



## ORGANIZATION OF PJM STATES, INC.

### TRAVEL POLICY <sup>1</sup>

#### **A. OVERVIEW AND POLICY STATEMENT**

It is the intent of the Organization of PJM States, Inc. (OPSI) that travel be used judiciously in order to carry out and promote the efficient work and duties of the OPSI and otherwise protect and promote its interests. All travel at OPSI expense must be for the purpose of conducting OPSI business.

OPSI travel expenses will be confined to reimbursement of OPSI staff, OPSI directors, work group members and other state regulatory officers or staff who have been pre-approved for travel by the Executive Director of the OPSI, as provided for in this policy and the annual budget.

This Travel Expense Reimbursement Policy (Policy) is modeled after the Expense Reimbursement Policy adopted by the National Association of Regulatory Utility Commissioners (NARUC) and the Organization of MISO States (OMS). It is intended to represent a fair policy that complies with both applicable federal regulations and the Funding Agreement between the OPSI and PJM Interconnection, LLC (PJM). This policy is designed to meet the Internal Revenue Service definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not reported as taxable income to the individual.

OPSI appreciates the efforts of those who travel on OPSI business to keep costs within reasonable limits and to follow consistent policy and procedures with respect to the reimbursement of these expenses. Directors, work group members and other state regulatory officers or staff must apply the provisions of this policy consistently to all travel expenses incurred. Additional restrictions may apply to travel expenses funded by federal agencies.

This Policy is designed to provide a clear and consistent understanding of OPSI's travel expense reimbursement process and explain the requirements that promote the reasonableness of costs incurred for travel on OPSI business.

The Treasurer will perform the functions designated in this policy to the Executive Director, if the Executive Director requests assistance or is unavailable.

#### **B. GENERAL REIMBURSEMENT GUIDELINES**

##### **(1) Automatically Authorized Travel<sup>2</sup>**

Travel to OPSI events for individuals listed below is automatically authorized .

Reimbursement of travel expenses for authorized travel will be approved consistent with the

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<sup>1</sup> Revised and effective 14-Feb-11.

<sup>2</sup> Revised and effective 10 Dec 15

Travel Approval Policy. **(See Section C.)** . Expenses for each trip should not exceed \$ 1,500<sup>3</sup> per person, unless prior approval is received from the Executive Director.

(a) Board Meetings: Each OPSI board member, plus the chairperson of the standing staff committee, is authorized to receive travel reimbursement for attending a duly designated board meeting of the OPSI. Expenses for each trip should not exceed \$ 1,500 <sup>4</sup>per person. The Board member from each state is responsible for notifying the Executive Director in advance of the meeting who the designated travelers are.

(b) Annual and Spring Meetings: Each OPSI board member, plus 2 additional persons per state, is authorized to attend the OPSI Spring Meeting and the OPSI Annual Meeting and received travel reimbursement consistent with the Travel Approval Policy (See Section C.).

(c) Executive Director Travel: The Executive Director is authorized to travel to all meetings listed in paragraphs (a) and (b) above. Expenses for the Executive Director should not exceed the amounts approved for other meeting attendees.

## **(2) Case-by-Case Travel Authorization**

All other travel requires prior authorization by the Executive Director, except that other travel for the Executive Director requires approval by the Treasurer. Travel requests for a person from any OPSI member must be made by the OPSI Board member from the member requesting the travel reimbursement in an e-mail to OPSI's Executive Director. Stated amounts are expense targets.

(a) PJM Stakeholder Meetings :An OPSI board member or work group member (or their designees) may be reimbursed to attend a PJM stakeholder meeting.. Expenses for each trip should not exceed \$1,500 <sup>5</sup>per person.

(b) OPSI Meetings: An OPSI board member or work group member (or their designees) may be reimbursed for attendance in person at OPSI work group or project group meetings. (See Section C., Travel Approval Policy). Expenses should not exceed \$1,500<sup>6</sup>per person.

(c) Federal Energy Regulatory Meetings: OPSI Board members or work group members (or their designees) may be reimbursed for attending FERC Technical Conferences. (See Section C., Travel Approval Policy). Expenses should not exceed \$1,500<sup>7</sup> per person.

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<sup>3</sup> This figure was revised pursuant to OPSI Resolution 2013-4 approved at the regularly held board meeting of July 22, 2014

<sup>4</sup> This figure was revised pursuant to OPSI Resolution 2013-4 approved by the OPSI Board at its regularly held board meeting of July 22, 2014

<sup>5</sup> ID

<sup>6</sup> ID

<sup>7</sup> ID

(d) Associate members generally are not eligible for travel reimbursement. However, they may be approved for travel reimbursement on a case- by- case basis as determined appropriate by the Executive Director in accordance with the Travel Approval Policy contained in Section C.

**(3) Payments on Behalf of the OPSI Membership**<sup>8</sup>

To the extent funds are available, OPSI shall reimburse the actual cost of meals per OPSI attendee at events hosted by PJM .After the payment is made, OPSI's Executive Director shall notify each OPSI attendee via email about the payment made and the email shall be considered as the record of such payment.

Note: The Executive Director is authorized to approve other travel expenses not covered under these general guidelines if necessary to carry out the official functions and duties of the OPSI.

**C. TRAVEL APPROVAL POLICY**

(1)All travel at OPSI expense must be for the purpose of conducting OPSI business. The intent of this policy is to ensure that all travel on behalf of OPSI can be reimbursed by OPSI. Travel to events not listed in B(2) must be approved by the Board of Directors. The Executive Director shall have the authority to limit the number of travelers to a specific event if necessary based on the needs of OPSI. It is expected that the Executive Director will confer with the Treasurer before imposing such a limitation.

(2)For expenses to be reimbursable, travel must be approved in advance. Whenever possible, Requests for Approval should be sent to the Executive Director 10 days prior to travel. Travel approvals will be automatically transferable to substitutes for approved travelers

**D. NON-REIMBURSEABLE EXPENSES**

The following expenses are not reimbursable under this policy:

- (1) Alcoholic beverages.
- (2) Car rental insurance purchased for domestic travel.
- (3) Childcare.
- (4) Delinquency and/or finance charges on corporate cards.
- (5) Dues in private clubs.
- (6) Personal grooming services, such as barbers, hairdressers and shoe shines.
- (7) Membership fees associated with frequent flier and other similar awards for hotel and car rentals.

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<sup>8</sup> Sub-section B.(3) was added by the OPSI Board of Directors during its Monthly meeting on 14-Feb-11.

- (8) Gym and recreational fees, including massages and saunas.
- (9) In-room movies.
- (10) Insurance costs such as life insurance, flight insurance, personal automobile insurance and baggage insurance.
- (11) Laundry or valet service for travel of fewer than five days.
- (12) Lost baggage.
- (13) Loss or theft of cash advance money, airline tickets, personal funds or property.
- (14) "No-show" charges for hotel and car service.
- (15) Parking tickets or traffic violations.
- (16) Personal automobile repairs.
- (17) Personal credit card annual fees.
- (18) Personal telephone charges in excess of one telephone call home per day
- (19) Upgrades (air, hotel, car, etc.).

### **Exceptions**

The Executive Director and the Treasurer have the authority to approve exceptions to provisions of this policy. Approved exceptions must be explicitly justified as related to OPSI business.

## **E. TRAVELER RESPONSIBILITIES**

Travelers should spend OPSI funds prudently. Business travel expenses will be paid by OPSI only if they are reasonable, necessary and in accordance with this policy. Individuals who incur business travel expenses should neither gain nor lose personal funds as a result of their travel.

The traveler is responsible for submitting all forms related to his/her travel within 30 days of returning. The traveler is also responsible for ensuring compliance with OPSI requirements.

Whether using the Per Diem Reimbursement or Actual Cost Reimbursement Method, all business travel expenses require dated, original receipts or invoices for expenses of \$25 or more.

### **Authorization**

All forms related to travel must be approved by the Executive Director or the Treasurer in advance of travel. The following must be verified:

- (a) Business purpose of the travel is valid and directly related to official OPSI business.
- (b) Total cost of the trip is within the approved budget.
- (c) Expenses are charged to the proper accounts.
- (d) Travel requests for a person from any OPSI member state agency must be made by the OPSI Board member from the state requesting the travel reimbursement in an email to OPSI's

Executive Director and include a certification that the request is for OPSI-related business and not that individual state's business.<sup>9</sup>

## **F. REIMBURSEMENTS – GENERAL**

### **(1) Expense Advances**

Upon filling receiving authorization for travel, a cash travel advance may be approved for individuals traveling on OPSI business. The amount of cash advance is calculated based on anticipated expenses of the trip including lodging, meals, tips and the cost of local transportation.

The request for funds should be submitted to the Executive Director for approval and processing at least 20, but not more than 60 days, prior to travel. The cash advance must be netted against actual expenses within 30 days after return, by filling out an Expense Reimbursement Form. The original receipts must accompany the completed Expense Reimbursement Form.

Travel advances will be authorized based on conservative estimates of out-of-pocket expenses. Advance amounts are intended to defray a significant amount (but not all) of costs in advance of approved travel.

### **(2) Transportation Tickets**

Passenger copies of transportation tickets are required when each expense is \$25 or greater. For electronic tickets, obtain proof of payment from the travel agent or obtain a passenger coupon at the ticket counter. Transportation receipts should include dates, destinations and amounts.

### **(3) Reimbursement Request<sup>10</sup>**

After a trip, a member should use any one of the following methods to file a reimbursement request:

- (a) Regular mail. Send a signed copy of the OPSI reimbursement form and all required receipts via regular U.S. mail to the OPSI office.
- (b) Fax. Send all documents required by the Travel Policy via fax to the OPSI office.
- (c) Email. Scan and send all documents required by the Travel Policy as an email attachment to OPSI office staff. If no receipts are required, then send reimbursement details as text in an email to OPSI office staff.
- (d) Reimburse an agency. If any member is required to use her/his own agency for

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<sup>9</sup> Sub-section E.(d) was added as approved in Resolution #OPSI-2007-3 by the OPSI Board of Directors during its Monthly Meeting on 15-Feb-07 (see attached).

<sup>10</sup> Sub-section F.(3) was added by the OPSI Board of Directors during its Monthly Meeting on 3-Jun-10.

reimbursement (even though OPSI funds the trip), then that member needs to send only a copy of the agency's complete reimbursement document by any one of the methods listed in (a)–(c) above. OPSI will reimburse that agency on behalf of the member even if any item deviates from OPSI's approved reimbursable items.

## **G. AIR TRAVEL**

Travelers must purchase the lowest-priced tickets available using a commercial discount airfare or customary standard (coach or equivalent) airfare. Travelers should make reservations as soon as travel plans are finalized to obtain advance purchase discounts. OPSI will reimburse travelers for additional meals and lodging associated with a longer stay if such costs are less than the airfare savings resulting from an earlier arrival or later departure.

### **(1) Air Travel Funded by Grants from United States Government Agencies**

Federal requirements of the Fly America Act state that domestic grantees must use U.S. flag carriers to the maximum extent possible when commercial air transportation is the means of travel between the United States and a foreign country or between foreign countries. This requirement shall not be influenced by factors of cost, convenience or personal travel.

### **(2) Seating Upgrades**

Seating upgrades will not be reimbursed.

### **(3) Airport/Airline Club Memberships**

OPSI will not pay dues for membership in airline clubs.

### **(4) Advance Purchase of Miles**

Advance purchase of travel miles (VIP Miles) is not permitted and will not be reimbursed.

### **(5) Reimbursement of Early Airfare Purchase**

If transportation tickets are purchased with personal funds in advance of a trip, travelers may be reimbursed by submitting an Expense Reimbursement Form prior to the start of their trip. In the event that the travelers cancels a trip for which payment was made in advance, the traveler must use the airline credit to offset the cost of future travel or reimburse OPSI...

## **H. RENTAL CARS**

Long distance travel by rental car is discouraged, since it increases travel time and places the OPSI at higher risk for business travel accident liabilities. OPSI will reimburse the traveler for the cost of renting a compact or standard-size car and for the automobile-related expenses if use of the rental vehicle is the most economical mode of transportation. Upgrades to full-sized cars may be pre-approved if a detailed explanation (for example, number of persons, luggage accommodations, length of commute between airport and destination) accompanies the request. Before renting a car, the traveler should consider shuttle services and taxis, particularly for

transportation between airport and lodging. Mileage is not reimbursable for rental cars. In these cases, the direct cost of gasoline may be reimbursed. Car rental agreements for both employees and non-employees renting cars for OPSI business must, for insurance reasons, include "OPSI" with the name of an individual.

**(1) Accident Notification**

If a rented vehicle is involved in an accident, the Executive Director should be notified no later than the following business day.

**(2) Insurance**

For the traveler to be covered by the rental agency's basic insurance, the rental vehicle may not be driven by persons other than the renter or leave the state in which it is rented without the rental agency's permission.

**I. OTHER GROUND TRANSPORTATION**

Travelers should select the most cost-effective means of ground transportation, whether shuttle, taxi, limousine or local bus, as needed to travel between business locations.

**(1) Private Automobiles**

OPSI will pay a standard rate per mile for official OPSI travel by private automobile based on the actual driving distance by the most direct route. The standard mileage allowance, defined by the IRS, is in lieu of all actual automobile expenses such as fuel and lubrication, towing charges, physical damage to the vehicle, repairs, replacements, tires, depreciation, insurance, etc. In addition to the standard mileage allowance, necessary and reasonable charges for the following automobile-related expenses are allowed: tolls, ferries, parking, bridges, tunnels, and liability and physical damage insurance coverage for driving in foreign countries. Traffic ticket and parking ticket expenses will not be reimbursed.

**(2) Other Forms of Travel**

For travelers using railroads, non-local buses or other commercial vessels, OPSI will pay the cost of the lowest first-class accommodations available for the trip. Reimbursement will not exceed the commercial airfare that would be reimbursable for the same trip.

**J. HOTEL AND LODGING CONSIDERATIONS**

**(1) Deposits and Cancellations**

Hotels normally hold a room without prior financial commitment until approximately 6:00 p.m. on the check-in date (local destination time). OPSI members traveling should verify the cancellation policy in the hotel they are staying. In order to hold a confirmed reservation beyond that hour, the hotel will generally require an advance deposit (normally prepayment for one night) or a guarantee by the traveler's credit card. After a deposit is submitted or a guarantee is made, the traveler is responsible for notifying the hotel of cancellation. The traveler will not be reimbursed for the deposit or guarantee penalty if he/she fails to make a cancellation notification unless there are extreme extenuating circumstances beyond the

control of the traveler (for example, a canceled flight). Such circumstances must be documented on the expense report.

Note: Some hotels hosting large conferences may require a prepayment irrespective of the guest's arrival time.

## **(2) Hotel Frequent Guest Programs**

Business travelers will not be reimbursed for free accommodations awarded in connection with hotel frequent guest programs.

## **K. LAUNDRY**

Travelers will be reimbursed for reasonable and actual expenses for laundry services that are necessary due to an absence from home for five or more days or when unusual and documented circumstances mandate these services. These circumstances should be included on the expense report.

## **L. TELEPHONE**

Travelers will be reimbursed for telephone, fax and computer connection costs that are reasonable and necessary for conducting OPSI business. One personal phone call per day to allow travelers to stay in contact with their families will also be reimbursed.

## **M. MEAL ALLOWANCE**<sup>11</sup>

OPSI will reimburse a traveler for allowable meal and incidental expenses incurred during OPSI-related travel. For a full day, OPSI will provide the per diem allowance referenced on the OPSI Travel Reimbursement Form per day with no receipts required. This amount shall be pro-rated based on start/end time from/to the traveler's home or place of work (75% for 6 hours; 50% for 4 hours; and 25% for 2 hours). Per diems should be adjusted to exclude meals furnished at no cost to the traveler or provided in the cost of a conference.

## **N. DOCUMENTATION**

### **(1) Meal Receipts**

Original restaurant receipts, when required, must include all of the following information:

- (a) The name and location of the restaurant.
- (b) The number of people served.
- (c) The date and amount of expense.

Gratuities should be shown on the credit card receipt or restaurant receipt. When using the per diem method of reimbursement, gratuities count toward the overall per diem allocation per attendee.

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<sup>11</sup> Section M was revised at the OPSI board meeting of February 10, 2014 to reference per diem allowances included on the OPSI Travel Reimbursement Form.



**(2) Required Receipts**

Receipts for lodging are always required. All other expenses require dated, original receipts only when each expense is \$25 or greater. These receipts must be submitted with a completed Expense Reimbursement Form.

**(3) Other Expenses**

Expenses under \$25 (such as taxi fares) do not require receipts. Receipts under \$25 should not be submitted. However, the amounts claimed must be accurate.

**(4) Lost Receipts**

If a lodging or other receipt equal to or greater than \$25 is not issued or is lost, a detailed log will serve as sufficient documentation of the actual cost. The OPSI expects that a good faith effort will be made by travelers to collect and retain all required receipts. Receipts are always the preferred form of documentation.

**(5) Local Travel**

In general, trips of less than 50 miles one way do not qualify for reimbursement for an overnight stay.

**(6) Non-Business Days**

Weekends, holidays and other necessary layover days may be counted as business days only if they fall between business travel days. If they are at the end of a traveler's business activity and the traveler remains at the business destination for non-business reasons, reimbursement is not allowed for the additional days. The only exception is when travel is at a lower total cost if the traveler stays over a weekend or holiday. This case must be explicitly justified on the travel expense report.

**(7) Travel Expenses of Family and Friends**

In general, the expenses of a spouse, family or others accompanying the business traveler are not reimbursable.