

Hudson Development Corporation Travel, Conferences, Meals and Entertainment Policy

Objective:

The purpose of this Travel, Conferences, Meals and Entertainment Policy (the “Policy”) is to outline the policies and procedures of the Hudson Development Corporation (the “Corporation”).

Applicability:

This Policy shall apply to every director, member, officer and employee of the Corporation.

General Guidelines:

It is the Corporation’s general policy to pay reasonable and necessary travel, conferences, meals and entertainment expenses incurred as a result of official business subject to the presentation of appropriate documentation.

Any exceptions or potential exceptions to this Policy must be submitted to the Chief Executive Officer (“CEO”; or in the case of the CEO to the Board Chair¹) for approval.

Section 1: Travel

1.1 Approval of Travel:

Travel involving overnight accommodation requires the approval of the Board Chair.

1.2 Personal Travel:

Personal Travel is not reimbursable. This exclusion applies to personal travel which interrupts official travel, or precedes or follows a business trip.

Personal expenses are not reimbursable even when incurred while on an Corporation trip. Examples of such excluded expenses are pet care, house, or child-care expenses and purchase or repair of personal luggage.

1.3 Reimbursable Travel Expenses:

Where practical, employees should perform appropriate due diligence to obtain the lowest reasonable costs for travel expenses.

Every reasonable effort should be made to cancel reservations on a timely basis to avoid no-show or late cancellation charges.

A. Automobile Travel

¹ If the Board Chair benefited from the expenditure then the Audit Committee Chair will approve the exception. If both the Board Chair and Audit Committee Chair benefited from the expenditure then the full Board of the Corporation must approve the exception.

- (i) **Personal Vehicle.** Travelers may use their personal vehicle for business purposes.

In most circumstances, mileage shall be computed as the distance traveled to the business destination. Mileage will be reimbursed at the prevailing IRS mileage rate reimbursement limits which are intended to cover the cost of fuel, depreciation, insurance, maintenance and other similar operating costs. Expenses related to the mechanical failure or accidents to personal cars are not reimbursable.

When utilizing a personal vehicle for business, travelers must maintain liability insurance on the vehicle in accordance with New York State requirements. The Corporation may periodically request proof of insurance from such travelers.

- (ii) **Rental Cars.** A vehicle may be rented for long distance business travel in lieu of a personal vehicle. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip.

The Corporation's insurance company currently provides liability and physical damage coverage if a vehicle is rented in the Corporation's name in the U.S. or Canada. Therefore, if similar coverage is offered by the rental company, it should be declined in these circumstances.

- (iii) **Miscellaneous Automobile-related Expenses.** Charges for parking, ferries, bridges, tunnels, or toll roads while an individual is traveling on Corporation business will be reimbursed.

B. Food and Lodging

Lodging, meals, gratuities and related miscellaneous expenses while an individual is on travel status for the Corporation will be reimbursed in their actual, reasonable amounts when properly documented. Gratuities should generally not exceed 20% of the total bill and are reimbursable if a restaurant receipt is submitted. Generally, hotel housekeeping gratuities are reimbursable up to \$5 per day. Accommodations are expected to be comfortable and appropriate to the particular purpose of the trip-not luxurious or extravagant.

The above listings are not all-inclusive and items not listed will be reviewed on a case-by-case basis.

Section 2: Conferences and Seminars

Reimbursement of conference and seminar fees and related hotel and meal expenses will be limited to those reasonable, necessary, approved expenses which are reported in an Expense Report with supporting receipts or documentation.

Section 3: Dues of Professional or Technical Organizations

Dues for approved memberships in professional or technical organizations are reimbursable when they are related to the employee's job responsibilities.

Section 4: Meals & Entertainment

Reasonable business meals and entertainment may be reimbursed. As with other Corporation expenditures, authorized officials must exercise prudent business judgment in reviewing proposed expenditures for meals and entertainment based on their reasonableness and benefit to the Corporation and its mission of promoting general economic development in the City of Hudson. In addition, such expenditures should be cost effective and in accordance with the best use of Corporation administered funds.

Section 5. Reimbursement Approval

Reimbursement may be requested as soon as the individual has made the expenditure, completed their Expense Report and had it approved. Expense Reports must be approved by the CEO (or Chair of the Board in the case of the CEO or any other board member). The individual approving the Expense Report should not have personally benefited from the expenditure. If the Corporation Chairperson benefited from the expenditure then the Audit Committee Chair must approve the Expense Report. If both the Corporation Chairperson and the Audit Committee Chair benefited from the expenditure then the Board or Members of the Corporation must approve the Expense Report.

In approving a request to reimburse an individual for expenditures authorized under this Policy, the approving authority must determine that:

- The expenditure serves a clear and necessary business purpose of benefit to the Corporation and its mission of promoting general economic development in the City of Hudson;
- The expenditure of funds is reasonable, cost effective, and in accordance with the best use of Corporation administered funds;

Individuals may not approve the reimbursement of their own expenses. In addition, an employee shall not approve the expenses of an individual to whom he or she reports either directly or indirectly.

Section 6: Policy Exceptions

On rare occasions, exceptions to this policy may be required. Exceptions may only be made with prior written approval by the Board Chair or Vice Chair.

Reviewed and Adopted this [] day of December, 2023