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Golden Rain Foundation of Laguna Woods Professional Community Management – Laguna Woods Village

STAFF SUPPORT EXPENSES POLICIES & PROCEDURES

It shall be the policy of the Golden Rain Foundation of Laguna Woods (GRF) to pay the cost of authorized Professional Community Management, Inc (PCM, Agent or Company) at Laguna Woods Village (Village or Community) staff support expenses incurred on behalf of the organization. The expenses must have a valid business purpose and be related to the individual's position in the organization. It is expected that staff will exercise appropriate care in incurring such expenses. It is the responsibility of each individual incurring such expenses, as well as the individual approving such expenses, to comply with the policies and procedures set forth in this document.

The expenses incurred on behalf of GRF shall be in its best interest; such expenses shall be typical for modern business practices. They shall include those incurred directly for the conducting of business, e.g., lunch while conducting a business meeting; and those incurred indirectly for the purpose of retaining and motivating staff to increase productivity and promote positive customer service, e.g., employee recognition and celebratory functions.

To be paid by the Agent on behalf of GRF, such expenses shall be submitted for inclusion in the operating budget(s) of the community and the total of such expenses submitted shall not exceed 1% of the total budgeted compensation and related costs of the Community, as approved by the board(s) of directors. Such expenses must be properly substantiated by registration form, original receipt, or invoice.

Agent-paid staff support expenses are:

- **Training and education** related to the individual's occupation, including federal- and state-mandated training; continuing education related to professional certifications, designations and licenses; legal, legislative and other updates as required to maintain current knowledge of laws, regulations and technologies; and training or educational courses necessary to meet the current requirements of the position.

If there are options as to the venues or providers of training or education, the lowest cost option shall be chosen, taking into consideration registration fees and related travel costs.

Where practicable, registration should be in advance and shall take advantage of early registration discounts and group discounts, and shall be paid in advance by approved Check Request through Accounts Payable.

- **Travel expenses** related to obtaining training or education; if necessary to view a vendor's product or facility; or on other business that directly benefits the Community.

To be paid by the Agent on behalf of GRF, non-local travel shall be pre-approved by the Division Director or General Manager.

Airfare paid by the Agent on behalf of GRF will be coach and, whenever practicable, should be arranged in advance to take advantage of discounted, restricted fares.

Hotel rooms to be paid by the Agent on behalf of GRF should be in the hotel where training/conference is held, in the cheapest available room. For other types of non-local travel, the hotel should be the least expensive one, taking into consideration transportation options and travel times to/from the business venue, and the room chosen shall be the cheapest available. Whenever practicable, hotel arrangements shall be made in advance to take advantage of conference or other discounted rates and be paid in advance by approved Check Request through Accounts Payable.

Rental cars will be paid for by the Agent on behalf of GRF when public transportation or courtesy shuttles are not available or appropriate, when cheaper than taxicabs, or when more convenient and less expensive than airline travel. Such cars shall be classified as "economy" or "subcompact" unless two or more employees are traveling together, in which case a "compact" car would be appropriate.

Personal meals incurred when on a non-local business trip will be paid by the Agent, on behalf of GRF, subject to the then current federal per diem high-low rates as established by the General Services Administration.

- **Professional certification, designation and/or license fees** necessary to obtain or maintain such certifications, etc.

To be paid by the Agent on behalf of GRF, such fees shall be for certifications, designations and/or licenses related to the employee's position in the Company.

Fees and/or education to *obtain* a certification, designation, or license must be pre-approved by the Division Director or General Manager in order to be paid by the Agent on behalf of GRF.

- **Memberships and dues** for trade and professional associations.

To be paid by the Agent on behalf of GRF, such items must be originally pre-approved by the Division Director or General Manager and must be related to the employee's position in the Company.

- **Books and subscriptions** directly related to the individual's occupation.

To be paid by the Agent on behalf of GRF, the original purchase or subscription must be pre-approved by the Division Director or General Manager.

Multiple subscriptions to the same publication within the same department should be avoided by sharing as much as possible.

Examples include Condominium Blue Books, Wall Street Journal, vehicle maintenance manuals, Green Book, Building Codes, and HR Magazine.

- **Mileage** for business use of a personal automobile.

Mileage shall be reimbursed at the IRS-approved rate in effect at the time of the reimbursement.

- **On-site recognition and celebratory events**

Birthday, holiday, and miscellaneous celebrations such as marriages and births – department decorations (within reasonable limits and to be stored for re-use when possible) and cake or other light refreshments.

Annual service awards luncheon and standardized gifts for reaching 10, 15, 20, 25, etc. years of service in the Community.

- **Off-site employee relations and business meals**

Examples include Administrative Professionals Day luncheons, meetings with vendors and meetings between employees that have a specific business purpose.

To be paid by the Agent on behalf of GRF, the meal should be appropriate to the occasion and may not be considered “lavish.” Although no precise definition of “lavish” is possible, it is intended that any meal or entertainment does not meet acceptable standards for Company payment if it is judged above the standard of living of the recipients and/or it is judged beyond the ability of the recipients to reciprocate on a personal basis or with a legitimate claim for reimbursement.

To be paid by the Agent, on behalf of GRF, the business purpose and all attendees should be listed on the credit card receipt or reimbursement form, and original payment must have been made by the senior ranking employee present.

- **Flowers/cards** for deaths, births or serious illnesses

Documentation Rules

- **Expenses paid in advance**

As noted above, expenses should be requested by Check Request submitted to Accounts Payable whenever practicable.

The original invoice, registration form or other supporting documentation must be attached to the Check Request form.

Check Requests must be signed by the requesting employee’s supervisor or manager.

Whenever possible, manual checks should be avoided. Check Requests should be submitted before the Accounts Payable deadline for the next GRF check run.

- **Expense reimbursement forms**

Reimbursements must be requested on the appropriate form and approved by the individual’s supervisor or manager.

Original receipts or invoices should be attached to the Reimbursement Request Form. If the receipt or invoice does not indicate the amount paid, a cancelled check, original credit card receipt or other proof of payment is required. Some exceptions include mileage, certain tips, metered parking or pay telephone expenses.

Reimbursements for mileage and travel are to be submitted within 15 days following the related travel; all other reimbursements should be submitted within one (1) month of the expenditure.

- **Credit Cards**

GRF credit cards may be used whenever payment in advance by Accounts Payable is not possible, appropriate or reasonably convenient.

Original credit card receipts must accompany the credit card statement, and the business purpose and attendees should be listed on the receipt as appropriate.

Each item on the credit card statement should be coded for payment to the appropriate general ledger account and signed by the cardholder.

All coded credit card statements with supporting documentation are to be approved by the General Manager.

Exclusions – specific exclusions from this policy (expenses not paid by Agent) are:

- Employee gifts – The Agent will not pay for the cost of gifts given to an employee for professional recognition days, birthdays, weddings, holidays and birth celebrations. Such items will be considered a personal expense unless part of an Agent-approved awards plan.
- Upgrades from coach airfare, economy rental car or hotel room; headset rentals, in-flight phone calls.
- Hotel amenities such as pay-per-view movies, room service, sauna/gym, spa services, laundry/dry cleaning, mini-bar.
- Mileage for use of personal automobile to attend voluntary social events such as off-site employee relations functions.
- Club memberships, season tickets, airline club dues.
- Any meals or entertainment that could be considered lavish. Although no precise definition of "lavish" is possible, it is intended that any meal or entertainment does not meet acceptable standards for Company payment if it is judged above the standard of living of the recipients and/or it is judged beyond the ability of the recipients to reciprocate on a personal basis or with a legitimate claim for reimbursement.
- Alcohol purchases.
- Traffic or parking tickets or fines.
- Sightseeing, golf or other personal side trips or entertainment while traveling or attending conferences.