

The Marth Group

Travel and Meals & Entertainment Expense Policy

I. POLICY OVERVIEW

Purpose

This document establishes procedures and provides guidelines for Employees incurring business travel and meals & entertainment expenses, while developing the concept of “travel best practices.”

Objective

- To ensure that all Employees have a clear and consistent understanding of policies and procedures for business travel and meals & entertainment.
- To provide business travelers with a reasonable level of service while being financially prudent.
- To maximize the ability to negotiate discounted rates with preferred suppliers to help reduce travel and meals & entertainment expenses for the entire company.
- To establish policies that apply to all employees.

Scope

This travel and meals & entertainment policy applies to all Employees of the company.

Responsibility and Enforcement

The CEO has the authority to override or give permission to a member of the Senior Leadership Team to override this policy, should there be a need.

The Traveler is responsible for complying with the travel and meals & entertainment policy. Their manager is responsible for accurately reviewing expense reports for approval and compliance. The company will reimburse employees for all reasonable and necessary expenses incurred for business purposes. The company assumes no obligation to reimburse employees for expenses that are not in compliance with this policy. All travel-related (air, hotel, car, meals, etc.) or other expenses that fall outside this Travel and Meals & Entertainment Policy are the responsibility of the employee. All travel and meals & entertainment expenses paid by a company credit card are subject to this policy.

Travelers who do not comply with this travel policy may be subject to:

- Delay or withholding of reimbursement or required to reimburse the company
- Disciplinary Action; and/or
- Loss of company credit card, if applicable

Statement of General Policy

It is recognized that, for many Employees, travel and meals & entertainment expenses are incurred in order to do business. Employees are expected to be conservative in their spending and Managers are expected to be diligent in their review. Policy and guidelines are necessary to meet federal requirements and are intended to justify reimbursable expenses incurred for the company. In general, the quality of travel accommodations, entertainment, and related expenses, should be governed by what is reasonable and appropriate to the business purpose involved.

Should you have questions regarding this policy or reimbursement, please contact the CFO.

II. TRAVEL AGENCY DESIGNATION

The Marth Group prefers that all business travel arrangements be made by the department manager or the Administrative Assistant.

III. AIR TRAVEL

Airline reservations should be made as far as possible in advance to take advantage of capacity-control discounted fares (14-21 days, for most travel). Last minute reservations and changes result in higher fares and/or penalties. Travelers need to consider the following options to further reduce cost:

- Nonrefundable tickets
- Connecting flights
- Alternate airports
- Evening flights
- Weekend departures

Travelers are expected to obtain the most cost-efficient means of travel that meet the business needs. All other upgrades are allowed at the traveler's personal expense and are the *sole responsibility* of the traveler.

Remote parking should be considered if parking for more than 2 days.

Passport & Visa Services

If an employee is required to travel internationally on company business, the company will reimburse the traveler for the standard cost of obtaining or renewing a passport with approval from the CFO. Expediting may also be reimbursed if for emergency travel.

Executive Travel

It is advisable that no more than two members of the Sr. Leadership Team be booked on the same flight.

Weekend Air Travel

From time to time, certain situations may arise where weekend travel is advantageous for both the traveler and the company. Under such circumstances, the company will pay the traveler's weekend expenses for meals, lodging and car rental if there is a net savings between the airfare and the weekend expenses. The weekend expenses must be included on the expense report to be reimbursed or documented in the employee's credit card statement.

Lost or Excess Baggage

The ultimate responsibility for retrieving and compensating lost baggage lies with the airlines. The Marth Group will not reimburse travelers for personal items lost while traveling on business.

Measures that can be taken to minimize baggage losses include:

- Always carry valuables (e.g., jewelry, laptop computers, cameras, etc.) on board the aircraft
- Always carry important and/or confidential documents on board the aircraft
- Clearly tag luggage with name, address and telephone number
- Retain baggage claim receipts for checked-in-luggage

Overnight Delays

Should an airline delay necessitate an overnight stay, the traveler must first attempt to secure complimentary lodging from the airline. If unsuccessful, the traveler can make appropriate arrangements or contact the Administrative Assistant for assistance.

Cancellations

When a trip is canceled after the ticket has been issued, the traveler should inquire about using the same ticket for future travel; which could incur an additional fee.

IV. SPOUSE, COMPANION, OR DEPENDENT TRAVEL

The Marth Group will not reimburse travel and entertainment expenses incurred by a spouse or other individual accompanying an employee on business unless there is a bona fide business purpose for taking the spouse or other individual. This will require prior authorization from the CEO.

V. RENTAL CARS

- Only compact or midsize cars are to be rented; however, for groups of more than four people, a full-size car or SUV is allowed.
- Travelers must decline additional insurance offered by rental car companies when traveling in the U.S. or Canada as the company has coverage. However, Travelers should accept additional insurance when traveling outside the U.S. or Canada.
- In cities where there is not a complimentary hotel van, Traveler should use reasonably priced taxi, uber, lyft or shuttle services.
- Receipts must include the city, date, amount and origin/location.

VI. PERSONAL CARS – GENERAL

If an Employee is driving their own personal vehicle for company business, they're required to carry personal auto insurance. State laws establish the order of coverage when it comes to insurance to minimize disputes between insurance companies as to which insurance policy is primary.

Personal Car Use-Mileage

Employees using personal cars for business will be reimbursed by the current amount allowed by the IRS. This may be adjusted annually. To be reimbursed for use of their personal car for business, travelers must provide on their expense report:

- Purpose of the trip
- Date and location
- Receipts for tolls and parking
- Mileage

Commute Miles

Commuting, generally defined as travel between a residence and an established place of business or employment, is not considered business mileage and is not reimbursable. Once the employee has arrived at his or her first work location of the day, the commute has ended. Mileage incurred traveling from the first work location to customer locations, meetings, or the airport is business mileage. Transportation between residence and regular place of employment is not a reimbursable expense. The IRS states, "Travel between a residence and an established place of business or employment, is not considered business mileage and is not reimbursable." *NOTE: The tax law clearly states that commuting mileage cannot be converted to business mileage simply by performing business activities in the car during the course of the commute.*

VII. LODGING/HOTELS- GENERAL INFORMATION

Typically, employees should book a single room for lodging.

Hotel Cancellation Procedures

Travelers are responsible for canceling hotel reservations, so the company is not responsible for paying for unused hotel charges.

VIII. MEALS WHILE TRAVELING

Meals while traveling should meet the following criteria:

- Maximum Spend per Day; per Person - \$65
- No more than 2 alcoholic beverages (must be included in the maximum spend and only permitted at DINNER)
- Maximum tip – 15%

When visiting other sites, non-traveling employees dining with travelers are responsible for payment of their own meals, unless approved by a member of the Senior Leadership Team.

IX. NON-TRAVEL MEALS & ENTERTAINMENT

Company Lunches

Senior Leadership Team may schedule a meeting during lunch hours and lunch may be provided to attendees either off or on-site.

Dinners

A senior leadership team member may approve a non-travel dinner with an employee, customer or suppliers that is for business purposes. Senior leadership team member should be cost conscientious when making these decisions.

Donuts, Bagels, Etc

On occasion, members of the **Senior Leadership Team** may decide to bring in Donuts, Bagels, Etc for employees. This should be done in accordance with their budget.

Anyone other than the Senior Leadership Team will need to get prior approval from their Manager to insure it aligns with the Company needs and budget.

Entertainment

A senior leadership team member may determine to provide some type of entertainment for a group of employees. This should be done in accordance with their budget.

X. SALES CUSTOMER MEALS & ENTERTAINMENT

Customer meals & entertainment is encouraged and is important to continue to promote a strong working relationship and drive more business opportunities. This may be done during and outside of work hours. Employee is asked to be prudent in their spending to insure it aligns with business needs.

XI. EXPENSE REPORTING

General Information

To qualify as a deductible business expense, travel, meals, and entertainment must be ordinary and necessary.

All expense reports are to be submitted via **Paycor Expense Reporting**.

Documenting Expenses

The Marth Group may be subject to additional income taxes if expenses are not adequately supported. The company requires each person filing for reimbursement of expenses or using a company credit card to maintain

adequate records. The law specifies certain information that must be recorded to qualify the expenditures as a tax deduction. Therefore, your record for each expense must include:

- The AMOUNT of the expenditure with an image of the receipt (in Paycor app).
- The DATE of the business travel, meals, or entertainment.
- The PLACE of the business travel, meals, or entertainment.
- The NATURE/PURPOSE/REASON of the business discussion.
- The NAME (s) of those attending.
- The correct GENERAL LEDGER account (selection is include in app).

Time Frame

Reimbursable business expenses should be submitted timely.

II. NON-REMIBURSABLE EXPENSES

Examples of non-reimbursable expenses would be including but not limited to:

- | | |
|--|---|
| • Annual fees for personal credit card | • Parking or traffic tickets and fines |
| • Auto accessories, i.e. compass, console trays, etc | • Routine auto maintenance and tune-ups for personal vehicles |
| • Cellular Phone Accessories | • If in questions, check with CEO/CFO before incurring expense. |
| • Charge card delinquency fees and finance charges | |

XIII. EXPENSE REPORTING & APPROVAL PROCESS

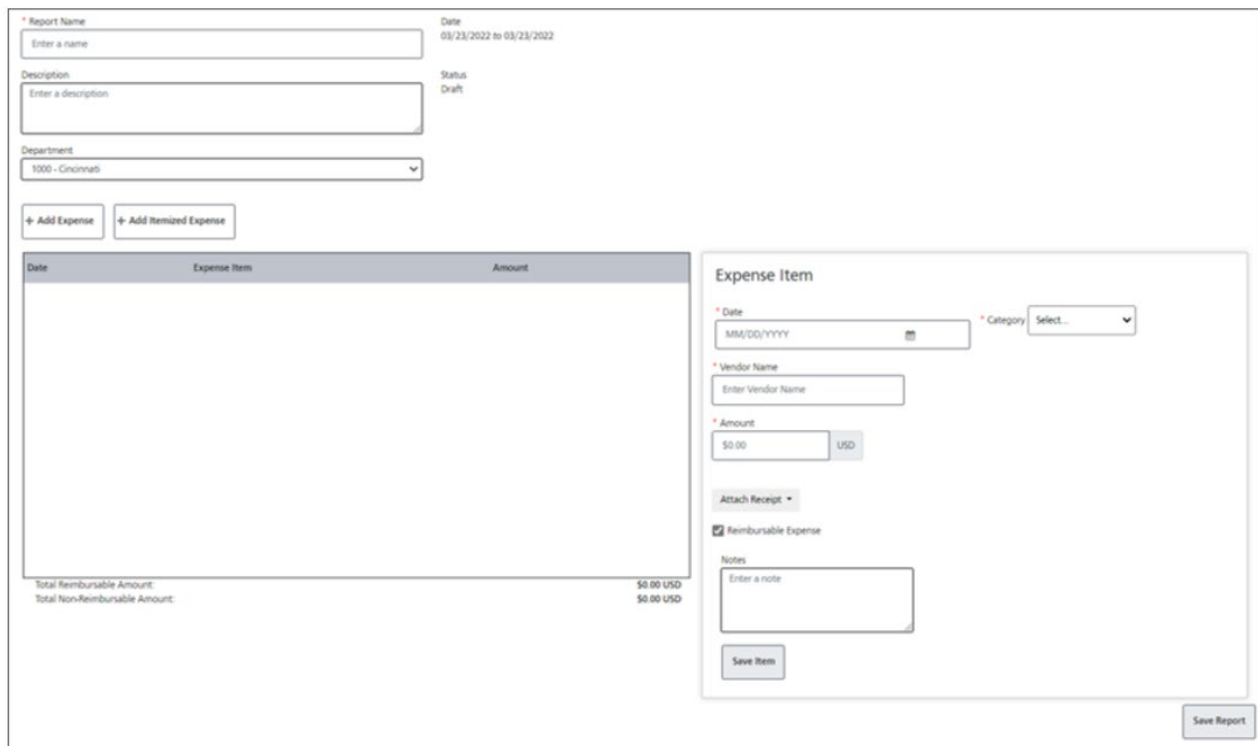
HOW TO CREATE AND SUBMIT A NEW EXPENSE REPORT

5. Login to **Paycor**, and on the top left, click on **Menu** and then select **Pay**, then **Expense Management**. The Expense Management dashboard appears.



2. To create a new expense report, you have these **two** options. Either method you select displays Expense Report screen.

- **Left Menu:**
 - In the **left** menu, click **My Expenses** and then click **Add New Report**.
- **Add New Report button:**
 - On the **Dashboard** screen (and many other Expense Management screens) the **Add New Report** button appears to quickly add a new report. The Expense Report screen appears ready to edit.



Date	Expense Item	Amount

Total Reimbursable Amount: \$0.00 USD
Total Non-Reimbursable Amount: \$0.00 USD

Expense Item

* Date: MM/DD/YYYY
* Category: Select...
* Vendor Name: Enter Vendor Name
* Amount: \$0.00 USD
Attach Receipt:
☒ Reimbursable Expense
Notes: Enter a note
Save Item
Save Report

3. Complete these fields:

- Report Name
- Description
- Department

4. Move to the **Expense Item** section. For your report, you will add **one** or **more** Expense Items. Your Expense Report might be made up of **only** a **single** Expense Item, **or multiple** Expense Items.

- **Example:**
 - On a recent business trip, you traveled by plane, stayed in a hotel, and purchased meals.
 - Each of these is a **separate** Expense Item which makes up your total Expense Report.

For **each** Expense Item, complete these fields:

- **Date**
- **Category:**
 - Depending on the category you select, different fields appear in the Expense Item section as shown here. Make sure to select your department in the description of the category.

Expense Item

* Date

03/23/2022

* Category

Hotel

* Vendor Name

Sofotel

* Amount

150.00

USD

Attach Receipt

☒ Reimbursable Expense

Notes

Enter a note

Save Item

- **Vendor Name**
- **Amount** (in US Dollars)
- **Attach Receipt:**
 - Attach a receipt you already added to your **Receipt Gallery** (My Expense Settings > Receipts), **or** upload a file here.

- **Notes:** Enter any relevant notes.

5. Click **Save Item**. The new Expense Item appears in the table on the left with these details:

- **Date**
- **Expense Item:**
 - Vendor and Category
- **Amount**

Date	Expense Item	Amount	
03/23/2022	Delta Airfare	\$870.00 USD	  
03/23/2022	Delta Baggage	\$50.00 USD	  
03/23/2022	Delta Itemized Expense	\$0.00 USD	  

Itemize
Duplicate Item
Move Item
Delete Item

6. To itemize an expense, click **+ Add Itemized Expense**. Complete the fields and click Save Item. The item appears in the table with the Itemized Expense label.

7. To add more Expense Items, on the left side click **+ Add Expense**. This clears out the Expense Item section on the right to add another item.

8. To edit an Expense Item you add in this report, on the right side click the row and the Expense Item section on the right updates with that information. Make your edits and click **Update Item**.

9. For any item in your **unsubmitted** Expense Report, click the **settings icon on the right** to:

- Itemize
- Duplicate that item
- Move the item in the report
- Delete the item

10. When you finish adding Expense Items to the report, done **one** of these:

- Click **Save Report** to save it in a draft form and work on it later.
 - The Expense Report will appear on your dashboard in the Draft Reports tab.
- Click **Submit Report** to send it to the person designated to approve your expense reports.
 - When the notification popup appears, click **Yes, Submit**.
 - The Expense Report will appear on your dashboard in the Submitted Reports tab.
 - The approver will receive a notification and your Expense Report will appear in their Approval.

HOW TO VIEW PREVIOUSLY SUBMITTED AND APPROVED EXPENSE REPORTS

1. Login to **Paycor**, and on the top task bar, click on **Menu** and then select **Pay**, then **Expense Management**. The Expense Management dashboard appears.
2. In the **left** menu, click **My Expenses** and then click My Expense Reports. A screen appears with all previously submitted and fully approved expense reports (pending and all).
3. In the **Report Name** column, click the **report name** and the Expense Report details screen appears. This is **view-only**.

Paycor

Home Company Me

Dashboard

My Expenses

My Expense Reports

Add Expense Report

Expense Settings

Expense Reports

Create and edit your expense reports

Report Name: L31 Barber Business Trip

Date: 03/02/2022 to 03/03/2022

Description: Flew to NYC for a conference

Status: Fully Approved

Department: ITSM - Desktop

Date	Expense Item	Amount
03/02/2022	Delta Air fare	\$481.00 USD

Total Reimbursable Amount: \$481.00 USD

Total Nonreimbursable Amount: \$0.00 USD

Expense Item

Date: MM/DD/YYYY

Category: select

Vendor Name: Enter Vendor Name

Amount: \$0.00 USD

Reimbursable Expense: ☐

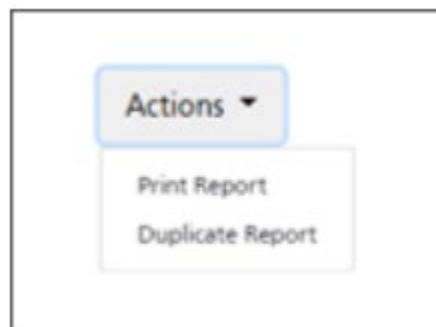
Notes: Enter a note

Actions

Print Report

Duplicate Report

4. At the top-right, click **Actions** to **print** the expense report or **duplicate** this to create a new report.



5. To **exit** this screen, at the top-left, click **Dashboard**.

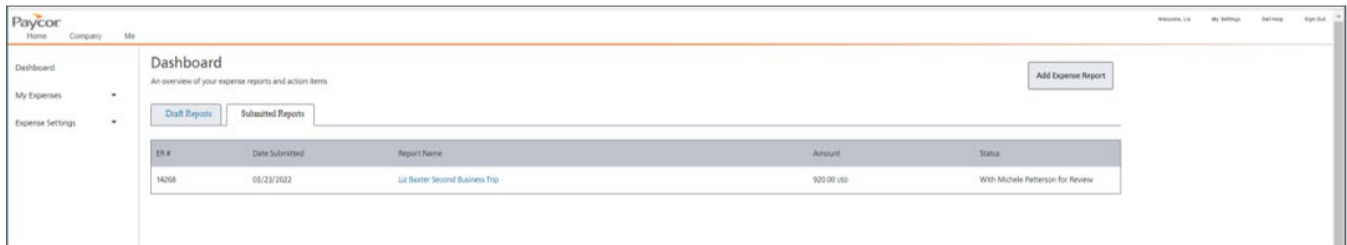
HOW TO WITHDRAW A PREVIOUSLY SUBMITTED (UN-APPROVED) EXPENSE REPORT TO EDIT OR DELETE

Important:

- You can withdraw **only** submitted **and** un-approved Expense Reports.
- If an Expense Report does **not** appear in the **Submitted Reports** tab, it might have already been approved. If already approved, you cannot withdraw it.

Follow these steps to withdraw a previously submitted Expense Report;

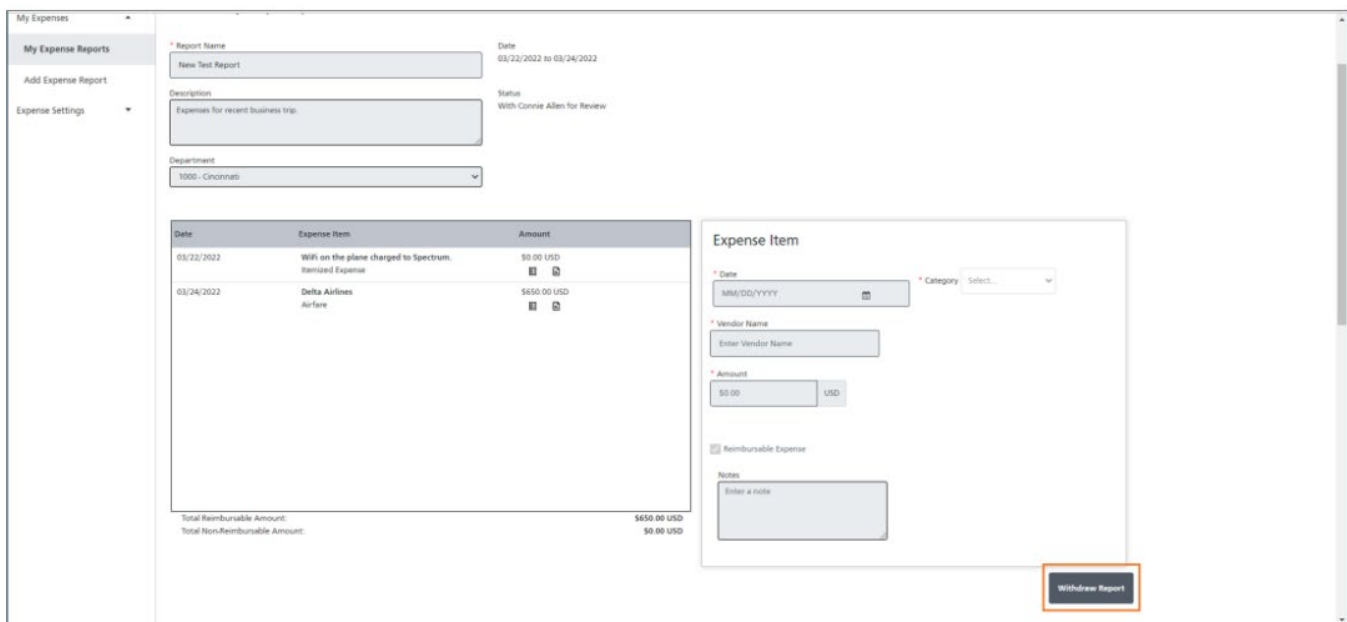
1. Login to **Paycor**, and on the top task bar, click on **Menu** and then select **Pay**, then **Expense Management**. The Expense Management dashboard appears.



The screenshot shows the Paycor Expense Management Dashboard. The top navigation bar includes 'Home', 'Company', and 'Me'. The left sidebar has 'Dashboard', 'My Expenses', and 'Expense Settings'. The main content area is titled 'Dashboard' and shows an overview of expense reports. There are two tabs: 'Draft Reports' and 'Submitted Reports'. A table lists submitted reports with columns for 'ER #', 'Date Submitted', 'Report Name', 'Amount', and 'Status'. One report is listed with ER # 14268, Date Submitted 03/23/2022, Report Name 'Liz Baxter Second Business Trip', Amount \$20.00 USD, and Status 'With Michele Patterson for Review'. An 'Add Expense Report' button is in the top right.

ER #	Date Submitted	Report Name	Amount	Status
14268	03/23/2022	Liz Baxter Second Business Trip	\$20.00 USD	With Michele Patterson for Review

2. Click the **Submitted Reports** tab, and then in the **Report Name** field, click the **blue title**. The Expense Report details screen appears.

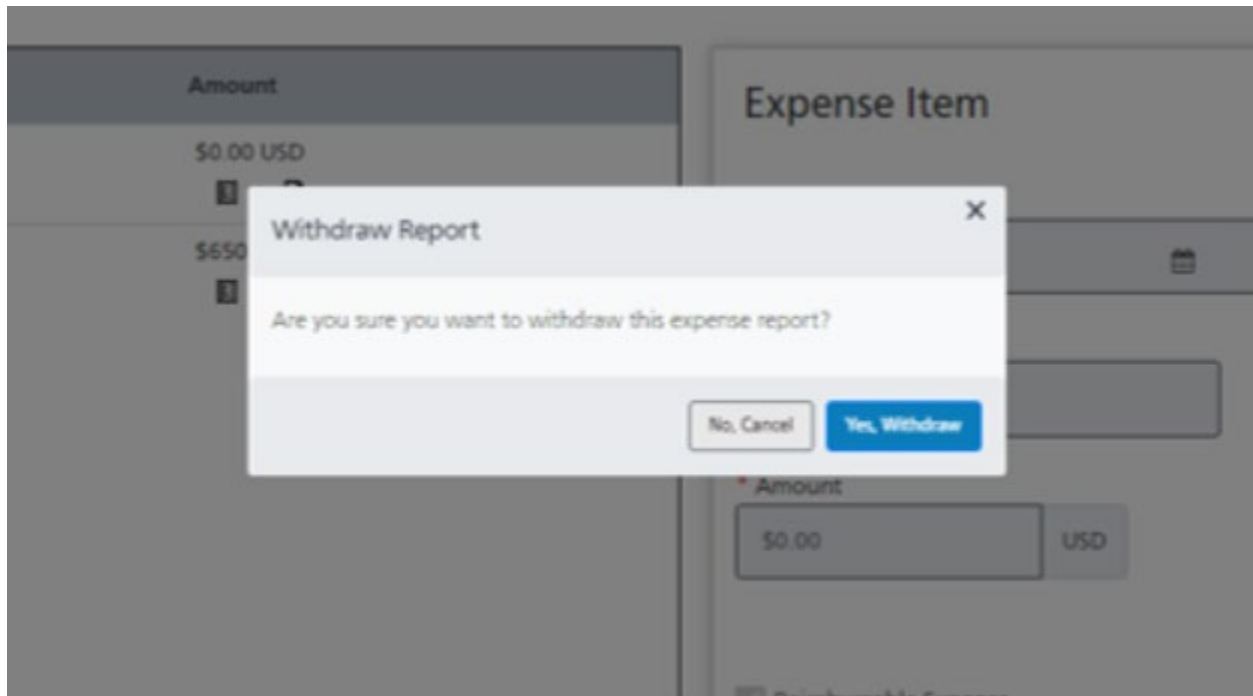


The screenshot shows the Expense Report details screen. The left sidebar has 'My Expense Reports', 'Add Expense Report', and 'Expense Settings'. The main content area shows the report details for 'New Test Report' with a date range of 03/23/2022 to 03/24/2022. The description is 'Expenses for recent business trip.' and the status is 'With Connie Allen for Review'. The department is '1000 - Cincinnati'. A table lists expense items with columns for 'Date', 'Expense Item', and 'Amount'. Two items are listed: 'WiFi on the plane charged to Spectrum. Itemized Expense' for \$0.00 USD and 'Delta Airlines Airfare' for \$650.00 USD. The total reimbursable amount is \$650.00 USD and the total non-reimbursable amount is \$0.00 USD. An 'Expense Item' section on the right allows adding new items with fields for Date, Category, Vendor Name, Amount, and a checkbox for 'Reimbursable Expense'. A 'Withdraw Report' button is highlighted in the bottom right corner.

Date	Expense Item	Amount
03/23/2022	WiFi on the plane charged to Spectrum. Itemized Expense	\$0.00 USD
03/24/2022	Delta Airlines Airfare	\$650.00 USD

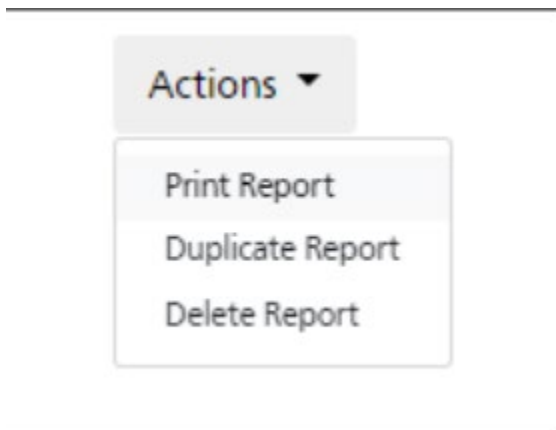
3. Under the **Expense Item** section on the lower-right, click **Withdraw Report**.

4. When the notification appears, click **Yes, Withdraw**.



5. The screen updates and the report is returned to a draft, unsubmitted status. You have these options:

- Make edits and **Submit Report**.
- **Save Report** to edit later.
- **Delete** the report:
 - At the top-right, click **Actions**, and then click **Delete Report**.



- When the notification appears, click **Yes, Delete**.

Delete Expense Report



Deleting this report will delete all expense items permanently and they will not be available for future expense reports. Are you sure you want to proceed?

No, Cancel

Yes, Delete

Amount

\$0.00



\$650.00 USD



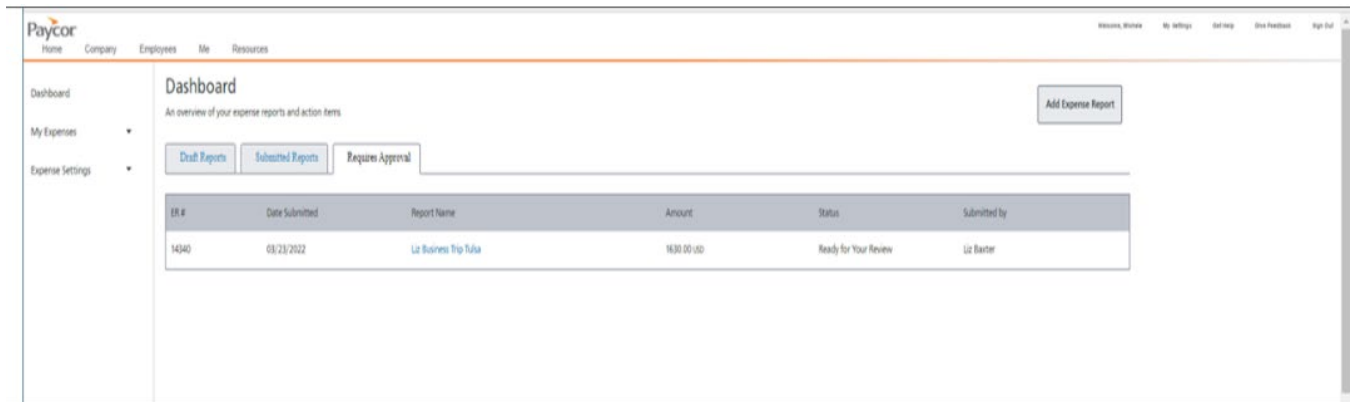
* Date

MM/DD/YYYY



HOW TO APPROVE EXPENSE MANAGEMENT REPORTS

1. Login to **Paycor**, and on the top task bar, click on **Menu** and then select **Pay**, then **Expense Management**. The Expense Management dashboard appears.



2. Click the **Requires Approval** tab to see pending Expense Reports waiting for your review and approval. The Expense Report details screen appears.

3. On the left side, click each Expense Item row to review the details.

- If **receipts** are added, click **View** to review them.

Date	Expense Item	Amount	
06/01/2022	Chili's Business Meals	\$20.38 USD	⚙️
06/01/2022	Holiday Inn Hotel	\$138.64 USD	⚙️
06/01/2022	Avis Rental Car	\$80.99 USD	⚙️
06/02/2022	Costco Fuel	\$38.96 USD	⚙️

Total Reimbursable Amount: **\$278.97 USD**

Total Non-Reimbursable Amount: **\$0.00 USD**

Expense Item

* Date: 06/01/2022

* Category: Hotel

* Vendor Name: Holiday Inn

* Amount: 138.64 USD

Attach Receipt



Holiday-Inn-Receipt.png

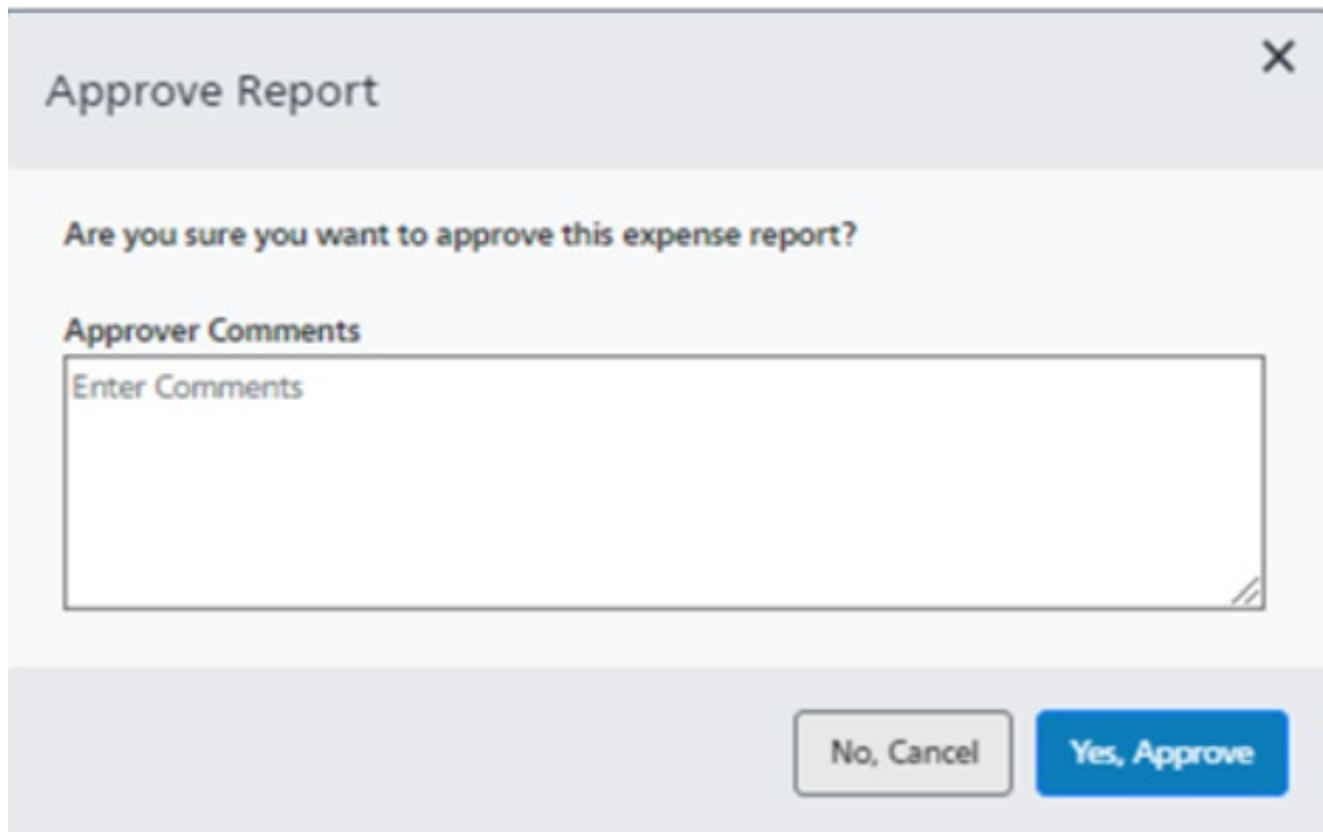
[View](#)

☒ Reimbursable Expense

Notes

Enter a note

4. To approve the Expense Report, click **Approve Report**.



Approve Report

Are you sure you want to approve this expense report?

Approver Comments

Enter Comments

No, Cancel Yes, Approve

5. When the popup notification appears, enter any comments, and click **Yes, Approve**.

This occurs:

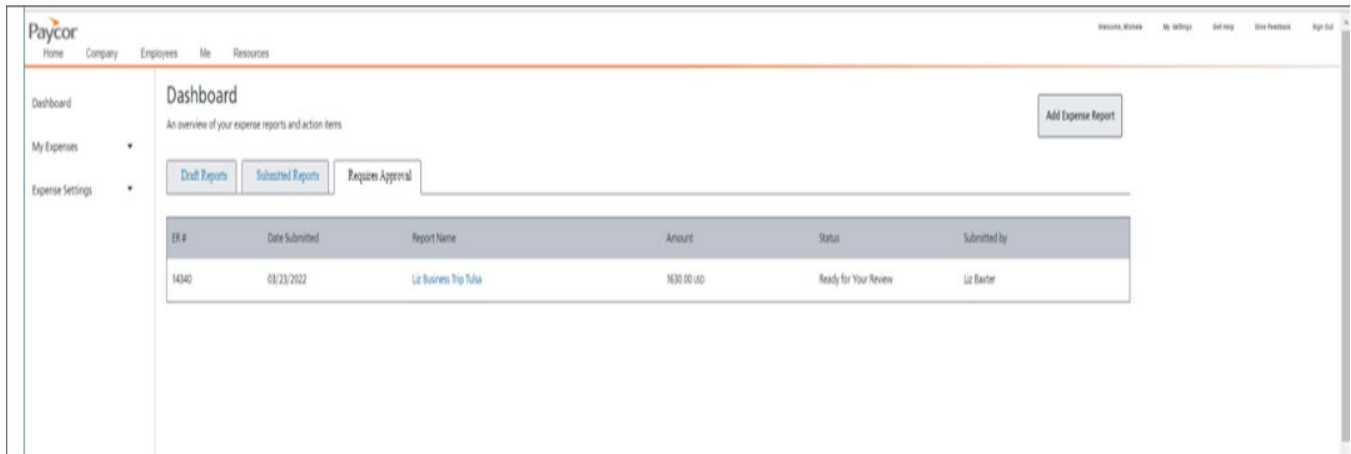
- The Expense Report is **removed** from your **Requires Approval** tab and it is finalized for Payroll.

Note: If you have **two** approval levels in place, you might be the first approver, and then the Expense Report is sent to the **next** approver.

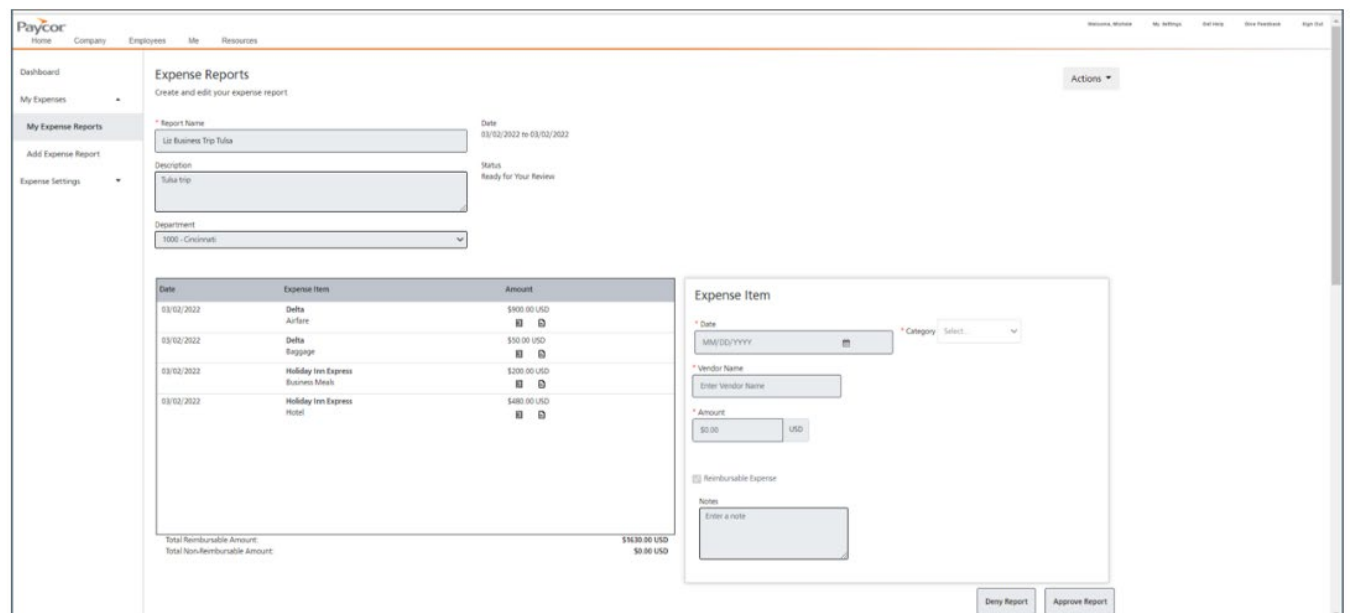
- The employee receives a notification their Expense Report was approved.

HOW TO DENY EXPENSE MANAGMENT REPORTS

1. Login to **Paycor**, and on the top task bar, click on **Menu** and then select **Pay**, then **Expense Management**. The Expense Management dashboard appears.

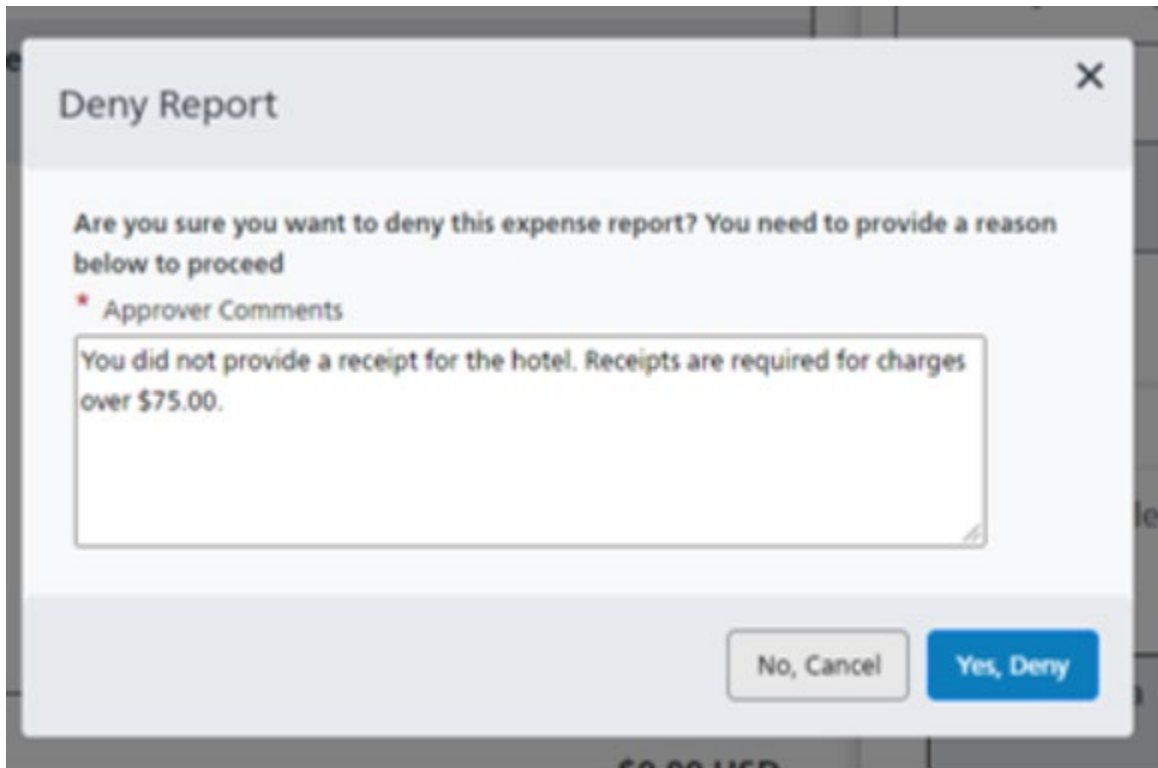


2. Click the **Requires Approval** tab to see pending Expense Reports waiting for your review and approval. The Expense Report details screen appears.



3. On the left side, click **each** Expense Item row to review the details.

4. To **reject** the Expense Report approval request, click **Deny Report**.



Deny Report

Are you sure you want to deny this expense report? You need to provide a reason below to proceed

* Approver Comments

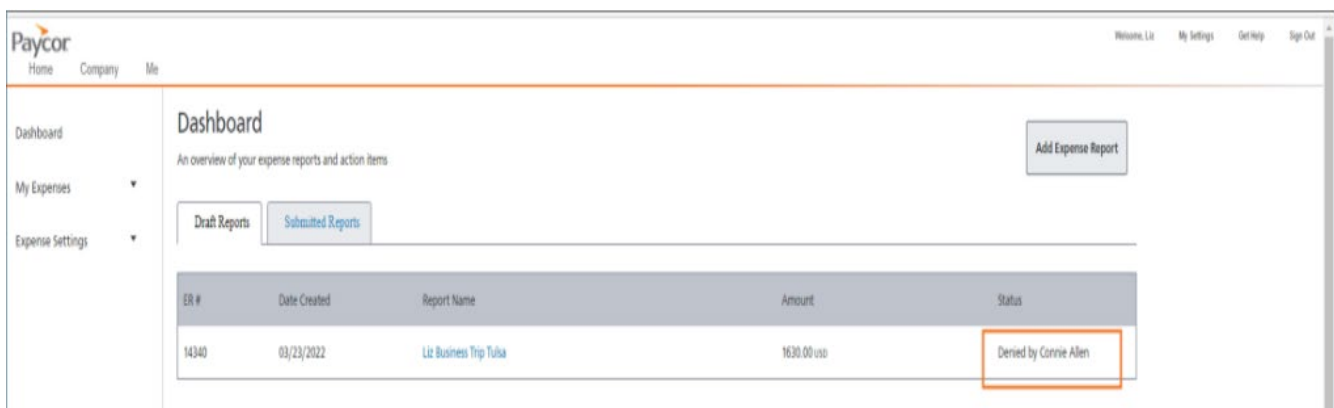
You did not provide a receipt for the hotel. Receipts are required for charges over \$75.00.

No, Cancel Yes, Deny

5. When the Deny Report popup appears, in the **Approver Comments** field you **must** enter the **reason** why you denied the Expense Report and then click **Yes, Deny**.

This occurs:

- The Expense Report is **removed** from your **Requires Approval** tab.
- The employee receives a notification their Expense Report was denied.
- On the employee's Expense Management dashboard, the Expense Report appears in the Draft Reports tab with a Status of Denied by (the approver) like shown in this example:



Paycor

Welcome, Liz My Settings Get Help Sign Out

Home Company Me

Dashboard

An overview of your expense reports and action items

Add Expense Report

Draft Reports Submitted Reports

ER #	Date Created	Report Name	Amount	Status
14340	03/23/2022	Liz Business Trip Tulsa	1630.00 USD	Denied by Connie Allen

HOW TO VIEW THE EXPENSE ACTIVITY HISTORY

1. Login to **Paycor**, and on the top task bar, click **Me** and then select **Expense Management**. The Expense Management dashboard appears.
2. Click into an **employee's** Expense Report.

3. At the top-right, click **Actions** and then select **View Activity History**.

