessary and reasonable travel expenses when directly connected with or pertaining to the transaction of company business. All travel must be done in accordance with this policy to qualify for reimbursement. Employees are asked to exercise prudent business judgement regarding expenses covered by this policy. When submitting expense reports to claim reimbursement, employees are expected to neither gain nor lose financially.

### Responsibilities and Enforcement

White Hat Management realizes that business travel can, at times, be costly. With this understanding, an organized and clear process for submitting expenses is crucial to ensure all expenses are reimbursed in a timely manner. For detailed instructions on the reimbursement process, please see page 8.

Company employees who incur travel and entertainment expenses are required to complying with this policy. Employees submitting expenses that are not in compliance with this policy risk delayed, partial or forfeited reimbursement. Cases of significant abuse will be investigated and may result in disciplinary action up to and including employee termination.

All travel must be approved by the traveler's manager prior to booking a trip. The approval for travel must be documented on a Pre-Trip Approval form, the form can be found in this policy. Managers with approval authority are responsible for assuring that all policies detailed herein, as well as applicable business unit policies, have been adhered to prior to approving employee expense reports. Any deviations must be explained on the employee's expense report with the approval of the reviewer noted to Accounts Payable. The Accounts Payable Department is responsible for ensuring that any expenses reimbursed or paid for by the company are in compliance with this Corporate Travel Policy. Reimbursements for expenses that are not in compliance with this policy require the written approval of the CFO.

The Travel Coordinator is responsible for ensuring that this Travel Policy is available to all travelers, travel arrangers, expense approvers, accounts payable staff, and newly hired employees expected to travel.

Maintenance and updating of the Corporate Travel Policy is the responsibility of the Purchasing Director and will include collaboration with the Finance and HR Directors.

Specific business units may, at their discretion, impose greater control than required by this policy.

**Questions:** Any questions or concerns regarding this travel policy or the company's travel management program should be addressed to the Travel Coordinator.

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### Travel Arrangements

**Obtaining Travel Authorization:** Employees who are required to travel must obtain pre-trip authorization from their manager. Unless their travel is less than 200 miles round trip and involves no over night stay. Pre-trip authorization must be obtained using the Pre-Trip Approval form. This form must be completed prior to booking any travel and must be submitted with the employees expense report and travel receipts. No travel related expenses will be reimbursed unless the Travel Pre-Trip Approval form is completed, including the signature of the travelers manager and submitted with the traveler's expense report to the White Accounts Payable Department.

**Reservation Procedures:** All reservations for trips requiring air travel must be made through the American Express Interactive Travel Site. This will help to simplify travel arrangements and ensure consistent and complete management information. All travelers will be issued a username and password for the American Express Interactive Travel Site by the Travel Coordinator. Each traveler or designated travel arranger will be responsible for coordinating his/her travel arrangements, obtaining confirmation numbers and ensuring proper payment is made.

**Enforcement:** Reservations for trips requiring air travel made through sources other than American Express Interactive Travel are a violation of policy. Reservations made through alternate sources will not be reimbursed.

**Online Trip Booking Tool:** If travel will include air travel employees must make their travel reservations (air, car rental and hotel) through the American Express Interactive Travel booking system. If no air travel is required the employee can book outside the system but must still follow all company policies including Pre-trip authorization using the Pre-Trip Approval form

**Traveler Profile Forms:** The Traveler Profile page can be found on the Interactive Site under My Account/Personal Information. Each traveler should adjust their profile to his/her preferences. After this information is saved, the interactive site will automatically populate your preferences when booking travel.

### Air Travel

**Class of Service:** All employees should travel in coach class unless they receive a free upgrade.

**Lowest Available Airfare:** All airline tickets must be booked at the lowest available airfare as determined by American Express. The following criteria will be utilized to determine lowest available airfare.

- The flight's departure or arrival time is within two hours before or after the requested departure or arrival time;
- One stop or connecting flights should be considered if savings of \$100 or more can be achieved;
- Employees may not specify a preferred carrier.

**Electronic Tickets (e-tickets):** To capitalize on the cost benefits and convenience, use of electronic ticketing will be the primary method of ticketing, except multi-leg international itineraries and airlines not yet allowing electronic tickets.

**Frequent Flyer Programs:** Traveling employees may retain frequent flyer program benefits, incorporate them into their personal profiles on the AMEX Travel Site and receive points and rewards appropriately. However, participation in these programs may not result in any incremental cost to the company beyond the

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"lowest available airfare", as identified above. Employees are responsible for any tax implications that may arise as a result of using company-paid rewards for personal use. White Hat Management is enrolled in Business Rewards Programs with several airlines, which have been entered into each traveler's online account.

**Charter or Private Aircraft:** Reimbursement for usage of charter or private aircraft requires the written permission from the CEO or CFO PRIOR to incurring the expense.

**Payment and Documentation:** All airline tickets must be book on the American Express Interactive Travel booking system. When booked online, tickets are automatically booked to the White Hat Management American Express, company paid account. Reservations made through alternate sources will not be reimbursed.

### Lodging

**Hotel Selection:** White Hat Management has negotiated preferred rates with certain hotels. Employees are encouraged to utilize these hotels whenever feasible. A listing of preferred hotels is available on the on-line booking tool. In Akron employees should use the Radisson Hotel Akron City Centre, for reservations call (330) 384-1500 and ask for White Hat Management's discounted rate. At destinations where negotiated rates are not available employees should select good quality, moderately priced hotels.

**Room Type:** A single room with a private bath in a moderately priced business class hotel or motel is the corporate standard. Reimbursement for suites or luxury accommodations requires written permission from the employee's manager PRIOR to incurring the expense. A good tool to help gauge moderately priced lodging is the US GSA Web site (<http://www.gsa.gov>) under Domestic Per Diem Rates.

**Cancellation:** All rooms will be guaranteed for late arrival. Employees must cancel the room reservation, by required deadline, if they will not need the room, to avoid a "no-show" charge. If the cancellation is made directly with the hotel, employees should request and retain a "cancellation number" as documentation of the transaction. "No-show" charges are not reimbursable.

**Payment and Documentation:** Lodging charges are to be billed to the employee and reported on their expense report for reimbursement. The original receipt of charges and the Pre-Trip Approval form are required documentation for reimbursement of lodging charges.

### Car Rentals

Cars should be rented by employees when other means of transportation are unavailable, more costly, or impractical.

**Preferred Companies:** White Hat has negotiated preferred corporate rates through American Express Travel. Car rentals can be booked using the online tool. Currently travelers may rent from the following four (4) car rental companies: *Avis, Enterprise, Hertz or National* in order to utilize White Hat Management's direct billing accounts. Travelers should choose the most competitive rate from the choices given.

**Size Limit:** All rentals should be for intermediate size cars or smaller, unless 3 or more people are traveling together or if an upgrade is provided by the rental company at no cost.

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**Car Rental Insurance:** For rentals within North America, optional theft and collision insurance premiums are not required for employees that are licensed drivers. Optional theft and collision insurance premium charges are not reimbursable. When renting a vehicle outside North America, purchasing optional insurance may be mandatory in certain countries. If this purchase is mandatory, then premiums are reimbursable to employees.

**Refueling:** Employees are expected to refuel cars prior to returning them to the rental company. This practice can save as much as 50% of the gasoline cost.

**Payment and Documentation:** Car rentals can be charged directly to the White Hat Management Company paid accounts that have been established with the rental car companies listed above. This direct payment is automatic when booked online. When a trip does not include air travel the traveler may, at their discretion, book their car rental directly through the rental company and submit an expense report for reimbursement including; the original receipt of charges and the Pre-Trip Approval form .

### Other Transportation

**Personal Car:** Employees may utilize personal cars for business travel. If travel will average more than 200 miles round trip, the employee should rent a car. The use of personal cars for business will be reimbursed at the standard rate set by the US General Services Administration under Privately Owned Vehicle Mileage Reimbursement Rates, (currently \$0.445 per mile). This mileage allowance covers all auto costs (e.g. gasoline, repairs, insurance, etc.) other than parking and tolls. For Efficiency Website users, the "No Rental-Drove Own" option will need to be selected if the employee elects to drive their own car instead of renting.

**Ride Sharing:** If two or more individuals are traveling to the same location, it is recommended that one employee share the ride with others.

**Rail:** All rail transportation must be in economy class in North America.

**Taxi and Other Local Transportation:** The cost of taxis to and from places of business, hotels, airports or railroad stations in connection with business activities is reimbursable. Use of taxis is authorized only when more economical services (hotel vans, shuttles, etc.) are not available. Employees are encouraged to utilize public transportation whenever feasible. Receipts are required for all transportation expenses of \$10 or greater.

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### Meals and Entertainment

**Personal Meal** expenses are those incurred by employees when dining alone on an out-of town business trip. Personal meals expenses will be reimbursed up to the following daily limits according to IRS regulations for each city/state. A complete list may be obtained at [www.gsa.gov](http://www.gsa.gov) under Per Diem.

Akron	\$49
Cincinnati	\$54
Cleveland	\$54
Columbus	\$49
Denver	\$49
Detroit	\$54
Fort Lauderdale	\$54
New York City	\$64
Palm Beach	\$64
Phoenix	\$59
Tampa	\$54

It will be the employee's discretion on the how the per diem is allocated between breakfast, lunch and dinner. Amounts incurred in excess of the per diem will be the obligation of the employee.

**Business Meals** are those meals taken with clients, prospects or associates during which a business discussion takes place. Business meals will not be restricted under the same daily limits as personal meals. However, business meal expenses must be supported by an original itemized receipt and an expense report as described below.

**Entertainment Expenses** include events such as nightclubs, theatre and sporting events, when a business discussion takes place immediately before, during or immediately after the event. The White Hat Accounting Director or Purchasing Director must give written approval of entertainment expenses IN ADVANCE.

**Payment and Documentation.** Business meals and entertainment expenses must be supported by an original itemized receipt and an expense report. If you have a corporate charge card, those receipts are the preferred form of documentation, and employees who have corporate cards should use them to pay for expenses whenever possible. Tear Tab receipts, where the employee fills in the amount of the expense, will NOT be accepted as documentation for Business meal and entertainment expenses.

**Tax Requirements.** To be in compliance with current tax regulations, the following information must be included on employee expense reports as support for all business meal and entertainment expenses:

- Name, title and company of all attendees
  - Name and location of the establishment where the event took place
  - Amount and date of expense
  - Specific business topic discussed
  - In the case of Entertainment expenses, the specific time the business discussion took place (i.e. before, during or after the event)
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### Spouse/Personal Travel Combined with Business

Travel expenses for a spouse or other family members who are not employees are not reimbursable as a business expense. However, a spouse or other family members may share accommodations as long as there is no additional cost to White Hat as a result.

### Telecommunications

**Air/Rail Telephones:** Except in an emergency, or when a critical business issue is involved, employees should not use airphones, railphones or telephones in car services, due to their high cost.

**Hotel Surcharges:** When possible, avoid making calls from hotels that add surcharges. If the traveler has been issued a company cell phone that should be used for making calls while in the continental US. Our company rates include nationwide roaming and long distance.

One personal phone call will be reimbursed during company travel for those employees who do not have a company cell phone. White Hat understands that being away from family can be difficult, but in order to keep company expenses in line with our budget, we request that to the extent possible, calls be kept brief.

### Other Reimbursable Expenses

The following incidental expenses, when directly related to business travel, are reimbursable:

- Tips: 15% at restaurants, \$1 per bag, \$2 per night for hotel maid service
- Laundry/Valet: for trips in excess of 4 days
- Parking
- Currency Conversion
- Tolls

Receipts are required for all miscellaneous reimbursable expenses of \$10 or greater.

### Non-Reimbursable Expenses

The following expenses are NOT reimbursable:

- Expenses with out proper documentation including the [Pre-Trip Approval form](#)
  - Baby-sitter fees
  - Charitable Contributions
  - Personal Gifts
  - Personal articles (i.e. toiletries, magazines, etc.)
  - Gasoline, except for instances noted within this policy
  - Normal Commuting Expenses
  - Computer Supplies
  - Office Supplies
  - Airline Club dues
  - Barber/Hairstylist
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- Traffic and Parking fines
- In-flight Movies/Refreshment
- Hotel Movies, Games and Other Discretionary Charges
- Laundry & Dry Cleaning
- Luggage, Briefcases
- Air, [Rental] Car Phone Usage
- Additional travel insurance coverage

### Expenses/Reimbursement

In this Travel and Business Expense Reimbursement Policy WHM has attempted to provide the employee maximum flexibility while keeping in compliance with IRS regulations and good business practice. As with any policy, if there are any questions or concerns, please contact the Travel Coordinator, the Accounts Payable Department.

Business expenses other than travel related items should always go through the normal purchasing process.

In order to process travel related business expense reports in the most efficient way possible, WHM has established the Efficiency Website for those employees who routinely travel. These Routine Travelers shall submit all expense reports via the Efficiency Website. For employees who are not Routine Travelers, but who do incur travel related business expenses, a standard business expense report should be submitted. The standard business expense report is available on the White Hat Management Website. Regardless of the method of expense report submission, all supporting invoices and documentation including the Pre-Trip Approval form must be also submitted to the Accounts Payable Department. Using these methods of submission will greatly reduce the time it takes to approve the expense reports and generate reimbursement to the employee.

All business expense reports are subject to audit by the Accounts Payable Department. If an issue arises which could preclude reimbursement, the request will be held pending further discussion with the employee. Additionally, in accordance with good business practices business expenses older than 60 days that are submitted for reimbursement will not be processed for payment.

All employees, whether using Efficiency or a hard copy report, must submit receipts and their Pre-Trip Approval form in the "Transmittal for Reimbursable Receipts" envelope, which is available on the White Hat Website. Employees using paper form reports should attach the envelope to their report and submit it to Accounts Payable. Efficiency website users will only need to submit the envelope.

Approved business expense reports will be paid every Tuesday, unless the network or Accounts Payable system is not online, in which case checks will be cut the next possible business day. To be included in the check-run, the approved report must have been received in the Account Department by 3pm of every Thursday.

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### Efficiency Website

The Efficiency Website software is web-based software that allows employees to submit their business expenses remotely without having to submit a hardcopy business expense report. Currently, only Routine Travelers that submit routine business expenses are named users on the Efficiency Website system. The Accounts Payable Department will routinely review business expense activity to determine if other employees are Routine Travelers and should be added as a system user. Employees who are not Routine Travelers and named users on the Efficiency Website system will be required to use the standard business expense report form. The Efficiency Website is available on the White Hat Website under the Employee Log-In function.

This website is also available through the "Employees" section of the company website under the button "Process Your Expenses".

As was mentioned, for efficiency purposes, if you are a Routine Traveler and a named user, you are asked to use the Efficiency Website system.

### Payment Methods – Corporate Cards

**Issuance Criteria:** White Hat Management understands that utilizing personal cards for business travel purposes can create a hardship. In an effort to address this concern any employees expected to travel at least twice per year, or who will incur at least \$500 per year in business expenses, may request a corporate credit card. American Express will send monthly invoices directly to employees; employees are expected to utilize reimbursements received from the expense reporting process to pay their corporate card invoice, in full, each month. Employees that allow their corporate cards to fall into delinquent status risk suspension or cancellation of charge privileges and possible disciplinary action.

Applications are available from the White Hat Travel Coordinator. Refer to the company policy for Corporate Credit Cards for more detail.

**Usage:** The Company utilizes the American Express corporate card program as its principal payment method for travel and entertainment expenses. Corporate cards are to be utilized for all lodging, car rental, meal, entertainment and miscellaneous expenses, whenever feasible. Corporate cards are intended for business use only, and may not be utilized for personal expenses.

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**TRAVEL PRE-APPROVAL FORM**

**(Required for travel over 200 miles round trip and/or travel requiring an overnight stay.)**

School/ Company Name: \_\_\_\_\_

I, \_\_\_\_\_ request authorization to travel on behalf of the company for business related purposes and to be reimbursed for business related expenses in accordance with the White Hat Ventures' Corporate Travel Policy.

**Expected Departure and Return**

**Depart: Date** \_\_\_\_\_

**Return: Date** \_\_\_\_\_

**Destination:** \_\_\_\_\_

**Explain Purpose of Trip:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Total Estimated Expenses: \$** \_\_\_\_\_

I certify that I understand and agree to follow the travel policies as outlined in the Corporate Travel Policy. In addition, I understand that this form must be approved by my immediate supervisor and submitted to the White Hat Account Payable Department along with any related travel receipts before expense reimbursement can occur. This will also show for insurance purposes that my travel was on official business of the company.

**Employee Signature:** \_\_\_\_\_

**Supervisor Approval:** \_\_\_\_\_

**Send form with your receipts to: White Hat Management, LLC**  
**Attn: Accounts Payable**  
**159 S. Main St. Suite 600**  
**Akron, Ohio 44308**

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