

CUSO Financial Services, LLP (“CFS”) and Sorrento Pacific Financial Services LLC (“SPF”)

Travel and Meal Policies

PURPOSE

It is the policy of CFS/SPF to reimburse staff for reasonable and necessary expenses incurred in connection with approved travel on behalf of CFS/SPF. CFS/SPF strongly encourages use of travel discounts when making travel arrangements. Travel wisely seeking the lowest reasonable travel expenses and exercise care to avoid impropriety. If a circumstance arises that is not specifically covered in the travel policies, the most conservative course of action should be adopted.

SECTION 1: AUTHORIZATION AND RESPONSIBILITY

All business related travel paid with CFS/SPF funds must comply with company expenditure policies. **All major travel expenses, including airfare, lodging, rental cars, will be booked through our travel vendor (American Express – “Travel System”)** and subject to the imposed limits and authorizations of the travel system. **Please note the preferred method of booking through the travel system is online access** as there is a premium charge for any telephone changes or bookings. All incidental travel expenses such as taxi’s, meals, etc. will be the responsibility of the employee and submitted for travel reimbursement.

Travel must be approved by reporting manager (at least title of VP)

SECTION II: TRAVEL EXPENSES/PROCESSES

General Information

Authorized business travel for staff including prepayments must be pre-approved. Employees dining together (excluding guests) need *separate itemized receipts (i.e. split charges)*.

1. Airfare

- Flights must be booked through Travel System and booked at least 14 days in advance to avoid premium pricing.
- Only coach class tickets will be approved.
- Lowest cost flights are preferred and all flights will be restricted by cost to within \$100 of lowest available fares.
- Exception requests must be submitted through Travel System.

2. Automobiles – Mileage Reimbursement

Personally Owned vehicle

- Employees using vehicles during the course of business will be reimbursed at IRS approved rate per mile (\$0.545 per mile for 2018).
- Excludes reimbursement to Representatives traveling to and from main place of work from home (assigned branch for the day) as this is considered commuting to work.
 - If an employee is required to report to another location or branch during the course of the business day that is outside of designated work location for that day, he/she is eligible for mileage from the regular or main place of work to the alternative location.
 - Representatives traveling more than 100 miles round trip for an assigned branch will be eligible for mileage reimbursement that exceeds their normal commute to their primary work location.
- **Best Practice** – For extended trips, consider renting a car as a more practical alternative.

Rental cars

- Rental Cars must be booked through Travel System.
 - Only intermediate or smaller cars are eligible for reimbursement and you must select among the best rates
- Rental Cars are booked as reservation only and must be paid for upon pick up of vehicle with credit card. See reimbursement section for how to receive reimbursement.
- **Decline insurance coverage**– all other insurance reimbursements will be denied.
 - In the event of an accident claim, call Human Resources for guidance
- Travelers are strongly encouraged to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

3. Lodging

- Hotels must be booked through Travel System
 - Daily rate will be limited by the travel system (e.g. \$200/night) depending upon local market rates
 - All San Diego home office visitors will use our preferred hotels, including monthly representative training in San Diego.
- Hotels are booked as reservation only and must be paid for with credit card. See reimbursement section for how to receive reimbursement.
- Representatives attending monthly training hosted in San Diego will be notified by the Training Department in advance of a specific contracted hotel in San Diego. Contracted hotel has free shuttle to and from the office for training.

4. Meals while traveling

- Daily allowances are applicable for all travel that is 100 miles or more from the traveler's home or primary work site.
- Employees will be reimbursed for up to 3 meals a day, including gratuities, at the maximum per diem rate of \$55.
- CFS does **not** reimburse for any alcoholic beverages
- Receipts turned in should be *itemized* to show, in detail, each item consumed as well as the tip amount (the tip is usually on a separate receipt from the itemized receipt so save both).

- Room service with *itemized* receipt is included in the meal allowance.

5. Business Expenses

- While traveling, direct business expenses including faxes, photocopies, Internet charges, data ports, and business telephone calls incurred while on travel status can be reimbursed. Original itemized receipts are required.
- The costs of personal telephone calls are the responsibility of the individual.

6. Business Meals – For Program Manager only - budget for Representative and Executive meals

- Per representative - \$50 per rep position / year
- Per program - \$100 / year (assumes two financial institution executives @ \$50/year)
 - These expenses should be submitted under business meals separate from individual meal expenses.
 - Expense submission must include all meal attendees
 - Alcoholic beverages will not be reimbursed by CFS

7. Prospective Clients Only (excluding current clients) – Business Development Department Meals and Entertainment

- Business Development entertainment expenses should be reasonable and customary and not more than \$100 per guest for the meal.
- Gifts and other purchases are not allowed.

Travel Advances

Cash advances are authorized for specific situations that might cause undue financial hardship for business travelers. These situations are limited to staff traveling on behalf of CFS/SPF – 80% of the total estimated cost can be advanced.

Expenses associated with the travel must be reconciled and substantiated within 1 week of the return date. The traveler must repay CFS/SPF for any advances in excess of the approved reimbursable expenses. The department initiating the travel is responsible for notifying the Accounts Payable to deposit any excess funds into the appropriate departmental account.

For more information on how to receive a travel advance, please contact Accounts Payable Department.

Reimbursements

Requests for reimbursements of travel related expenses are submitted on an Expense Report. This report must be accompanied by supporting documentation. Reimbursement is based on documentation of reasonable and actual expenses supported by the original, itemized receipts where required.

Reimbursement forms must be submitted to within one week after the trip was completed. *This is critical for timely reimbursement as well as accurate firm books and records.*

SECTION III: TRAVEL EXPENSES NOT REIMBURSABLE

The following items that may be associated with business travel that will not be reimbursed by CFS/SPF-:

- Airline club memberships
- Airline upgrades such as business class for domestic flights/first class for all flights
- Child-care, babysitting, house-sitting, pet-sitting/kennel charges
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion
- Spa and Health Facilities
- Laundry and dry cleaning
- Passports, vaccinations, and visas when not required as a specific and necessary condition of the travel assignment
- Books, magazines and other amenities such as toiletries, advil, etc. are not considered related to the business travel
- Personal entertainment expenses including in-flight movies, headsets, pay-per-view movies, in-theatre movies, smart phone or other electronic device downloads or apps, etc.
- Travel accident insurance premiums and/or purchase of additional travel insurance
- Personal car wash
- Travel for Non Company Employees
- Spouse or other dependent expenses
- Other expenses deemed inappropriate and not directly related to the business travel
- Valet parking
- Gratuities will be limited to 20% of service charge
- Tips without receipt
- Local travel from residence to home office or temporary workplace (e.g. annual conference)

SECTION IV: EXCEPTIONS

Occasionally it may be necessary for travelers to request exceptions outside the Travel System to CFS/SPF Travel Policies. Requests for exceptions to these policies must be made in writing and approved by CFO. Exceptions related to the CFO's expenses must be submitted to the CEO and or COO for approval. In most instances, the expected turnaround time for review/approval is 5 business days.

SECTION V: CANCELLATION

Travelers have the responsibility to cancel all travel reservations within the parameters of the vendor policies to not incur any cancellation fees.