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I. General Policy

A. Applicability

This document (the "Policy") sets forth the policy and procedures of Partners HealthCare System, Inc. and its Affiliates (collectively, "Partners") for the reimbursement or payment of travel/transportation expenses (local, domestic, and foreign), lodging expenses, meal expenses, entertainment expenses, conference fees (conferences, seminars, and similar business or professional programs), and other business/professional expenses (collectively, "Business Expenses") incurred by Partners employees in connection with their work-related endeavors at or on behalf of Partners. This Policy also covers business events or functions that are sponsored by Partners, or a Department within Partners, such as development functions, occasional holiday parties, picnics, retirement events, employee award ceremonies or other similar functions, regardless of the venue, even though such events are generally paid for directly by Partners ("Directly Sponsored Events").

This Policy applies to all Partners Affiliates and their employees, except to the extent that an Affiliate adopts policies that are more restrictive than this Partners Policy ("Affiliate Policies"). If an Affiliate/Department imposes more restrictive policies, administration of those policies must be managed at the Affiliate/Departmental level. The Partners Corporate Accounts Payable Department will be responsible for administering only the terms of this Policy.

Reimbursement or payment of any Business Expenses is always subject to the availability of a Partners Department's budgeted funds. This Policy (and any Affiliate Policy) applies to Business Expenses regardless of the source of funds, including expenses that are charged to federally sponsored projects and "Sundry Funds". Expenses related to federally funded projects, whether charged on a direct or an indirect cost basis, are also subject to specific federal regulations, as well as the terms of the award and the budgetary constraints of the project.

All payments to independent contractors, speakers, consultants, etc., both for services and to cover out of pocket expenses, should be paid directly by Partners (rather than paid by an employee who is later (reimbursed) and will be reported to the IRS as taxable income to the recipient. Partners will not assume risk for validating these expenses as tax deductible or for maintaining original documentation for subsequent audits. Managers should still assure themselves of the reasonability of business expenses and Partners' responsibility for them per contract terms before authorizing payments to the contractors. However, contractors should maintain their original documentation as support for expenses they can use to offset the reported income on their tax returns. Invoices for these expenses should be submitted to Accounts Payable with a Check Request rather than on forms required under this policy.

For further information or questions concerning this Policy, please contact the Partners Materials Management Client Services Department at 617-726-2142.

B. Requirements for Reimbursement or Payment of Business Expenses

Partners employees are urged to be mindful of the stricter standards they must meet in their use of the funds of the charitable tax-exempt organizations for which they work. Whether derived directly from donors or earned as a byproduct of the organizations' mission-related activities, these funds must be used only to further the organizations' charitable purposes. Partners and its Affiliates qualify for tax exemption because they operate for the benefit of the community, which has a right to expect that they will operate at a high level of care and caution in the use of funds and monitor the use of funds to ensure that the stricter standards are met. External agencies, including the IRS, may monitor the use of funds as well.

Note that certain Business Expenses and Directly Sponsored Events covered by this Policy may be *de minimis* in nature. This Policy does not attempt to distinguish between expenses/events that qualify as *de minimis* and those that do not.

In order for any Business Expenses to be reimbursed, or in certain circumstances paid for directly, they must meet the basic requirements listed below. Any determination made under this Policy by a Partners Accounts Payable Department shall be binding. In the event of a dispute, or otherwise, the Accounts Payable Department may review a request for reimbursement or payment with the employee's supervisor, or senior management or executive staff, at Partners or the applicable Affiliate.

Notwithstanding the paragraph above, these transactions are also subject to subsequent audit by internal and external auditors. If auditors find a previously made payment that was not adequately supported according to the requirements of this Policy, remedies may be imposed up to and including recovery of funds from the employee who benefited from the original transaction.

1. Business Purpose

The expense must be incurred in connection with the employee's work-related endeavors and must be for a *bona fide* business purpose related to Partners' operations. The expense must be ordinary, necessary, and reasonable for the business purpose for which it is incurred. Certain Business Expenses are subject to additional standards and detailed requirements, as described in Part III of this Policy ("Specific Categories of Expenses").

2. Substantiation

As explained in more detail in Part II of this Policy ("Worksheets/Forms and Other Documentation"), an employee incurring a Business Expense must provide a statement (in the form of one or more of the worksheets or forms attached at Appendix A to the Policy) documenting the nature of the expense, the amount, the date, the place (if applicable), and the business purpose. If expenses of individuals other than the employee are included, the statement must also specify the business relationship of such other persons to the employee. In most cases, original receipts showing payment of the expense must be attached to the statement to substantiate the expense. All substantiating information must be submitted within a reasonable time (not to exceed 180 days) after the expense is incurred. If the expense requires advance approval, the approval must be secured prior to incurring any costs or executing any contracts related to the expense.

3. Employee Attestation

In order to receive reimbursement and, in some cases as further substantiation of certain expenses paid directly by Partners, the employee must sign the required form (see Part II) attesting to the business purpose of and compliance with Partners policies with respect to the submitted expense(s).

4. Approval

General Approval and, where applicable, Special Approval for the expense must be obtained in accordance with the "Approval" section below and the applicable approval matrices set forth in Appendices B and C to this Policy.

5. Allowable Amounts

Expenses for airfare, lodging, meals, and rental vehicles must fall within the limits specified for these items in the section on "Allowable Amounts" below. The specified limits may be exceeded only if Special Approval is obtained as described in that section.

6. Return of Excess

Employees who request hardship cash advances (travel for certain residents and fellows, as described in Part III, Section L of the Policy ("Miscellaneous")) must return any prepaid amounts that are in excess of substantiated expenses within 15 days after completion of the trip.

Reimbursements to employees or direct payment of Business Expenses that satisfy these requirements and are otherwise made in accordance with this Policy will generally not be reported as taxable income on the employee's Form W-2. Occasionally a payment or reimbursement made under this Policy may be taxable based on the facts and circumstances.

C. Approval

1. General Approval; All Business Expenses

All requests for advance approval to incur Business Expenses or for reimbursement or payment of allowable Business Expenses must be approved by the individual (the "General Approver") designated for Partners or the Affiliate, as applicable, in the General Approval Matrix set forth in Appendix B to this Policy. The General Approver must sign all of the applicable expense report(s) and worksheet(s) attached in Appendix A that are required in Part II of this Policy, "Worksheets/Forms and Other Documentation." Employees may not approve their own expenses or prepaid Business Expense requests, nor may an expense be approved by the employee's peer or subordinate.

As indicated in the General Approval Matrix, the General Approver must be at the next level of management, or higher, relative to the employee who is seeking reimbursement or payment. At times the General Approver may need to delegate this authority to a trusted manager who reports to him or her as an administrative or financial director or manager or other similar title. The manager should be at a level where he or she fully understands the operations of the department or division, the responsibilities of the employees who staff it and the constraints on the funding source(s). This manager, operating as an agent of the General Approver, may approve expenses incurred by other employees who report to the General Approver, but may never approve the General Approver's own expenses.

2. Special Approval; Certain Business Expenses

In addition to the General Approval required above, certain expenses require Special Approval to ensure that they are appropriate and reasonable and that they meet the specific requirements described herein. These expenses also require additional justification in the Detailed Business Purpose section of the Employee Business Expense Report. Expenses that require Special Approval are identified by category in Part III of this Policy and in the Special/Advance Approval Matrix attached as Appendix C to this Policy.

In general, expenses requiring Special Approval must be approved by a person (the "Special Approver") with a title of, or comparable to or more senior than, the CEO/President, the COO or the CFO, of Partners or the applicable Affiliate, or one of their designees who must also sign the appropriate expense report(s) and worksheet(s) or other required documentation. Any expense which requires Special Approval by an individual such as those identified above must first be approved by a Vice President or Chief of Service or equivalent. An employee who is a Special Approver for Partners or an Affiliate may incur expenses that, in accordance with this Policy, require Special Approval before they may be paid or reimbursed. The General Approvers for such employees are also Special Approvers. The expenses for these employees may be paid or reimbursed with just the approval by the appropriate General Approver.

3. Board Member Travel Expenses

The CEO/President of Partners or the applicable Affiliates may approve reimbursement requests from board members for travel from their out-of-state residence to board and/or committee meetings, provided that: (1) they deem such requests to be appropriate under the circumstances; and (2) the travel related expenses comply with the guidelines set forth in this policy.

It is the authorized General Approver's (and, where applicable, the Special Approver's) responsibility to ensure that the expenditure is appropriate and reasonable, is accurately

reported, and is otherwise in compliance with this Policy. Expenses that do not have the required approval will not be paid or reimbursed.

D. Allowable Amounts

Reimbursement or payment for expenses for airfare, lodging, meals, and rental vehicles must fall within the limits outlined below. The Allowable Amounts below are based in part upon economic considerations, administrative factors such as the need for uniformity, and the differing business needs for different categories of employees. Expenses in excess of the limits below may be reasonable depending on the circumstances. Reimbursement/payment of any expense in excess of the Allowable Amount will only be made if Special Approval is obtained in accordance with the Approval section of Part I and the Special/Advance Approval Matrix at Appendix C to this Policy.

Expense Category		Allowable Amount	
Airfare		Partners employees will be reimbursed for coach class fare only on domestic US flights regardless of the length of flight. If traveling overseas business class will be reimbursed only with prior CFO approval. Any special circumstances requiring deviation from this policy will require both CEO and CFO approval.	
Lodging		Daily standard rate for a single room is not to exceed \$300/night for room rate only and will not include taxes. In Boston, New York, Washington DC, Chicago, Los Angeles and San Francisco the daily standard rate for a single room is not to exceed \$400/night for room rate only and will not include taxes.	
Meals	Breakfast	Reasonable	Amounts include food, beverage and gratuity
	Lunch	\$30/person	
	Dinner	\$65/person; Up to \$90/person for Senior Members of the Medical Staff, Vice Presidents and above; \$120/person for Directly Sponsored Events (which require Special Approval)	
Rental Vehicle		Up to the cost of a full-size vehicle, plus fuel charges, tolls, and insurance	

II. Worksheets/Forms and Other Documentation

A. General

This Part describes the forms, worksheets, and other documentation that must be used to report and substantiate Business Expenses under this Policy. All of the Worksheets/Forms can be found in [Appendix A](#) to the Policy on the Partners Website, <http://is.partners.org/finance/myfinance/Travel%20Central.asp>. The forms may be printed from the web site for use in reporting and substantiating your expenses for reimbursement/payment. The Employee Business Expense Report serves as an alternative check request (not to be confused

with the Check Request Form) and thus should be submitted directly to the applicable Partners Accounts Payable Department for payment, along with the other required documents as described below. All Worksheets/Forms and accompanying documents must be submitted within 180 days after the expenses are incurred. If the expense requires advance approval, the approval must be secured in advance of incurring the expense.

B. Employee Business Expense Report

In order to describe and substantiate the final expenses of events, trips, etc., and to obtain reimbursement for any Business Expenses not directly paid to vendors or otherwise reimbursed, employees must submit a completed Employee Business Expense Report (attached at Appendix A to this Policy), accompanied by the requisite worksheets and original receipts as described below. Employees who incur business-related club membership dues or acquire computers, cellular telephones, or handheld devices pursuant to Part III, Section K will also be required to sign a statement of intent (in the form attached at Appendix A to this Policy) regarding the business use of these items.

Incomplete or inadequate Employee Business Expense Reports will be returned to the authorized Approver(s) for appropriate resolution and will result in delays, or possibly denial, of reimbursement or payment. The most common reasons for the returning of forms (or, in some cases, denial of reimbursement/payment) include:

- Missing signature of the employee incurring the expense
- Inability to identify General Approver's or Special Approver's signature and/or title
- Inadequate description of the business purpose of the expense
- Missing or inadequate receipts or substantiation

Completed or corrected reports must be re-submitted to the Accounts Payable Department within a reasonable period of time.

C. Receipts

1. Required Receipts

Except as otherwise specified below, for all conference, travel/transportation, lodging, meal and entertainment expenses (local, out-of-town, and foreign) and conference fees equal to or greater than \$75, dated original receipts must be submitted with the Employee Business Expense Report. With respect to "unsubstantiated" fees/expenses in amounts less than \$75, the employee may submit an "attestation" with their request, making sure to include information relative to the nature of the event, the amount, the place and the business purpose. The original airline passenger coupon/receipt, train ticket stub, hotel bill, and automobile rental agreement are required regardless of the dollar amount. Airline travelers using electronic ticketing should follow the electronic receipt guidelines outlined below in section C.2. A cardholder's credit card receipt will be accepted as documentation for meals only if the original meal receipt is unavailable. Due to the limited detail on credit card receipts and travel agency invoices, these documents are not considered receipts for transportation, lodging, or car rental expenses. Monthly credit card statements (as distinct from credit card receipts) are not considered original receipts for purposes of this section. To the extent any documentation in addition to original receipts is required to substantiate an expense under this Policy, that information is indicated in the applicable section of Part III ("Specific Categories of Expenses").

For business/professional expenses other than travel/transportation, lodging, meals, and entertainment and conference fees, original receipts are also required when available. When

original receipts are not available, the employee must submit an “attestation” which should be accompanied by all pertinent information to identify the specific nature, date, and amount of each expense. In some cases this information may take the form of a cancelled check or a paid bill. The employee should submit whatever document(s) best substantiates or reflects the date and amount of the paid expense and what it was for, and the Partners Accounts Payable Department in its discretion may request additional documentation.

2. Electronic Receipts As Documentation for Reimbursement

Supporting documentation for on line booking or purchases must be a receipt and not a confirmation or reservation. Detailed below are the minimum requirements for an electronic receipt to be acceptable as proof of purchase:

- E-Tickets
 - o Passenger name
 - o Issue date
 - o Ticket number or other proof of payment**
 - o Total payment
 - o Itinerary or routing
 - o Payment Type

**A ticket number on the receipt indicates that a ticket has been purchased.
- Hotels
 - o Name and address of hotel
 - o Guest name
 - o Number of guests
 - o Check in and out dates
 - o Number of rooms
 - o Number of nights
 - o Price per night
 - o Total Payment
 - o Proof of payment (credit card statement, receipt or cancelled check)
 - o Date purchase
- Conference Registrations
 - o Name of attendee
 - o Name of Conference
 - o Amount Paid
 - o Dates
 - o Proof of payment (credit card statement, receipt or cancelled check)

3. Lost Receipts

Employees who lose required receipts should seek a duplicate receipt if possible. If a duplicate is unobtainable, the employee must place an asterisk (*) next to the individual expense on the Employee Business Expense Report or other documentation required by this Policy to indicate that the receipt was not obtainable, and must submit other records or evidence (such as paid bills, or whatever other document(s) best substantiates or reflects the details of the paid expense) to corroborate the information about the expense provided in the Employee Business Expense Report or other required documentation. Expenses that are not supported by required receipts or other records or evidence acceptable to Partners or the Affiliate will not be paid or reimbursed.

4. Receipts Submitted to Other Institutions

If travel/transportation, lodging, meal, or entertainment expenses or conference fees are partially covered by another institution or external sponsor (not an Affiliate), duplicate copies of the receipts may be submitted (rather than original receipts) with the Employee Business Expense Report to substantiate the portion of the expenses or fees that the employee is requesting Partners or an Affiliate to cover.

D. Forms for Expenses Requiring Advance Approval

1. Advance Authorization Form for Directly Sponsored Event

In order to obtain Special Approval for payment for a Directly Sponsored Event, the employee(s) organizing the event must first complete an Advance Authorization for Directly Sponsored Event Form (attached at Appendix A), which requires a detailed budget for the event as well as specific identification of the participants. The General Approver and Special Approver must both sign the form. Contracts must not be executed or expenses incurred related to the event until both approvals have been obtained. The event organizer should keep the form with original approvals and submit a copy of it with each event-related Check Request or Business Expense Report submitted for payment to Accounts Payable.

2. Advance Authorization Form and Statement of Business Use/Intent for Club Membership Dues

Prior to joining a club for business use (to the extent permitted in Part III, Section K(3), the potential member must first complete the Advance Authorization and Statement of Business Use/Intent Form (in Appendix A to this Policy). The employee should maintain the original form, submitting a copy to Accounts Payable with check requests as required.

3. Advance Authorization Form and Statement of Business Use/Intent for Costs Related to Computers, Cell Phones or Handheld Devices

Prior to submitting a purchase requisition for a computer for use outside of Partners facilities or a cell phone or other handheld device, or processing any Check Requests for costs related to such equipment, the employee must first complete the Advance Authorization and Statement of Business Use/Intent Form (Appendix A). The employee should maintain the original form, submitting a copy with a Purchase Requisition or Check Request as required. All computers, cell phones and handheld devices must be purchased through a Partners Purchasing Department or Information Systems Department.

III. Specific Categories of Expenses

A. General

This Part covers specific additional requirements for local, out-of-town, and foreign travel/transportation, lodging, meal, and entertainment expenses and conference fees, and for other business/professional expenses (listed in Section K below). Allowable local expenses include, and are generally limited to, automobile travel, ground transportation, rental vehicles, and conference fees, but in certain circumstances may also include meals and entertainment. Allowable expenses for out-of-town travel include those allowable for local expenses, but also include air travel, lodging, subsistence (meals), and certain related items required by the employee while away from home. Expenses for foreign travel are subject to a number of additional specific requirements. All expenses covered by this Policy must be directly attributable to the business (including a research project) of Partners and must not be lavish or

extravagant under the circumstances. Expenses incurred by or on behalf of a Guest (an employee's spouse, dependent, other family member, or other personal guest) are not allowable except in very limited circumstances. These limited circumstances are set forth in Section J ("Guest Expenses") below.

B. Travel/Transportation Expenses

1. Air Travel

a) General/Travel Office Services

Expenses for air travel to attend out-of-town conferences or other business meetings or events are allowable if reasonable. All air travel is expected to be at the least costly rate that is consistent with a reasonable level of comfort and convenience to the employee. In most cases, coach class airfares meet this standard and therefore whether traveling on a domestic or international flight (except as subsequently noted) and regardless of the length of the flight Partners will reimburse employees only for coach class fares. If traveling overseas business class will be reimbursed only with prior CFO approval. When an external sponsor has agreed to reimburse an employee for air travel at a higher class of fare than coach and this travel has been reserved through a Partners preferred travel office, the employee will be reimbursed for the upgraded fare as long as the reimbursement check from the sponsor is submitted to Accounts Payable with any other supporting documentation. However, if the sponsor has only agreed to pay or reimburse for a coach class fare, that is the fare type that must be reserved. There is no related business purpose for Partners to incur the cost of the upgrade solely and it will not be reimbursed. Any other special circumstances requiring deviation from this policy will require both CEO and CFO approval. In addition, when travel schedules can be planned in advance, employees are strongly urged to take advantage of discount airfares through the advance purchase of airline tickets. Employees are also urged to use alternative routing to obtain the lowest possible airfare in effect at the time of travel. In the case of airfare charged to a federally funded grant the employee must attest, on the Employee Business Expense Report, to having sought the lowest possible airfare. The Partners Pulse website at <http://is.partners.org/finance/myfinance/Travel%20Central.asp> contains information about Partners' preferred travel office(s), including travel office personnel and telephone numbers. Travel arrangements for a Guest accompanying the employee may also be made through these offices, but travel expenses for the Guest must be paid directly to the Travel Office/Agency and not be charged to a cost center or fund and will generally not be paid or reimbursed. (See Part III, Section J for further information on "Guest Expenses").

b) Permitted Travel Days

An employee is expected to travel the day of, or if necessary, the day before the start of the conference, meeting, or other business event. The employee must return on the last day of, or if necessary, the day following the conclusion of the event. If travel expenses (including transportation, lodging, meals, etc.) are incurred on days other than these, they will be considered personal in nature and, although the air travel itself may be an allowable expense (if the airfare is the same as or less than if the employee had left or returned on the permitted travel days), other expenses incurred on those days are not payable or reimbursable unless they were due to extenuating circumstances acceptable to Partners. (See Part III, Section I for further information on "Personal Travel").

In order to take advantage of reduced airfares, a Saturday night stay-over may be permitted when the employee can demonstrate a net savings of at least \$50 to Partners. The savings must be documented by the employee, and are measured as the difference between the original and discounted airfare, less reasonable meals, lodging and other expenses as shown in the following formula:

Savings = Coach Fare –(less) Discounted Airfare –(less) Reasonable Meals and Lodging

c) Frequent Flyer Coupons & Other Promotions

Partners does not require employees to return frequent flyer coupons or other promotional items earned in connection with business travel. However, Partners does require the employee to report any such benefits earned, as well as any time period within which the coupon/item must be used. Employees are required to use these travel promotions for future business travel to the extent possible, in which case the employee will be reimbursed only at the discounted rate incurred, or not at all for a promotional item provided at no cost to the employee.

d) Lost Baggage

Partners will not reimburse or pay the employee for lost items. The employee should contact his or her airline to obtain the airline's lost luggage compensation procedures.

e) Unused Tickets

Unused airline tickets, though generally nonrefundable, have a cash value and should not be destroyed. In fact, many nonrefundable tickets may be used by the employee for travel at a later time by paying a small surcharge. Unused nonrefundable tickets for which Partners has provided payment or reimbursement should, if possible, be used by the employee only for *bona fide* business travel on behalf of Partners (in which case any surcharge for use of the tickets is payable or reimbursable under this Policy). If the employee uses such tickets for personal travel, the personal travel must be reported to a Partners Accounts Payable Department so that the amount that Partners paid or reimbursed for the tickets can be included in the employee's taxable income and reported on the employee's Form W-2. Nonrefundable tickets should be maintained by the employee in a safe location pending their use. If the employee is not able to use the nonrefundable tickets within 120 days, the tickets must be returned to the Partners Accounts Payable Department.

f) Airline Clubs

Partners will not provide payment or reimbursement for membership fees or any other expenses associated with airline clubs (first class lounges, etc.).

g) U.S. Flag Air Carriers

If air travel costs are charged to a federally sponsored research project, whether on a direct cost basis or an indirect cost basis, U.S. flag air carriers must be used to the maximum extent possible when the travel or means of travel is between the U.S. and a foreign country or between foreign countries. This requirement should not be influenced by factors of cost, convenience, or personal travel preference. If this requirement is not adhered to, reimbursement or payment of the airfare costs cannot be guaranteed.

2. Ground Transportation

a) General

This section applies to all forms of ground transportation including use of an employee's personal and rental autos. Expenses for ground transportation to attend conferences or other business meetings or events are allowable (see limit below) for service to or from a conference or event. If air travel is a more appropriate mode of travel under the circumstances, the amount of the reimbursement for ground transportation will not exceed the cost of coach airfare to the same destination. Transportation to the location of a business meal or entertainment is also an allowable expense, provided that the meal or entertainment expense itself qualifies for reimbursement under this Policy. These are expenses for "Partners-business use." Examples include transportation between the employee's office, hotel, or the airport and the location of the

event. Receipts are required to substantiate these expenses pursuant to the "Receipts" section of Part II of the Policy and should indicate the place of departure and the destination.

Allowable ground transportation is limited to the most economical means of transportation that provides a reasonable level of comfort and convenience. By definition, the "most economical means" includes the use of available public transportation, airport limousine services, a personal auto with mileage and parking reimbursement or local taxi service. Use of Partners-provided transportation (e.g., regularly scheduled or special event shuttle buses) is expected when available. Private coach or limousine services (e.g., Boston Coach) do not qualify as the most economical means of ground transportation unless there are extenuating circumstances, and their use requires Special Approval in any event. Justification for private coach or limo services includes more passengers traveling together than can be accommodated in taxis or personal automobiles for the same or a lower cost, long distances not normally serviced by commonly available livery services or a disability requiring special attention.

Partner's does not participate in any privileged parking programs (e.g. Logan Passport Parking Program) and therefore will not reimburse employees for any such "privileged parking" fees.

Normal commuting expenses between home and the employee's place of work are not reimbursable. The employee is required to document and deduct his or her normal commuting expenses from the total expenses of the trip. For example, suppose the employee's normal commute to work is 11 miles each way, and the employee is driving his/her personal automobile to an Affiliate for a meeting and then back to the office at Partners. The total trip from the employee's home to the meeting and then to Partners is 25 miles. The employee is only able to obtain reimbursement for a total of 14 miles (25 minus 11) as an automobile expense.

b) Use of Employee's Personal Automobile

Normal operating expenses for the Partners-business use (as defined above) of an employee's personal automobile will be reimbursed at the IRS auto mileage reimbursement rate in effect at the time of the travel. Other related expenses such as tolls and public parking fees will also be reimbursed.

No reimbursement or payment will be made for the cost of repairs, fines for violations, parking tickets, or towing charges.

In order to obtain reimbursement, the following information must be included on the Employee Business Expense Report (under the Transportation category): the number of miles and the daily dollar amount requested for reimbursement (calculated as the number of miles multiplied by the IRS mileage reimbursement rate in effect at the time of the trip). Both the current IRS reimbursement rates and a grid showing the number of miles for trips between various Partners entities and Affiliates are available on Partners' website at, <http://is.partners.org/finance/doc/AccountsPayable/PHS%20MILEAGE.xls>

c) Rental Vehicles

The costs of renting a vehicle for the Partners-business use (as defined above) will be reimbursed if reasonable and necessary to save time or money, or if the employee does not own or have access to a car. Allowable vehicle rental costs include the daily rental fee for up to a full-size vehicle, fuel charges, tolls, and insurance purchased in conjunction with the rental vehicle. Reimbursement for the costs of a rental vehicle in excess of full size requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix attached to this Policy at Appendix C. No reimbursement or

payment will be made for the cost of fines for violations, parking tickets or towing charges. Partners and its Affiliates do not provide insurance coverage for employees for collision damage, personal injury, or injury to third parties, so employees should purchase insurance in conjunction with the rental vehicle, unless they already have coverage through their own personal insurance or through the credit card company used to pay for the rental. The receipt required for auto rental reimbursement is the rental agreement indicating proof of payment.

C. Lodging, Incidental Items & Telephone Calls

1. Lodging

Allowable lodging expenses for an out of town trip to attend a conference or other business meeting or event include the cost of a single standard room at the hotel on-site at the location of the conference or event, plus applicable taxes and fees. For rooms off-site from the conference, or if traveling for other business purposes, allowable lodging expenses include single room, standard rate, not to exceed \$300 per night for room rate only and does not include taxes. (In Boston, New York, Washington DC, Chicago, Los Angeles and San Francisco the allowable off-site lodging expense for a single room, standard rate is not to exceed \$400 per night for room rate only and does not include taxes.) Documentation that the lodging was at or reasonably close to the location of the conference or event must be provided. Reimbursement of lodging costs in excess of or other than those described here requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

Employees will not be reimbursed for "no show" charges if they decide not to travel or to lodge elsewhere without good cause for doing so. If the employee incurs "no show" charges because of the cancellation of a conference, meeting or other event, the charges constitute an allowable expense under this Policy. If the hotel refunds a deposit that Partners has paid or reimbursed, the employee must return the funds to Partners within 10 days of receiving the refund.

If the employee incurs additional expense for a room larger than a single standard room, for multiple rooms, or because of sharing a room to accommodate a Guest (as defined in Section J, "Guest Expenses," below), Partners will reimburse only the single-room rate for the employee's own room.

2. Incidental Items

Items such as movie rentals, health club charges, golf or tennis fees, beauty or barber shop costs, or other incidental items or expenses of a personal nature incurred while traveling out of town will not be reimbursed. Reasonable laundry and valet services will be reimbursed only if the travel extends beyond five business days.

3. Telephone Calls

Expenses for telephone calls for business purposes while traveling out of town are allowable. These include calls necessary to obtain transportation and reservations. Telephone calls of a personal nature are not reimbursable except to stay in reasonable contact with the employee's family.

D. Meals, Snacks, and Alcoholic Beverages

1. Meals

Meals are not allowable during the business day or on a day trip unless they are part of or are the business meeting or event. When an employee is traveling out of town, meal expenses

(breakfast, lunch, and dinner) are allowable provided that they are incurred on the day of the business event (or, if it was necessary to travel on the day before and/or after the day of the business event, then on those days as well). Reimbursement for allowable meals is subject to the following limits: Reasonable amounts for breakfast, \$30 per person for lunch, and \$65 per person (\$90 per person for senior members of the Medical Staff, vice presidents and above; or \$120 per person for Directly Sponsored Events) for dinner. These amounts include food, beverage, and gratuities. Reimbursement of meal expenses in excess of these limits requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

2. Meals with Partners Individual or Group

When an employee dines as provided above with a Partners individual or group, the cost of the meal is often paid for by one member of the group, namely the most senior individual. In that instance, the payer should request the reimbursement and should provide the names of the other member(s) of the group on the Employee Business Expense Report, as well as the per-person cost and the business purpose for the meal. The average per-person meal cost should fall within the dollar limits specified above for the employee. Reimbursement of meal expenses for a Partners individual or group when the average per-person cost exceeds these limits requires Special Approval in accordance with the "Approval" section of Part I of the Policy and the Special/ Advance Approval Matrix at Appendix C to this Policy.

3. Meals with Non-Partners Individual or Group

Meal expenses for a non-Partners individual or group (other than a Guest, as described in Section J below) are allowable, provided that the attendance of the non-Partners individual or group serves a *bona fide* business purpose (*i.e.*, the non-Partners individual or group has a *bona fide* business relationship with or is carrying on a *bona fide* business activity with the employee). The name of each person attending, the business purpose for their attendance, and the per-person cost of the meal must be referenced on the Employee Business Expense Report for each business meal claimed for reimbursement. The average per person meal cost should fall within the dollar limits specified above for the employee. Reimbursement of meal expenses for a non-Partners individual or group when the average per person cost exceeds these limits requires Special Approval in accordance with the "Approval" section of Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

4. Mini-Bar/Snacks

Mini-bar charges or snacks will not be reimbursed unless they are incurred in lieu of a meal.

5. Alcoholic Beverages

Alcoholic beverages (including applicable taxes and gratuities) consumed during business meals or otherwise are unallowable expenses in connection with federally sponsored research projects. However, they may be reimbursable to the employee from nonfederal funds, assuming the other Policy requirements are met. The employee must indicate on the Employee Business Expense Report whether alcoholic beverages were consumed and included as part of the cost of a business meal. If no alcoholic beverages were consumed, that fact should be indicated directly on the Employee Business Expense Report. If alcoholic beverages were consumed, then the bill should be split to indicate the cost of the meal and the cost of the alcohol. The cost of the alcoholic beverages should either be charged to a nonfederal funding source or another allowable source or should not be claimed for reimbursement by the employee.

E. Entertainment

Reasonable entertainment expenses incurred by an employee who is accompanied by non-Partners individuals (other than Guests) are allowable if they are directly related to the employee's official business for Partners or an Affiliate or, if they directly precede or follow another *bona fide* business event, if they are associated with Partners business. These may include occasional expenses for tickets to shows, theaters, and sporting events. Entertainment expenses are restricted on certain funds and are unallowable expenses to federally sponsored research programs. However, they may be reimbursable to the employee from nonfederal funds. The name of each person entertained and the business purpose for their attendance must be referenced on the Employee Business Expense Report.

F. Educational Expenses (Conference, Professional Society Fees, etc)

Partners Entities provide tax-exempt tuition assistance through qualified plans as defined in Human Resource policies ("H.R. Benefit Programs") in order to help employees enhance their skills and value in the workplace. Employees should first access those H.R. Benefit Programs for assistance with qualifying educational expenses. Any educational costs (whether costs of attendance at conventions, educational seminars, professional society meetings, symposiums, and similar business or professional programs, or tuition and related costs for a course at an accredited college or university) paid by Partners outside of these H.R. Benefit Programs must:

1. Serve a Partners business purpose, or
2. Be required by Partners, or by law or regulations, in order for the employee to keep his/her present salary, status or job, or
3. Maintain or improve the skills of the employee required in his/her present job.

Educational expenses, outside of the H.R. Benefit Programs, that help an employee meet the minimum requirements of his/her present job, or are part of a program of study that can lead to qualifying him/her in a new trade or business will not be reimbursed. Special requirements for foreign conventions are discussed in the Part III., Section H., (Foreign Travel and Conference Fees) below.

G. Directly Sponsored Events

Directly Sponsored Events are business events or functions that are sponsored by Partners or a Partners Department such as development functions, occasional holiday parties, picnics, retirement events, employee award ceremonies or other similar functions, regardless of the venue, and are generally paid for directly by Partners. Such events are sometimes characterized by formal invitations to large numbers of attendees, occasionally including personal Guests.

An employee planning a Daytime Sponsored Event must take advantage of special rates available from specifically designated Boston/Boston area hotels that participate in the Partners Preferred Hotel Program. (For a current list of Preferred Hotels click on: <http://pulse.partners.org/how/hotel/oreferredhotels/html>)

Expenses for employee attendance at Directly Sponsored Events are allowable, up to \$120 per person, if they are incurred for a *bona fide* business purpose, and if the employee obtains Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy and in advance of incurring

expenses for the event. The Advance Authorization Form for Directly Sponsored Event should be completed and Special Approval granted prior to any expenses being incurred or contracts executed related to the event. A copy of the Advance Authorization Form should be submitted with all Check Requests or Employee Business Expense Reports related to the event. Expenses associated with a Directly Sponsored Event (e.g. meals or travel) are subject to the limits on Allowable Amounts and other applicable limits or requirements, including specific documentation requirements, described in Part I and Part III of this Policy. Exceptions may be approved in limited circumstances during the Special Approval process, based on the documentation submitted. Expenses associated with Guests' attendance are not allowable unless the limited circumstances set forth in Section J below ("Guest Expenses") are met. These circumstances must be substantiated in the Advance Authorization Form for Directly Sponsored Event.

Partners employees should make every reasonable effort to plan events with cost effectiveness in mind. The following are examples of ways to plan events more economically:

- Preferred hotels
- Using limited/preset menus
- Limiting hours of open bar
- Choosing venues that have low cost parking, or are easily accessible by public transportation or Partners Shuttle Services

H. Foreign Travel and Conference Fees

Expenses for foreign travel and conference fees to attend a foreign conference or convention are allowable if they are incurred for a *bona fide* business purpose. Foreign travel is any travel outside the United States (for this purpose, the United States includes the 50 states and the District of Columbia). In order for expenses associated with attending a foreign convention (a convention outside the U.S.) to be paid or reimbursed, the convention must be directly related to the employee's official business for Partners or an Affiliate, and it must be as reasonable for the convention to be held outside the U.S. as within it. Consistent with Part III, Section I "Personal Travel", no expenses or portion of expenses from the foreign trip that are allocable to personal travel will be paid or reimbursed. As noted under "Air Travel", Part III, Section B.1, U.S. flag air carriers must be used to the maximum extent possible on all travel between the U.S. and a foreign country or between foreign countries that is charged to federally sponsored research projects.

For your convenience, a link to a currency conversion website is included in the Partners Pulse website at <http://intranet.partners.org/services/Expensereimbursement.asp>. When the currency conversion calculation has been completed, a copy of the calculation should be printed and attached to the Employee Business Expense Report to document the amount recorded on that form.

I. Personal Travel (combining business travel with personal travel) & Other Personal Expenses

Partners does not provide reimbursement or payment for expenses for personal travel, or for any personal expenses incurred while traveling on official Partners business in the U.S. or abroad. For example, except as described for a Saturday night stay over in Part III, Section B.1. of this Policy, Partners will not reimburse expenses that are incurred by an employee who, while traveling on Partners business, extends his or her stay for the purpose of a vacation, makes a

non-business side trip, or pursues other non-business activities. If the extended stay or side trip causes the airfare, rental vehicle, lodging, or other travel expenses to exceed what they would otherwise have been, Partners will reimburse only the lesser travel expense that would have been incurred if the employee's travel had not been affected by such personal activities. The employee should report only the allowable amount as described above when requesting reimbursement on the Employee Business Expense Report. However, the employee must include information and appropriate documentation reflecting his or her allocation of any travel expenses between business and personal use.

In accordance with the "Air Travel" section in Part III.B, travel expenses incurred on days other than permitted travel days are generally assumed to be personal in nature (though the airfare itself may be an allowable expense if it is the same as or less than if the employee had left or returned on the permitted travel days).

Partners will also not provide reimbursement or payment for any other types of expenses that are personal in nature (e.g., expenses for personal meals or entertainment, conferences or meetings attended for personal interests or reasons, personal subscriptions, dues for clubs used for personal purposes, computers or other equipment purchased for personal use, personal gifts).

J. Guest Expenses

Subject to the special exception noted below, expenses associated with the attendance of a Guest of an employee at a business meeting, function, or event will generally not be reimbursed or paid for. For purposes of this Policy, a Guest is defined as a spouse, dependent, other family member, or other personal guest of the employee.

Accordingly, employees should only report expenses allocable to themselves on the Worksheets/Forms or other documentation required by this Policy, and should exclude expenses associated with Guests. However, employees must maintain documentation of their allocation of any expenses between themselves and their Guests and must submit that documentation in order to receive reimbursement or payment for their own expenses.

In those rare circumstances when the attendance of a Guest is required to fulfill a *bona fide* business purpose, reimbursement or payment may be provided for the Guest's reasonable expenses, on a nontaxable basis, if the employee obtains Special Approval for the Guest's attendance in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix in Appendix C to this Policy. For expenses associated with the attendance of a Guest or Guests at a Directly Sponsored Event, the Special Approval must be obtained in advance by the employee planning the Event, as provided in Section G ("Directly Sponsored Events") above. The employee planning the Event must substantiate and document on the applicable forms both the business purpose and the reason why the Guest(s) is/(are) necessary to fulfill that purpose.

K. Other Business/Professional Expenses

In addition to expenses for local and out of town travel/transportation, lodging, meals, entertainment, and conference fees, payment or reimbursement is allowable as indicated below for the following other business/professional expenses listed in this Section.

1. Sales Tax

As Partners and its Affiliates, except PCHI, are tax-exempt, otherwise taxable items procured through the Partners or Affiliates' Purchasing Departments will not have sales tax added to their cost. Employees should not purchase taxable items outside of their respective Purchasing Departments, as the Accounts Payable Department does not reimburse sales tax.

2. Professional Memberships, Dues, Licenses, Fees, and Subscriptions

Professional memberships, dues, licenses, fees, and subscriptions incurred by an employee for a *bona fide* business purpose are allowable expenses and can be paid directly or reimbursed with the required approval and an original receipt and statement documenting the nature, amount, date, and business purpose of the expense. With respect to physicians, out-of-state medical licenses are allowable only if the physician provides clinical services on behalf of Partners in an out-of-state location, or if otherwise required for the physician to provide services through telemedicine in other states on behalf of Partners.

3. Club Dues

Partners entities will pay for or reimburse club membership dues if a member of senior management of any Partners entity, or a Department of a Physicians' Organization, demonstrates that the club is used for business meetings or other *bona fide* business purposes necessary to advance the charitable mission of the entity. In such cases, the expense must be approved in advance (1) for a senior manager, by a Special Approver or (2) for a Physicians' Organization Department, by both the Chief of Service and the CEO, COO or CFO of the Physicians' Organization. The membership should be held in the name of the Department or unit, and payment should be made directly to the club. A Physicians' Organization will allow a maximum of one business club membership per Department or major unit, to be determined by the Chief of Service. An exception will be made when a club (1) requires that an individual hold the membership, in which case the designated individual will represent the Department/unit and will be deemed to meet the one-club maximum or (2) requires multiple individual memberships, in which case more than one individual may hold membership on behalf of the Department.

Regardless of who holds the membership, the amount of the club dues paid or reimbursed by Partners or the Affiliate will not result in taxable compensation to the employee(s) if the club is used solely for business purposes as intended. However, if the employee(s) make(s) any personal use of the club (even incidental personal use), the amount of the club dues paid or reimbursed by Partners or the Affiliate will be reported as taxable compensation on the employee's Form W-2. All employees who use the club will be required to sign a statement of intent in the form attached at Appendix A regarding their business use (vs. personal use) of the club and to secure the approvals specified above prior to requesting reimbursement or payment of any fees related to the business club. A copy of the signed statement of intent should be attached to each Check Request or Employee Business Expense Report submitted to a Partners Accounts Payable department.

4. Computers for Home Use

A computer and related accessories for home use may be provided when it is critical for an employee to have access to a computer while away from his or her office in order to conduct *bona fide* business for Partners. In such cases, the employee must obtain Advance Approval from his or her General Approver for the purchase. All such computers must be purchased through a **Partners Information Systems or Purchasing Department**. Reimbursement will not be provided for a computer that an employee purchases on his or her own. Partners will not pay or reimburse for Internet access for computers located outside of Partners facilities.

The employee will be required to sign a statement of intent in the form attached at Appendix A regarding the business use (vs. personal use) of the computer and obtain approval from his or her General Approver prior to requesting the purchase of the computer. Upon leaving the employ of Partners (or if so directed by Partners at any other time), the employee must return the computer to Partners. However, in Partners' discretion, and with Special Approval, the employee may be permitted to purchase the computer from Partners at that time. Any such purchase must be made at the computer's residual value (typically greater than fair market value), which will be determined by Partners.

5. Cellular Telephones, PalmPilots®, & Other Handheld Devices

Payment or reimbursement for the reasonable cost of a cellular telephone, PalmPilot®, or other handheld device, along with the related monthly fees, may be provided when it is critical for an employee to have access to a telephone or other technologies at all times in order to conduct *bona fide* business for Partners. In such cases, because of the significant expense budget implications, advance approval needs to be secured from the employee's General Approver prior to obtaining the device. Partners strongly prefers that all cell phones, PalmPilots®, BlackBerry®Handhelds, or other handheld devices be purchased through a Partners Information Systems or Purchasing Department. If an employee already has a telephone or hand-held device under a reasonably priced plan, or if the employee must purchase outside established Partners channels, he or she must also provide original receipts and statements (such as canceled checks) documenting the nature, amount, and date of the expenses paid by the employee.

The employee will be required to sign a statement of intent in the form attached at Appendix A regarding the business use (vs. personal use) of the telephone and/or handheld device. Upon leaving the employ of Partners (or if so directed by Partners at any other time), the employee must return the telephone and/or handheld device to Partners. However, in Partners' discretion, and with Special Approval, the employee may be permitted to purchase the telephone and/or handheld device from Partners at that time. Any such purchase must be made at the telephone or handheld device's residual value (typically greater than fair market value), which will be determined by Partners.

Upon leaving the employ of Partners (or if so directed by Partners at any other time), the employee must return the telephone and/or handheld device to Partners.

Cell phone accessories (with the exception of chargers and cords) are considered personal, and Partners Accounts Payable will not reimburse employees for such items.

6. Purchases made outside of eBuy

Employees should use eBuy for the purchase of all tangible goods/services. Reimbursement will not be allowed for any purchase made outside of eBuy. Under certain circumstances, special approval may be sought from your CFO.

7. Gifts, Donations and Campaign Contributions or Lobbying Expenses

a) Gifts to Employees

Expenses for gifts or flowers given to another employee in recognition of certain special occasions or events (such as holidays, birthdays, or baby showers) are allowable up to a maximum amount of \$100 per employee in any given year and may be paid for directly or reimbursed, provided the expense is documented by an original receipt. A gift in the form of cash or a cash equivalent (including a gift certificate or gift card) is considered taxable

compensation to the employee who receives it and will be reported as such on the employee's Form W-2. Gifts or bonuses given in recognition for services performed for Partners will also be considered taxable compensation and reported on the employee's Form W-2.

b) Donations

Partners may occasionally make a donation to, or for the use of, a charitable organization which is tax exempt, so long as it is to be used in furtherance of Partners' charitable missions. Such donations will only be made in the name of and on behalf of Partners Corporate or one of the Partners Affiliates or one of their departments or major units, and not in the name of any individual. Further, substantiation of the outside organization's public charity and exempt status is required before a donation will be processed or reimbursed. Any such donation over \$1,000 requires Special Approval.

c) Campaign Contributions or Lobbying Expenses

No reimbursement or payment for campaign contributions or lobbying expenses is allowed under this Policy. Any individual personally may support a political campaign or engage in lobbying, but only on his or her own time, and without identifying Partners or any of its Affiliates in connection with such activities.

Because of Partners' and its Affiliates' exempt status, these entities are prohibited by law from making contributions, or reimbursing any employee who has contributed, to any political campaign, or to any organization whose purpose is to support, financially or otherwise, a political campaign.

Partners and its Affiliates may engage in lobbying to influence legislation, but only if the lobbying is "insubstantial" compared to their other activities. Thus, any lobbying efforts must be monitored very carefully, and any such activity is subject to approval by senior management at Partners. An individual employee's lobbying expenses will not be reimbursed.

8. Recruitment and relocation expenses

In order to maintain its exceptional workforce, Partners must recruit and assist with relocation costs of talented new employees from outside of the Boston area. In order for these expenses to be reimbursed, all must be within reasonableness guidelines as set forth in this Policy.

- Recruitment Expenses are those incurred prior to the acceptance of the offer of employment and should be submitted to Accounts Payable on a Check Request and with documentation such as that required by this Policy.
- Relocation Expenses are those incurred subsequent to the acceptance of the offer of employment and should be submitted to the entity's Payroll Office with documentation such as that required by this Policy. Payroll personnel will determine what portion of the reimbursement may be processed without taxation and what portion must flow through taxable income

L. Miscellaneous

1. Cash Advances

Cash advances are **not** permitted under this Policy. Exceptions may be made in hardship cases to provide travel expenses (transportation, lodging, meals). Special Approval is required for such advances. Allowable advances will not be made more than 30 days prior to the date the expense will be incurred. Any amounts advanced to residents or fellows pursuant to this paragraph are subject to the return of excess requirement explained in the section on

“Requirements for Reimbursement or Payment of Business Expenses” in Part I, Section B.6 of this Policy. Excess amounts that are not returned to Partners within 15 days after completion of the trip, and any advance amounts that are not substantiated by the required Employee Business Expense Report and supporting documentation after the expense is incurred, will be included as taxable income on the employee’s Form W-2.

Note: Once an unsettled advance has been included in an employee’s Form W-2, it cannot be reversed, even if settled.

2. Corporate Charge Cards

Employees who frequently travel on business for Partners may qualify for the American Express Corporate Charge Card Program. (For further information about corporate charge cards, please contact Partners Client Services Department at (617) 726-2142.) The charge card should eliminate the need for cash advances or for employees to use their own personal credit cards. The corporate cards, however, are an extension of the employee’s own credit, and their use creates no liability to Partners.

When Business Expenses are incurred using these corporate charge cards, Partners will reimburse the employee directly (and will not reimburse or pay the credit card company) upon the employee’s submission of the Employee Business Expense Report or other required documentation and compliance with other applicable requirements of this Policy. Monthly credit card statements (as distinct from credit card receipts) are never considered original receipts for purposes of the requirements of the “Receipts” section in Part II of the Policy.

3. Reimbursements by External (Non-Partners) Entity

Employees whose travel/transportation, lodging, meal, entertainment, or conference fee expenses are covered **in full** by an external sponsor or institution need not file an Employee Business Expense Report or any documentation of the expenses with Partners.

In situations in which an employee’s travel/transportation, lodging, meal, or entertainment expenses or conference fees are to be partially reimbursed by an external sponsor or institution, the employee should complete the Partners Employee Business Expense Report, recording all expenses incurred, and note on the Report which expenses are to be reimbursed by the non-Partners source. Employees must deduct the amount to be reimbursed by the non-Partners source at the time that the documentation is submitted. Requirements for supporting receipts are set forth in the “Receipts” section of Part II of this Policy. In addition, whenever an external sponsor or institution pays for specific travel expenses directly (*i.e.*, airline ticket, hotel, or rental car), the employee should note this fact on his or her Partners Employee Business Expense Report.

4. Per Diem

Partners will not provide any per diem allowances pursuant to this Policy. Employees will only receive reimbursement or payment for actual expenses incurred.

IV. Prepaid Business Expense Requests

A. Types of Prepaid Business Expense Requests

There are two types of prepaid Business Expense requests.

1. Reimbursement to Employee

This type of prepaid expense request may be used to receive a reimbursement for expenses paid by the employee prior to a conference, business travel, or other business event. These expenses may include deposits to reserve function rooms or catering services, air travel expenses, lodging deposits, or conference fees.

2. Payment to Vendors

This type of prepaid expense request may be used for prepayment to an outside vendor for expenses such as those listed in Section A.1.above.

B. Obtaining a Prepaid Business Expense Request

Both types of prepaid Business Expense requests may be obtained by submitting a Check Request Form prior to the conference, trip, or other business event to a Partners Accounts Payable Department. Approval in accordance with the "Approval" section of Part I of this Policy and the applicable approval matrices at Appendices B and C should have been obtained and necessary signature(s) affixed to the Check Request Form. On the Check Request Form, the employee must indicate the dates of the event or trip, the event location or travel destination, and the business purpose of the expense. Employees should also provide **a copy** of the invoice or other documentation supporting the expense. Original documents do not need to be submitted at this time but must be filed with the final Employee Business Expense Report or other documentation required by this Policy after completion of the trip.

C. Accounting for Prepaid Business Expense Requests

All prepaid Business Expenses must subsequently be reported on the Employee Business Expense Report and any other applicable Worksheets/Forms no later than 60 days after the conference, trip or other business event takes place. Original documentation as required in the "Receipts" section of Part II of this Policy must also be submitted at that time. Employees must indicate on the expense report all amounts previously received or paid per their prepaid business expense requests and must deduct these amounts from the total expenses in calculating the amount due to the employee. Any prepaid amounts that are not substantiated by the required Employee Business Expense Report and supporting documentation after the event or trip will be included as taxable income on the employee's Form W-2. **(Note: Once an unsettled prepayment has been included in an employee's Form W-2, it cannot be reversed, even if settled.)**

D. Cancellations

If a trip or event is cancelled, the employee should notify the Partners Accounts Payable Department within one week of his or her knowledge of the cancellation to make the necessary arrangements relative to the return of prepaid Business Expense request amounts.

V. Appendices

Appendix A: Forms

1. [Employee Business Expense Report \(PDF\)](#) rev. Dec. 2009
[Instruction for Completing Employee Business Expense Report \(PDF\)](#)
2. [Advance Authorization for Directly Sponsored Event \(PDF\)](#)
3. [Advance Authorization and Statement of Business Use/Intent for Club Membership Dues \(PDF\)](#)

4. [Advance Authorization and Statement of Business Use/Intent for Costs Related to Computers, Cell Phone or Handheld Devices](#) (PDF)

Appendix B: [General Approval Matrix](#) (PDF)

Appendix C: [Special/Advance Approval Matrix](#) (PDF)