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## New Jersey Schools Insurance Group

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### Board of Trustees Meeting of March 16, 2016

#### Action Item

#### Policy First Readings

#### Expenditures/Expending Authority Policy 3200

#### Staff Travel Policy 3220

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NJSIG Trustees expressed interest in reviewing pertinent components of the NJSIG policies and procedures to identify opportunities for improvements and needed changes. It was agreed that that NJSIG managers would participate in policy committee meetings under the leadership of Watson Consulting to recommend policy and procedure changes to the Board of Trustees for approval and ratification. The proposed policy updates to Expenditures/Expending Authority and Staff Travel is continuing the effort. This is the first reading of both policies. A second reading and action item will occur at the next Board of Trustees meeting in May.

**Recommended Resolution:** Approve the first reading of Expenditures/Expending Authority Policy 3200 and Staff Travel Policy 3220 as attached.

*William Mayo*

William M. Mayo, Executive Director

# NJSIG Policies

Adopted: 1/87  
Amended: 03/88, 06/99, 05/11  
Reviewed: 05/11/11

Index #: 3200  
Page 1 of 1

## **EXPENDITURES/EXPENDING AUTHORITY**

The Board of Trustees or its designee shall establish accounts as it deems necessary for the purpose of, conducting the business of the Group as set forth in the Group's By-Laws, Article XIV, Section C.

All monies paid to such accounts shall be held in the name of the Group.

The Board of Trustees shall provide for the manner and dates for preparation by the Executive Director of an annual budget and reports on the financial condition of accounts.

The Board of Trustees shall approve a list of individuals authorized to sign all checks for the payment of Group invoices. Checks up to \$5,000 shall be issued and signed by the Executive Director or his/her designee.

Checks in excess of \$5,000 must be signed by two individuals who are authorized by the Board of Trustees to be signatories on the Group's checking accounts.

**The Executive Director will have the authority to make and/or approve alcoholic beverage purchases if appropriate for annual/special business meetings/functions.**

# NJSIG Policies

Adopted: 11/83  
Amended: 06/11  
Reviewed: 06/20/11

Index #: 3220  
Page 1 of 1

## **STAFF REIMBURSEMENT OF EXPENSES**

### **TRAVEL**

~~Public carrier fares are chargeable if travel is for official Group business. Reimbursement shall occur on the least costly but practical means of transportation. For airplane and train travel, Group representatives shall procure travel at the lowest available fare unless such transportation is not available.~~

### **HOTEL ACCOMODATIONS**

~~Room accommodations for Group travel shall be at rates considered mid fair.~~

### **MILEAGE**

~~Reimbursement may be claimed for any mileage accrued for business purposes.~~

~~An authorized Group representative, using their personal automobile for approved Group business shall be reimbursed at a rate equal to the Federal Internal Revenue Service (IRS) mileage allowance. A Group representative who is authorized to use their personal automobile must provide the Group with proof of a valid drivers' license and proof of liability insurance in force at the time the business travel occurs and with insurance coverage minimums equal to or greater than those set by New Jersey law.~~

### **PER MEAL ALLOWANCE**

~~A per meal allowance, up to the limits of the Federal per meal allowance, will be paid for meals consumed by a Group representative conducting Group business. The allowance is not authorized for meals provided as part of any registration, conference or program whose registration was paid by the Group. The per meal allowance for meals will be that which is annually set as the Federal per meal guidelines. Alcohol will be an approved expense only when part of business entertainment.~~

## Travel Expense Policy

### INTRODUCTION

It is the policy of New Jersey Schools Insurance Group (NJSIG) to reimburse staff for necessary and reasonable expenses incurred with approved NJSIG business travel. The purpose of this policy is to illustrate allowable business expenses eligible for reimbursement. These include necessary expenses as defined under section 162 of the Internal Revenue Code. Additional reference information is included in order for NJSIG employees to receive timely reimbursement.

Expense limits are set for reimbursement, however, all employees should use their professional judgment while managing expenses and making decisions. Employees are expected to conduct themselves in a responsible and professional manner at all business functions/meetings. Employees should always be mindful of NJSIG's Mission Statement and the client's best interest, NJSIG strongly encourages the use of travel discounts. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety.

There may be instances when clients or other business associates offer to pay for a meal or other business expense for an NJSIG employee. See Employee Conflict of Interest policy #6160 or your Manager for further details and guidance.

Business related travel, meetings and functions represent an opportunity to bolster NJSIG's professional brand. It is expected that employees will uphold a high standard of ethics, business practices and professionalism, in order to positively represent and protect NJSIG's reputation and brand, at all times.

### RESPONSIBILITY

NJSIG will reimburse employees for all reasonable and necessary expenses as noted in this policy while traveling on pre-approved company business or during a business function/meeting. The employee is responsible for being knowledgeable of and complying with all aspects of this policy. The Manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. Employees will not be reimbursed for expenses that are not in compliance with this policy.

Expenses over listed limits will not be reimbursed and the employee will be responsible for payment of any expense above the limits. Expenses requiring but missing an itemized receipt will not be reimbursed. Altering of itemized receipts may result in disciplinary action. If you have any questions about expense limits, itemized receipt requirements or other questions about this policy, speak with your Manager before incurring the expense. Submission of your expense reimbursement request shall mean you understand this policy.

## **CASH ADVANCES**

**NJSIG's policy is not to issue cash advances. If an employee anticipates an expense requiring a cash payment of over \$500 that will result in an undue hardship, he/she should discuss the matter with his/her Manager. Any exceptions must be discussed with and approved by the Executive Director.**

## **PROCEDURES FOR REIMBURSEMENT**

**Employee travel must be pre-approved or authorized as a typical component of an employee's job responsibilities. Employees should verify that planned travel is eligible for reimbursement before making travel arrangements.**

- 1. Employee must ensure he/she has pre-approval from his/her Manager for the planned travel.**
- 2. Employee must obtain lowest possible prices on hotel, airfare and the like.**
- 3. Employee must accurately complete all sections of the Travel and Expense Report Form including the correct Account number/Department Number.**
  - a. Employee should contact his/her manager for clarification on the correct Account number/Department number if unsure.**
- 4. Employee must submit the completed form with all credit card statements, itemized receipts and any other expense documentation to his/her Manager for approval. Do not staple receipts to form.**
- 5. The employee's Manager must approve and sign all expense reports. No employee is authorized to approve his/her own, a peer's, or a Manager's travel expense report. The Manager is responsible for verifying:**
  - Business purpose**
  - Correct totals**
  - Supporting documentation and itemized receipts**
  - Policy compliance including that expenses are in-line with pre-approved expectations.**
- 6. Once approved the Manager forwards the Travel and Expense Report Form with all required receipts/documentation to Finance.**
- 7. Manager level expense pre-approvals and process is the same except Executive Director shall approves.**
- 8. Executive Director level expense pre-approval and process is the same except NJSIG Trustee shall approves.**
- 9. Within 60 days of completion of a trip or of incurring an expense, employee must submit and complete a Travel and Expense Report Form. Travel and Expense Report Forms not submitted within 60 days require approval by the Executive Director.**
- 10. Expense reports that are incorrect, incomplete or include disorganized itemized receipts will be returned to the approving Manager for completion/correction and may result in delay or non-reimbursement of some expenses.**
- 11. Effective June 1, 2016, reimbursement checks will be issued monthly.**

## **NON-REIMBURSABLE EXPENSES**

**The following items will not be reimbursed by NJSIG:**

- **Airline club / Country club membership dues.**
- **Airline, Auto or Lodging upgrades.**
- **Car repair.**
- **Child care, babysitting, house-sitting, or pet-sitting/kennel charges.**
- **Commuting between home and the primary work location.**
- **Costs incurred by traveler's failure to cancel travel reservations in a timely fashion.**
- **Credit card interest charges.**
- **Evening or formal wear expenses.**
- **Overweight or additional baggage charges.**
- **Expenses for travel incurred by companions / family members and/ or related to vacation or personal days while on a business trip.**
- **Haircuts, spa treatments and all other personal grooming (including toiletries).**
- **Laundry and dry cleaning.**
- **Loss / Theft of personal funds or property / Lost baggage.**
- **Medicines.**
- **Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment.**
- **Personal entertainment expenses, including in-flight movies, headsets, health club facilities, books, magazines, bar bills, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs.**
- **Pet hotel stays or pet transportation.**
- **Traffic citations (parking tickets or fines).**
- **Travel accident insurance premiums or purchase of additional travel insurance.**
- **Other expenses not directly related to the business travel.**

## **VACATION IN CONJUNCTION WITH BUSINESS TRAVEL**

**When vacation time is taken in addition to a business trip, any expense variance in airfare, car rental lodging or the like, must be clearly communicated and pre-approved by your Manager. No personal expenses will be reimbursed.**

## **EXPENSE GUIDELINES FOR REIMBURSEMENT**

**The following table lists common travel expenses that are eligible for reimbursement. It is not all-inclusive. If you have any questions, contact your Manager before incurring the expense. In order to be reimbursed, the travel must be pre-approved (or authorized as a typical component of an employee's job responsibilities) and the guidelines and procedures in this policy must be followed.**

**Table: Expense Guidelines for Reimbursement**

<b><u>QUALIFIED EXPENSE CATEGORIES</u></b>	<b><u>DETAILS</u></b>	<b><u>EXPENSE GUIDANCE</u></b>
<p><b><u>Personal Automobile</u></b></p>	<p><b><u>An employee authorized to use his / her own personal automobile must provide NJSIG with proof of a valid drivers' license and proof of liability and with insurance coverage minimums equal to or greater than those set by New Jersey law.</u></b></p> <p><b><u>Reimbursement may be claimed for any mileage accrued for business purposes, excluding commuting miles between employee's home and primary office location, when using a personal vehicle.</u></b></p> <p><b><u>Travel and Expense Report Form is required for reimbursement at the mileage reimbursement rate established by the IRS.</u></b></p>	<p><b><u>Mileage reimbursement is based on the prevailing IRS reimbursement rate. Please visit IRS.gov for the most up to date rate.</u></b></p> <p><b><u>Effective immediately; the maintenance reimbursement chart will expire and mileage reimbursement will be based solely on the prevailing IRS reimbursement rate.</u></b></p>
<p><b><u>Parking, Tolls Ferry, or Bus Passes</u></b></p>	<p><b><u>Original receipts are required for parking fees (including airport parking). The lodging bill can be used as a receipt when charges are included as part of the overnight stay. No receipts for parking meters are required up to \$10.00.</u></b></p> <p><b><u>Tolls. Original receipts or EZ-Pass statements/receipts are required for tolls.</u></b></p> <p><b><u>Miscellaneous transportation. Original receipts are required for taxi, bus, subway, metro, ferry and other modes of transportation.</u></b></p>	<p><b><u>Alternate transportation to the airport such as a car service, or cabs will be reimbursed up to the expected total of parking, mileage and tolls should the employee have driven him/herself. Receipts for the alternate transportation are required.</u></b></p>
<p><b><u>Airfare</u></b></p>	<p><b><u>Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs, and book as far in advance as possible.</u></b></p> <p><b><u>For airfare reimbursement an original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The</u></b></p>	<p><b><u>For airplane travel, employees shall travel economy class unless such transportation is not available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only under</u></b></p>

	<p><u>receipt must show the method of payment and indicate that payment was made.</u></p>	<p><u>extraordinary circumstances. Additional fees for upgraded seating or any other upgrades will not be reimbursed.</u></p>
<p><u>Rail Transportation</u></p>	<p><u>NJSIG will reimburse rail transportation provided that the cost does not exceed the cost of the least expensive airfare. or travel in the employees personal vehicle.</u></p> <p><u>For rail transportation reimbursement an original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.</u></p>	<p><u>For rail transportation, employees shall travel economy class unless such transportation is not available at which point, employees must get approval for a policy exception from his/her Manager. Exceptions should be made only under extraordinary circumstances.</u></p>
<p><u>Rental Vehicles</u></p>	<p><u>Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required.</u></p> <p><u>The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts are required.</u></p> <p><u>When vehicle rentals are necessary, NJSIG encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. NJSIG will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied.</u></p> <p><u>Drivers must be aware of the extent of coverage (if any) provided by his or her personal auto insurance company for travel that is business or not personal in nature.</u></p>	<p><u>NJSIG authorizes reimbursement for the most economic vehicle available. In certain circumstances larger vehicles may be rented, with Manager approval. Exceptions should be made only under extraordinary circumstances.</u></p>



	<p><b><u>Parking fees, tolls and other incidental costs associated with the vehicle use are not covered by the rental agreement but may be covered under this policy. See Parking, Tolls Ferry, or Bus Passes section.</u></b></p> <p><b><u>Employees are required to fill the gas tank before returning the vehicle to the rental. Any service fees or additional fuel rates for failure to fill the tank prior to returning the vehicle will not be reimbursed.</u></b></p>	
<b><u>Conference Registration Fees</u></b>	<b><u>Conference registration fees are reimbursed as long as they are pre-approved.</u></b>	
<b><u>Lodging (commercial only)</u></b>	<p><b><u>The cost of overnight lodging (room rate and tax only) will be reimbursed to the employee if the authorized travel is 45 miles or more from the employee's home or primary worksite. Exceptions to this restriction must be approved in writing by your Manager.</u></b></p> <p><b><u>NJSIG will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate.</u></b></p> <p><b><u>Only single room rates are authorized for payment or reimbursement unless the second party is representing the company in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If reimbursement for more than the single room rate is requested, the name of the second person must be included.</u></b></p>	<b><u>As a general guideline, room accommodations for travel shall be at rates considered mid-fare or mid-tier among available rates.</u></b>
<b><u>Meals</u></b>	<p><b><u>Per diem and per meal allowances are reimbursable for in-state and out-of-state overnight travel that is 45 miles or more from the employee's home or primary worksite.</u></b></p> <p><b><u>NJSIG per diem and per meal rates are based on the U.S. General Services Administration Guidelines. In addition to meals these rates include incidental</u></b></p>	<b><u>Per Diem meal and incidental expense allowance is up to \$65/day.</u></b>

	<p><u>expenses such as laundry, dry cleaning and service tips (e.g., housekeeping or porter tips). Incidental expenses, unless specifically cited in this policy, will not be reimbursed.</u></p> <p><u>Per diem reimbursements are based on departure and return times over the entire 24-hour day and are prorated accordingly.</u></p> <p><u>If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed.</u></p> <p><u>Receipts are required for per diem and per meal allowances.</u></p>	
<p><u>Business Meals and Business Meeting expenditures</u></p>	<p><u>Employees must provide the following information in order to be reimbursed for any business related meals or business meeting expenditures:</u></p> <ul style="list-style-type: none"> <li>• <u>Names of individuals present, their titles and company name listed on the receipt or Travel and Expense Report Form</u></li> <li>• <u>Name and location of where the meal or event took place</u></li> <li>• <u>Exact amount and date of the expense</u></li> <li>• <u>Itemized receipts for all expenditures.</u></li> <li>• <u>Itemized receipts for meals.</u></li> <li>• <u>Alcohol will not be an approved expense.</u></li> </ul>	<p><u>Employees are expected to provide all information required for business meals and business meeting expenses. Employees are also expected to exercise good judgment to keep these expenses reasonable in support of NJSIG.</u></p>
<p><u>Business Expenses</u></p>	<p><u>Business expenses, including faxes, photocopies, Internet charges, data ports and business telephone calls incurred while traveling, can be reimbursed.</u></p> <p><u>Original itemized receipts are required.</u></p> <p><u>Telephone calls. The costs of personal telephone calls are the responsibility of the individual.</u></p>	<p><u>Employees are expected to exercise good judgment and balance business need with lowest possible cost when incurring business expenses and making business phone calls.</u></p>

<p><b><u>Visa, Passport Fees, and Immunizations</u></b></p>	<p><b><u>If these items are required for international travel, their reimbursement is left to the discretion of your Manager.</u></b></p> <p><b><u>Original itemized receipts are required.</u></b></p>	<p><b><u>Levels of expense may vary but must approved by your Manager</u></b></p>
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