

APPENDIX A

ASSOCIATED CHINO TEACHERS ~ CTA ~ NEA Business Expenses and Credit Card Policy Effective Date: 09/02/2010

This document establishes a policy governing the reimbursement of business expenses (travel, meals and other expenses) incurred conducting A.C.T. business, as well policy for the appropriate utilization and accountability for the use of the A.C.T. corporate credit card. It is A.C.T.'s policy to comply with the Internal Revenue Service regulations by requiring the accounting for ordinary, necessary and reasonable expenses on a timely basis in accordance with an "Accountable Plan."

An "Accountable Plan" is a system in which charged or reimbursed expenses are accounted for on a timely basis and includes the following requirements:

- A valid business connection.
- Substantiation in the form of a receipt and/or invoice.
- Substantiation must be submitted within (60) days of the charge.

Requests for reimbursement of business expenses and/or the accounting of charged expenses on the A.C.T.'s corporate credit card must be submitted on the A.C.T.'s Business Expense Report. Original receipts are recommended for all expenses submitted and required for all expenses in accordance with contractual amounts. To maintain an "Accountable Plan" as defined by IRS regulations, the business purpose of the expenditure and the names and business relationships of guests must be included as part of the substantiation and be accounted for within sixty (60) days of incurring the expense. If required information is missing, the expense statement will be returned to the originator.

The A.C.T.'s Business Expense Reimbursement form, together with the required documentation, must be submitted for review and signature approval before payment is made and/or charged expenses are cleared. The reviewer is responsible to ensure that the expenses are reimbursable under this policy, validate the expense report has been filled out properly including the required documentation and receipts, and verify that the expenses are reasonable and necessary.

The following are common reimbursable expenses allowable under this policy:

- Lodging (statement required)
- Travel expenses including airfare, train fare, bus, taxi and related tips
- Reasonable meal costs necessitated by travel, including tips up to 15%
- Business telephone calls
- Car rental, parking, tolls

Expenses not reimbursable include:

- Personal expenses
- Airline club dues
- Traffic fines
- Tips in excess of 15% and tips in addition to pre-applied gratuity
- In-flight movies and refreshments
- Hotel room movies and snacks
- Luggage, briefcases, etc.
- Alcohol, unless reasonable in cost and consumed during business entertainment activities.
- Parties and gifts
- Reimbursement for business miles in excess of the cost of airfare to the same destination.
- First class airfare

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No policy can anticipate every situation that might give rise to legitimate business expenses. Each individual must use his/her best professional judgment in determining if an expenditure is reimbursable under this policy.

Business travel will be reimbursed at the per mile rate established by the IRS rates or at actual costs, whichever is lower.

Credit cards represent an extension of credit to the union and may only be issued with the approval of the President and Treasurer. Corporate Cards issued by A.C.T. are not to be used for personal expenses. The card may not be used to obtain cash advances or for expenses other than those incurred by the cardholder. Charges incurred on the corporate card should only be made by the person whose name is on the card. The charging of personal transactions is not acceptable. Infractions of the conditions of this policy could result in cancellation of the card and withdrawal of credit card privileges. Breaching of this policy may lead to action against the cardholder concerned. In all cases of misuse, A.C.T. reserves the right to recover any monies from the cardholder. A.C.T. may recover from reimbursable expenses, any unauthorized amount claimed.

Credit card expenditures must be reconciled and submitted within 60 days of the close of the month the charge was incurred. Those who do not submit the required monthly expenditure report may or may not be sent a written reminder. At the end of 60 days the card may be canceled if no report has been submitted. At the end of 120 days, the amount charged will be added to compensation (with the appropriate taxes withheld).

Cardholders are expected to exercise prudent business judgment regarding expenses covered by this policy. The business activity or connection must be necessary in the performance of the cardholder's duties or responsibilities, and there must be a clear business purpose for the expense.