ERCOT CORPORATE STANDARD

Document Name:	Business Expense Reimbursement Corporate Standard
Document ID	CS3.5
Effective Date:	July 1, 2020
Owner:	Controller
Governs:	ERCOT Personnel
Approved:	Richard Scheel, Controller

Table of Contents

1. Purpose 2

2. Terms and Definitions 2

3. Standards 2

3.1. Law 2
3.2. Special Circumstances and Exceptions 3
3.3. Internal Control 3
3.3.1. Approvals 3
3.3.2. Receipt Requirements 3
3.4. Business Purpose 3
3.5. Frequency and Reimbursement 3
3.6. Cash Advances and Advance Payments 3
3.7. Air Transportation, Auto Rental, and Lodging 4
3.7.1. Air Transportation 4
3.7.2. Non-refundable Airline Tickets and Advance Purchase Tickets 4
3.7.3. Personal Travel Combined With Business Travel 4
3.7.4. Cost Savings From Weekend Travel 4
3.7.5. Frequent Traveler/User Programs 4
3.7.6. Auto Rental 5
3.7.7. Lodging 5
3.8. Other Transportation and Alternative Lodging 6
3.8.1. Taxi, Bus, Limousine, or Train 6
3.8.2. Personal Automobile 6
3.8.3. Alternative Lodging (in Lieu of Paid Lodging) 7
3.8.4. Parking 7
3.9. Meals Reimbursement 7
3.9.1. Business Meal Requirements 7
3.9.2. Meals for Trips More Than 50 Miles From the Home Office 8
3.9.2.1. Per diem method 8
3.9.2.2. Actual amount method 8
3.9.3. Meals for Trips Less Than 50 Miles From the Home Office 9
3.9.4. Group Meetings and Off-site Meetings 9
3.9.5. Working Three or More Hours Beyond the Normal Work Schedule 9
3.9.6. Alcoholic Beverages 9
3.10. Miscellaneous Expenses 10
3.10.1. Training Sessions and Continuing Education Registrations 10
3.10.2. Dues and Memberships 10

3.10.3. Professional License Fees 10
3.10.4. Personal Calls 10
3.10.5. Incidental Tips and Gratuities 10
3.10.6. Laundry 10
3.10.7. Incidental Business Expenses 10
3.10.8. Mandatory Remote Work Communications Allowance 10
3.10.9. Wireless Internet Card Service Allowance 11

4. Responsibility 11

Appendix A: Frequently Asked Questions 12
Appendix B: Per Diem Examples 18

1. Purpose

This corporate standard covers travel and business expenses incurred by Individuals on behalf of ERCOT and outlines the minimum requirements for reimbursement of necessary and reasonable travel and business expenses. This corporate standard describes ERCOT expense reimbursement documentation requirements and Internal Revenue Service (IRS) Regulations in addition to providing a framework for consistent reimbursement of approved business expenses. This corporate standard does not identify all expenses that may be incurred or reimbursed.

Unless other written agreements for expense reimbursement are made, Employees, Contract Workers, and individuals seeking employment at ERCOT who may travel to ERCOT for interviews (collectively "Individuals") are expected to follow this corporate standard. Contract Workers will be reimbursed through the contracting company issuing their paycheck unless otherwise established in contractual terms between ERCOT and the contracting company.

2. Terms and Definitions

Term	*Definition/Description*
Contract Worker	As defined in the Master List of Terms & Definitions.
Individual	For the purposes of CS3.5, an Individual is an employee, Contract Worker, or other person who seeks reimbursement for ERCOT-related expenses.

3. Standards

3.1. Law

Applicable laws and government regulations take priority over ERCOT corporate standards.

3.2. Special Circumstances and Exceptions

Reimbursement requests for expenses that are not consistent with this corporate standard require the circumstances and business purpose of the expenditure to be clearly documented and approved by the VP & CFO or their designee.

3.3. Internal Control

3.3.1. Approvals

Business expense reimbursement requests must be approved in accordance with ERCOT's CS1.5 Delegation of Authority Corporate Standard. The person approving the expense reimbursement reviews the appropriateness of each expense and verifies that the proper documentation is attached.

3.3.2. Receipt Requirements

Original, itemized receipts are required for all expenditures of $25 or more or as otherwise specifically identified below. The $25 threshold is a minimum requirement only. Excessive or inappropriate expenses will be rejected and not reimbursed.

3.4. Business Purpose

The business purpose (who, what, when, where, and why) of each expense must be clearly stated on the expense report.

3.5. Frequency and Reimbursement

All expenses should be submitted via the automated business expense reimbursement system within 60 days after the end of the month in which the expenses were incurred.

Business expense reimbursement requests submitted more than 90 days after the expenses were incurred must be approved by an officer before they will be processed.

3.6. Cash Advances and Advance Payments

ERCOT does not issue cash advances for reimbursable business expenses. It is generally expected that ERCOT staff will incur reimbursable business expenses on their own account and then seek reimbursement from ERCOT by following this corporate standard.

Advance payment will only be made directly to Vendors for registration fees, airfare, lodging, and other expenses on an exception basis as described in Section 3.2 of this corporate standard. Such exceptions must be processed consistent with other requirements of this corporate standard and should be processed using ERCOT's approved Manual Check Request Form process (contact an Accounts Payable staff person for assistance) or OP2.1.8 Procurement Card Operating Procedure.

3.7. Air Transportation, Auto Rental, and Lodging

3.7.1. Air Transportation

ERCOT's standard is to use the lowest airfare possible that meets business travel requirements (e.g., book at least seven days in advance; use normally traveled routes, which often include one intermediate stop; use alternate airports where more than one exists within proximity of the departure location; use the most economic carrier and airfare class; etc.). Upgrades to business class may be authorized for flights between Central Texas and a location outside of the continental United States, Canada, or Mexico. Individuals are responsible for excess costs resulting from a non-authorized class of air transportation. Exceptions for special circumstances must be approved by approving manager and documented with supportive business reasons.

The Individual is responsible for penalty charges for lost tickets. An Individual may purchase or use personal mileage rewards to obtain air class upgrades to a non-authorized class of air transportation; however, these costs are not reimbursable.

Individuals paying for their own airline ticket must attach a copy of the flight confirmation (indicating the cost and itinerary) to their expense report.

3.7.2. Non-refundable Airline Tickets and Advance Purchase Tickets

When non-refundable and advance purchased tickets must be changed due to business need, ERCOT will reimburse the additional expense incurred to make the changes.

3.7.3. Personal Travel Combined With Business Travel

Employees may combine business travel with personal travel. Expenses incurred by the employee for personal travel must be clearly documented and separated from the business portion of the trip. Personal travel expenses are not reimbursable.

3.7.4. Cost Savings From Weekend Travel

Individuals may elect to stay over a Saturday night if such election results in a lower airfare or cost savings to ERCOT. In this case, the Individual may be reimbursed for lodging, car rental, and meals (at regular reimbursable amounts) incurred over the weekend, as long as there is a net cost savings to ERCOT. Expenses other than lodging, car rental, and meals are not reimbursable unless the extended stay is for business reasons. The Individual's request for reimbursement of expenses incurred in connection with weekend travel must include documentation of the net cost savings to ERCOT.

3.7.5. Frequent Traveler/User Programs

Frequent flier travel mileage awards, air ticket vouchers, or coupons (e.g., for "bumping") belong to the Individual. Individuals are responsible for any additional costs associated with frequent traveler programs, including the cost

of enrollment. *Use of airline, lodging, or rental car marketing incentives that increase costs to ERCOT is prohibited.*

3.7.6. Auto Rental

Car rentals should be justified by business necessity and cost, and should be shared whenever possible. Individuals should use the preferred car rental agencies listed on ERCOT Procurement's SharePoint site whenever possible. Reimbursement for gasoline expenditures related to a rental vehicle is allowed with a receipt. Individuals must, whenever possible, refuel rental cars before returning them to the car rental agency. (Include the fuel receipt with the documentation.)

In accordance with ERCOT's negotiated rates, excess amounts of car rental expenses over $75 per day, inclusive of taxes and fees, will not be reimbursed unless approved by the approving manager and documented with supportive business reasons.

ERCOT is insured for business travel with rental cars under a corporate insurance policy; therefore, it is not necessary for employees to purchase insurance from the rental car company when renting a vehicle in the USA. ERCOT will not reimburse employees for insurance acquired through the rental company. Because ERCOT Board Members' rental car use is not covered under the corporate insurance policy, ERCOT will reimburse ERCOT Board Members for insurance acquired through the rental car company.

3.7.7. Lodging

Lodging expenses for ERCOT business trips are reimbursable up to a maximum of the allowable per diem amount if they are reasonable and appropriate for the occasion. Under the per diem method, travelers will be reimbursed an actual amount of lodging expense to be capped at the per diem amount published on the U.S. General Services Administration webpage. The webpage establishes a per diem amount for lodging based on the travel destination. Any lodging costs incurred by the traveler exceeding the lodging per diem reimbursement allowance will be considered personal expenses.

Reimbursement of lodging expenses in excess of per diem rates for reasons including economic justification, business need, and employee safety may be authorized at the discretion of an employee's manager.

Current lodging per diem rates can be obtained on the following website:

- www.gsa.gov – Select "Per Diem Rates"

If a destination is not listed in either of these locations, the standard lodging per diem reimbursement allowance should be used. For assistance with per diem rates, contact ERCOT's Accounting department.

Individuals requiring accommodations near an ERCOT office should make every effort to select a lodging room from the preferred lodging listed on ERCOT Procurement's SharePoint site.

For extended out-of-town stays, lower cost, long-term rates should be arranged.

In general, employees will not be reimbursed for lodging charges within 50 miles of ERCOT facilities. Exceptions for special circumstances must be approved in accordance with Section 3.2 of this corporate standard.

In cases where a double occupancy room is required for personal reasons (e.g., Individual is traveling with a non-business companion and is charged a higher rate), the "personal portion" must be deducted from the charges and paid by the Individual.

Incidental lodging charges such as mini bar charges, alcoholic beverages, gym fees, and movie costs are not reimbursable.

Lodging cancellation charges are not reimbursed by ERCOT unless ERCOT is directly responsible for the cancellation under extraordinary circumstances that prevented prior notification.

Itemized lodging receipts are required for reimbursement.

3.8. Other Transportation and Alternative Lodging

3.8.1. Taxi, Bus, Limousine, or Train

Business necessity and reasonable costs should justify all other transportation expenses (e.g., taxi, buses, trains, etc.). Use of shuttle buses or share-a-ride programs is encouraged whenever practical. Private limousine rental should be avoided unless there is a valid business reason.

3.8.2. Personal Automobile

Individuals using their personal automobile on ERCOT business will be reimbursed only for ERCOT business mileage and associated expenses (e.g., tolls, parking, etc.). The reimbursement rate is based on current IRS guidelines, and the reimbursement is meant to cover all costs of "wear and tear" to the Individual's personal vehicle when used for business purposes. Accordingly, ERCOT will not reimburse for oil changes and other personal automobile maintenance expenses.

Requests for reimbursement of mileage expenses relating to use of the Individual's personal vehicle for ERCOT business must be based on reasonable mileage traveled by the Individual. The request must include documentation of the originating, intermediate, and final trip destinations as warranted. When traveling to a non-regular work location on a regularly-scheduled work day, the normal commute mileage between home and regular work location should be deducted from the total mileage incurred. Appendix A – Frequently Asked Questions has detailed explanations on mileage calculation.

In cases where an Individual chooses to drive to a meeting outside of the state of Texas rather than fly, the Individual will be paid the lesser of 1) mileage as

noted above plus other incremental costs; or 2) a reasonable estimate of the air fare plus other incremental costs (e.g., mileage to/from the airport, parking, transportation costs at destination, etc.).

ERCOT is not responsible for traffic or parking tickets, fines, thefts, or damage to personal autos resulting from business use or for any other losses sustained by the Individual.

Individuals who use their personal vehicles for business purposes are responsible for maintaining the minimum insurance limits specified by applicable State law for personal automobile insurance coverage and that the coverage extends to primary or incidental business use of any vehicle. The Individual is responsible for any costs involved in securing this insurance and those costs are non-reimbursable.

3.8.3. Alternative Lodging (in Lieu of Paid Lodging)

Employees may choose to lodge with friends or relatives during a business trip. The employee may be reimbursed for the actual cost of meals with their host up to $50 per day with a maximum amount of $150 per week. Receipts are required for reimbursement of *all* such payments.

3.8.4. Parking

Airport parking will be reimbursed at long-term rates. Excess amounts of short-term parking and covered garage parking over long-term parking will not be reimbursed unless approved by managers and documented with supportive business reasons.

3.9. Meals Reimbursement

3.9.1. Business Meal Requirements

Business meal expenses must be ordinary, necessary, reasonable, and related to the conduct of business. Meal receipts must be itemized receipts detailing items purchased. For business meals to qualify for ERCOT reimbursement, the expenditure must be either directly related to or associated with the active conduct of company business and documented as follows:

- Date incurred
- Names and titles of attendees
- Company affiliation
- Location where incurred – serving establishment and city
- Nature and purpose of the business discussion
- Amount

3.9.2. Meals for Trips More Than 50 Miles From the Home Office

Meal expenses for ERCOT business trips are reimbursable up to a maximum of the allowable per diem amount if they are reasonable and appropriate for the occasion. Meal expenses can be reimbursed under the per diem method or the actual amount method at the discretion of an employee's manager.

3.9.2.1. Per diem method

Under the per diem method, travelers will be reimbursed at the per diem amount published on the U.S. General Services Administration webpage. The webpage establishes a per diem amount for Meals and Incidental Expenses (M&IE per diem) based on the travel destination. The M&IE per diem reimbursement allowance is intended to cover the cost of food, beverages, tips, gratuity, and taxes. Any costs incurred by the traveler exceeding the M&IE per diem reimbursement allowance will be considered personal expenses.

Current M&IE per diem rates can be obtained on the following website:

- www.gsa.gov – Select "Per Diem Rates"

If a destination is not listed in either of these locations, the standard M&IE per diem reimbursement allowance should be used. For assistance with per diem rates, contact ERCOT's Accounting department.

Partial M&IE per diems will be paid if some meals are not eligible for reimbursement. For example, meals provided at no cost to the traveler (such as those provided by seminars) are not eligible for M&IE per diem reimbursement. In addition, when travel is for a partial day not covering three typical meal periods, the M&IE per diem reimbursement allowance should be adjusted downward to 20%, 30%, and 50% for breakfast, lunch, and dinner.

Receipts are not required under the per diem method.

See Appendix B for more information regarding the per diem method.

3.9.2.2. Actual amount method

Under the actual amount method, travelers will be reimbursed an actual amount of meal expense to be capped at the per diem amount.

Any actual costs incurred by the traveler exceeding the M&IE per diem reimbursement allowance will not be reimbursed unless approved by managers and documented with supportive business reasons.

Receipts are required for actual meals over $25 under the actual amount method. Meal receipts must be itemized receipts detailing items purchased.

Under both reimbursement methods, other meal costs (e.g., groceries) will be reimbursed on an actual cost basis supported by

detailed/itemized receipts provided they do not exceed comparable costs that would have been incurred under other, more usual, meal arrangements.

The Individual's professional judgment is required. Excessive meal costs will be rejected and will not be reimbursed.

3.9.3. Meals for Trips Less Than 50 Miles From the Home Office

When job duties or attendance at training sessions require an Individual to be less than 50 miles from their assigned home office, meals are the responsibility of the Individual and are not reimbursable.

3.9.4. Group Meetings and Off-site Meetings

For group meetings, off-site meetings, business conference group meals, entertainment, and other group expenditures, the name, title, and business relationship of all participants, including the highest level Individual that participated in the group event must be included on the expense report. The approval must be the next higher-level employee not in attendance, unless ERCOT's approved CS1.5 Delegation of Authority Corporate Standard requires a higher approval. Officers may approve group meals for conferences, staff meetings, etc., whether hosted by them or their direct reports.

Group meetings at ERCOT offices and off-site meetings may include reimbursement of meals for Market Participants and/or prospective Vendors or Vendors if it meets the business objective purpose and supporting documentation requirements in Section 3.9.1.

Working lunches at ERCOT offices should be utilized prudently, not on a regular recurring basis. Supporting documentation as described in Section 3.9.1 must be provided.

3.9.5. Working Three or More Hours Beyond the Normal Work Schedule

Meal expenses incurred for required work of at least three hours' duration beyond the normal work schedule in one regularly-scheduled work day are reimbursable.

Meal expenses incurred for required work of at least five hours' duration beyond the normal work schedule on weekends or holidays are reimbursable.

These meals must be served on ERCOT premises and the circumstances of the meal expenses must be described in the expense report.

3.9.6. Alcoholic Beverages

If the cost of a meal or group event includes alcoholic beverages, Individuals must deduct the cost of any alcoholic beverages, along with the applicable tax and tip, from the reimbursement request; as such expenses are not reimbursable.

3.10. Miscellaneous Expenses

3.10.1. Training Sessions and Continuing Education Registrations

Registrations or enrollment costs relating to training sessions, continuing education courses, or similar business meetings are reimbursable, provided the training is related to the Individual's current or expected job duties and is deemed by the Individual's manager or ERCOT Contact to be beneficial to ERCOT.

Tuition reimbursement is paid through payroll. Please contact the Human Resources department directly for questions about tuition reimbursement.

3.10.2. Dues and Memberships

Membership dues for technical/professional organizations and societies are reimbursable, provided the membership relates to the employee's current job duties and are deemed by the employee's manager to be beneficial to ERCOT.

3.10.3. Professional License Fees

Fees are reimbursable provided the license relates to the employee's current job responsibilities and is deemed by the employee's manager to be beneficial to ERCOT.

3.10.4. Personal Calls

Personal calls to home, etc., while traveling out of town are an allowable expense within reason. Calls should be made using the most cost-effective method available (calling card, cell phone with national coverage plan, etc.). Please use professional judgment to determine the reasonableness of such calls.

3.10.5. Incidental Tips and Gratuities

Reasonable tips or gratuities are allowed and will be reimbursed. Tips or gratuities for meals are included in the meal reimbursement Section 3.9.2.

3.10.6. Laundry

ERCOT will reimburse Individuals for reasonable valet and laundry charges for trips that span more than seven days.

3.10.7. Incidental Business Expenses

ERCOT will reimburse reasonable, ordinary, and necessary incidental expenses incurred by Individuals conducting ERCOT business. These expenses should be minor in nature and incurred under the exercise of good faith by the Individual. Such expenses include minor purchases of materials and supplies, conference calls, courier services, subscriptions, etc.

3.10.8. Mandatory Remote Work Communications Allowance

Allowance

ERCOT emergency and pandemic protocols may require staff to work remotely for a specified period of time, either full-time or part-time, and/or maintain off-site work capabilities. To maintain continuity of business operations and ensure connectivity and effective communications in a remote work environment, staff will receive a communications allowance of $90 per month. This allowance is intended to offset expenses incurred from working remotely, including internet, phone, and data costs.

All employees qualify for this allowance, which will be added directly to the employee's paycheck the first pay period of the month.

The communications allowance is not available to contract workers.

Communications Equipment

ERCOT does not purchase communications devices for an individual's use and will not reimburse for any device or service purchase. The device, services, and associated phone numbers belong to the individual whether employed by ERCOT or not.

It is the individual's responsibility to ensure cell phones, network devices, and related equipment acquired by the individual conforms to ERCOT policies, standards, and procedures relating to system access and appropriate use.

Other Charges

ERCOT will not reimburse any charges related to purchase, activation, ongoing use, or termination of any communications or network connectivity services.

3.10.9. Wireless Internet Card Service Allowance

Employees approved by their Officer as having job responsibilities requiring wireless Internet connectivity with a personal computer will be eligible to receive a company-owned wireless Internet card and receive company-paid wireless internet services.

If approved by the Officer, ERCOT will purchase wireless Internet cards for employees and will be direct-billed for wireless Internet card services provided for personal computers.

4. Responsibility

The Controller and VP & CFO are responsible for maintaining and communicating this corporate standard.

Appendix A: Frequently Asked Questions

Business Expenses

Do I need receipts for everything?
All expenditures over $25, with the exception of mileage and meals reimbursed under the per diem method, must have original, itemized receipts.

Are any receipts needed for under $25?
Reimbursement of certain expenditures that involve an allocation of costs between business and personal may need an original, itemized receipt. An example of this is personal cell phone reimbursements. Receipts are also required for all payments made under Section 3.8.3. In addition, **some departments require receipts for all expenditures**. Check with your supervisor or manager.

What if I lose my receipts?
Don't!!! Obtain duplicate itemized receipts by calling the merchant.

After every effort has been made and an itemized receipt cannot be obtained, then the expense line item must contain a note stating that the receipt is missing, why it is missing, and why a duplicate copy cannot be obtained.

Travel Expenses: Commercial Airline

Do I need to include my airfare on my expense report?
The documentation for air travel paid by you personally should be attached to your expense report.

Can I drive to a training seminar or business meeting rather than fly?
Yes, as long as it is cheaper to drive than fly (when flying is an available option).

Even if it is cheaper to fly, can I still drive? (This sometimes happens when an employee takes family, a friend, or a spouse and plans to stay additional vacation days or make stops along the way.)
You can drive with your family, spouse, or friend if you plan to spend additional days in the area. If your trip takes you outside the state of Texas, however, you will only be reimbursed for the business portion of your trip calculated as the lesser of 1) mileage plus incremental business costs or 2) a reasonable estimate of the airfare plus other incremental costs. Include an explanation and documentation of the flight cost versus the mileage cost.

Travel Expenses: Personal Vehicles

What is the mileage rate?
Rate per mile is established by the Internal Revenue Service for reimbursement of business use of personal vehicle. The current rate can also be obtained by contacting an Accounting staff person.

If I drive to a meeting or training class during my workday, can I be reimbursed for the mileage?

You can be reimbursed for mileage from your normal work site to an alternate work location and back to your normal work site. Reimbursement for travel within the same city or immediate work area is at the discretion of your manager.

Example: Your office is at TCC. You leave your office mid-morning to attend an 11:00 a.m. meeting at the Met Center. You return to your office at TCC after the meeting. You can be reimbursed for mileage to and from the Met Center.

If I drive directly to a meeting or training class or an alternate work site from my home during my workday, can I be reimbursed for the mileage?

Yes. The maximum you can be reimbursed for mileage from your home to an alternate work site is the lesser of the following:

- number of miles from your home to the alternate work location less your normal commuting miles, or
- number of miles from your normal work site to the alternate work location.

You can also be reimbursed for mileage back to your home from an alternate work location under this same methodology. Mileage reimbursement and calculation of miles driven is always at the discretion of your manager as long as it does not exceed the method noted above.

Example: You live in Circle C and work at the Met Center (normal commute is 10 miles). You attend an all-day training class at TCC1 in Taylor (commute is 40 miles). You can be reimbursed for 30 miles each way (60 miles round-trip). *Example:* You live in Manor and work at the Met Center (normal commute is 15 miles). You have an all-day business meeting at the TCC1 in Taylor (commute is 20 miles). You can be reimbursed for only the difference between your normal commute and commute to TCC1 (20 miles less 15 miles, or 5 miles each way for a total of 10 miles).

Example: You live in Manor and work at TCC1 (normal commute is 20 miles). You have an all-day temporary desk-side support assignment at the Met Center and travel directly from your home to the Met Center (commute is 15 miles). You are not eligible for mileage reimbursement because your normal commute distance (20 miles) is greater than your temporary commute distance (15 miles).

If I drive to a special meeting at my regular work location on a non-scheduled workday, can I be reimbursed for the mileage?

Yes. You can be reimbursed for mileage from your home to and from your regular work location on a day when you are not regularly-scheduled to work.

If I drive to an out-of-town meeting, can I be reimbursed for other mileage during the trip, such as mileage to a restaurant for lunch?

Within reason, such mileage will be reimbursed.

If I drive to an alternate work location or off-site meeting on a non-scheduled workday, can I be reimbursed for the mileage?

Yes. You can be reimbursed for mileage from your home to and from the meeting/training location if it is on a day when you are not regularly-scheduled to work.

Example: I am leaving on a business trip and am taking an airline flight on Sunday morning and returning on Wednesday afternoon. My regular workdays are Monday through Friday. I live in Cedar Park and work at the Met Center. I can be reimbursed for the miles from my home to the airport on Sunday and the number of miles from the airport to the Met Center for my trip home.

Example: I am attending an employee retreat in Lakeway. I live in College Station and work at TCC1. My regular workdays are Monday through Friday. I drive to Lakeway on Thursday morning from my house and return home on Saturday morning. I can be reimbursed for the miles from TCC 1 to Lakeway on Thursday and the number of miles from Lakeway to my home in College Station on Saturday.

Can I get reimbursed for gasoline that I put in my personal vehicle while on company business?

No. Never request reimbursement for fuel for personal vehicles. Gas and normal wear and tear on your vehicle is incorporated into the mileage reimbursement rate. You must submit an expense report for reimbursement of mileage.

What if I have an accident while using my personal car for a business trip?

Individuals are responsible for maintaining legally-required automobile insurance coverage that extends to primary or incidental business use of the vehicle being used. Your insurance should cover losses to your car and to any other property or persons involved in the accident. ERCOT insurance will not cover any losses from your use of your personal car. If you have questions, please contact the Legal department.

Travel Expenses: Auto Rental

What if I have an accident while using a rental car?

If you are injured, please immediately obtain any needed medical attention. Call your supervisor or the HR department or Health & Safety Coordinator as soon as possible, and they will tell you what you need to do next. Email treasury@ercot.com with any car rental insurance questions.

What is the reimbursement rate?

If your actual rental car rate is less than $75 per day, including taxes and fees, you will be reimbursed at the actual rental car rate. If your actual rental car rate is more than $75 per day, including taxes and fees, you will be reimbursed at $75 per day, including taxes and fees. Excessive amounts over $75 per day will not be reimbursed unless approved by approving managers and documented with supportive business reasons.

Lodging

Can I take a friend or spouse with me when I go on a trip?
Yes, as long as the Individual is reimbursed only for their business-related expenses. If a lodging room is shared, an Individual must pay the difference between single and double occupancy rate.

Can I purchase movie rentals and charge them to my room?
You can charge them to your room, but you must make sure that you deduct these charges when preparing your expense reimbursement report. ERCOT does not reimburse for movies. Similarly, ERCOT will not reimburse for in-room bar bills, exercise room fees, or any other amenities charged on your lodging bill.

Can I be reimbursed for a lodging stay near one of ERCOT's offices?
Only on an exception basis given extraordinary circumstances. Exceptions must be approved as required by Section 3.2.

Meals

Can Individuals be reimbursed for overtime meals?
Yes, but the meals need to be served on ERCOT premises, and must be extraordinary/emergency work situations that do not allow the Individual to leave the premises and are not recurring in nature. Refer to Section 3.9.5 for details.

Can I be reimbursed for meals while traveling during normal work hours?
Meals that are reasonable and appropriate will be reimbursed when the Individual is traveling further than 50 miles (one way) from his home office.

When your normal job duties or attendance at a training session require that an employee be less than 50 miles (one way) from their assigned home office, meals are the responsibility of the employee.

If I am attending an out-of-town conference requiring an overnight stay but where the conference sponsor provides breakfast, lunch, and dinner as part of the conference registration cost; can I be reimbursed for other meals if I choose to forego the conference-provided meal and eat elsewhere?
No. If the conference price included the cost of meals, Individuals should take advantage of those meals. If other meal costs are incurred, they are at the Individual's discretion and will not be reimbursed.

What kind of documentation do I need for meals when I travel?
Under the per diem reimbursement method, receipts for meals are not required. However, your manager may require you to provide receipt for meals. You are advised to check with your manager.

Other Travel Expenses

Are parking costs reimbursed?
Yes, reasonable parking costs incurred in connection with fulfillment of valid business purposes are reimbursable. Individuals should use less expensive, long-term parking whenever possible.

Are tolls incurred while traveling between ERCOT facilities reimbursable?
Yes. Reasonable and necessary tolls are reimbursable.

What types of travel expenses are not reimbursed?
You cannot be reimbursed for personal items that you would normally purchase for yourself at home. Personal items may include shampoo, toothpaste, souvenirs, film, transportation, and admission to area attractions, and any other expenses not directly relating to the business purpose of the trip.

How do I deduct personal items from my receipts?
It is easier to pay for personal items separately. If you must deduct items from a receipt, don't forget to also deduct a pro rata share of tax and tip, if applicable.

Other Business Expenses: Incidental Expenses

Should I get reimbursed for my professional license fees or should ERCOT pay these directly for me?
Any professional license that you can take with you to another employer (CPA, Professional Engineer, etc.) should be paid by you, not ERCOT. In most cases, ERCOT will reimburse you the cost of these fees if directly related to your job. A copy of the license fee renewal form and a copy of your payment should be attached to your expense report for reimbursement.

What kind of documentation do I need for business meals?
If a meal is over $25 or your manager requires a receipt for meals under $25, an original receipt is required. Business purpose and names of those attending must be included.

Reimbursement Procedures

How often should I submit an expense report?
An expense report should be submitted within 60 days from the date of the expenditure.

What happens if I don't turn in my expense report timely?
Any expense report filed more than 90 days after the expense is incurred must be signed by an Officer who may or may not approve the reimbursement. Make every effort to turn in expense reports timely. Timely reporting results in fewer lost receipts and more accurate monthly budget and financial reporting for the period.

How will I know that my expense report has been processed?
You can check the status of your expense reports in the expense reimbursement tool. Under expense, select View Expense Reports and you will be able to see the processing status as well as payment status.

Who can approve my expense report?
Someone with the appropriate approval authority based on the CS1.5 Delegation of Authority Corporate Standard. This will normally be your immediate manager or supervisor.

What if I have additional questions on expense reimbursements processes?
As a first step, ask your manager or supervisor.

Exceptions

What if I have a situation that is not covered by the policy or expect to incur costs greater than is allowed by this corporate standard?
To try to make sure that exceptions are dealt with consistently across ERCOT, the VP & CFO or designee is responsible for addressing exceptions to this policy. Currently, the VP & CFO has designated the Controller to address exceptions. Email is a great way to communicate the situation surrounding the exception.

Appendix B: Per Diem Examples

Per diem for Austin is $59.00 and is broken down as follows:

Breakfast	Lunch	Dinner	Total
$12	$17	$30	$59
20%	30%	50%	100%

Below are some examples of per diem calculations.

Scenario	**Breakfast**	**Lunch**	**Dinner**	**Total**
Lodging provides breakfast		$17	$30	$47
Conference provides breakfast and lunch			$30	$30
Working lunch and dinner provided	$12			$12
Conference provides lunch	$12		$30	$42
Dinner event is provided	$12	$17		$29
No meals provided	$12	$17	$30	$59
Breakfast and dinner are provided		$17		$17
All meals are provided				$0