



California ISO
Shaping a Renewed Future

Contractors and Consultants Reimbursement and Travel Guidelines



Effective 9/20/2011

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1.0 INTRODUCTION

This document reflects the general travel guidelines for Consultants and Contractors (“Consultants”) incurring business travel expenses on behalf of the California Independent System Operator Corporation (“the ISO”). These guidelines are referred to within most contracts mutually agreed between Consultants and the ISO.

The ISO is a non-profit, 501(c) (3) public benefit corporation. As such, the ISO is expected to spend ISO funds prudently and consistent with this Policy, our mission, and ISO Core Values. The ISO will reimburse Consultants for actual costs of travel, meals, lodging, other business travel expenditures and certain miscellaneous business expenses if they are necessary, reasonable, appropriately documented, properly authorized and within the standards set forth in this Policy.

All authorized reimbursable expenses must be specifically stated in the contract between the ISO and the Consultants. If not, such expenditure must be added in writing as an addendum to the contract. The ISO may deny reimbursement or payment of any expenses not permitted under the contract or applicable law.

2.0 PURPOSE AND SCOPE

2.1 Purpose

This Policy reflects the guidelines for Consultants incurring and recovering reasonable business expenses, including business travel, in connection with an ISO contract. The Policy has been established for three primary reasons:

1. To ensure the ISO is in compliance with federal regulations instituted by the Internal Revenue Service (IRS), the Policy requires:
 - Expenses have a business connection; and
 - Consultants provide adequate accounting substantiating the amount, date, time, place, use and business purpose of expenses incurred.
2. The requirements of the Policy also serve to ensure expenses are reasonable and do not conflict with the ISO’s non-profit status or our primary mission. ISO funds shall not be used for purposes that are personal in nature or that do not have a clear business purpose.
3. To ensure the ISO’s resources are spent as prudently and as effectively as possible.

The ISO requests that Consultants use their best judgment when traveling or incurring expenses in support of ISO-related business. While the information contained in this Policy should be sufficient to cover the majority of scenarios, it is possible that certain situations are not addressed. The ISO will determine if expenses are reimbursable in those situations in its sole discretion.

2.2 Scope

This Policy is applicable to all Consultants.

3.0 ROLES AND RESPONSIBILITIES

3.1 Consultants

Consultants are responsible for understanding and complying with the provisions outlined in this policy.

3.2 Business Unit

The Business Unit with whom Consultants are contracted is responsible for reviewing all expenses submitted to ensure their approval is compliant with the spirit of the Policy as well as the express requirements of the Policy.

3.3 Members of Finance

Members of Finance are responsible for validating process and documentation requirements, but are not responsible for verifying or approving expenditures.

3.4 Accountability and Ownership

Finance is responsible for maintaining and implementing this Policy. Procurement and Vendor Management is responsible for ensuring that the guidelines are available to all Consultants.

4.0 TRAVEL APPROVAL PROCEDURE

Consultants are responsible for obtaining the ISO's authorization to travel prior to making reservations for any travel for which the ISO is financially responsible.

5.0 GENERAL TRAVEL INFORMATION

5.1 Travel Arrangements

Consultants who live further than 250 miles or who do not have permanent lodging within 250 miles from the ISO location where the contracted services are performed shall be allowed one round trip flight per month to their primary residence unless otherwise agreed in the relevant contract.

Whenever possible, Consultants should make travel arrangements 7 or more days in advance of domestic travel and 14 or more days in advance of international travel. Travel itineraries are based on, and in order of: non-stop routes, the lowest possible fare available at time of booking, and flights available two hours before and two hours after the requested flight time.

5.2 Flights

Coach Class: All Domestic air travel will be reimbursable at Coach Class rates and at the fourteen-day advance purchase rate, when possible. Non-Refundable coach (economy) class is the preferred booking class for all flights.

Business Class: Business class is available for flights outside North America.

Frequent flyer upgrades and any associated costs are at the Consultant's expense.

5.2.1 Cancellation Policy

Canceling an airfare reservation should be done as soon as possible. Canceled reservations on non-refundable fares will generally result in an airfare credit being issued which can be used by the ticketed passenger within a calendar year and subject to individual airline requirements. The travel confirmation will indicate the fare type and rules.

5.3 Ground Transportation

The most cost-effective, safe, and efficient ground transportation is to be used.

5.3.1 Taxi

Taxis are the preferred ground transportation method.

5.3.2 Rental Car

Consultants should rent a car at their destination when it is more economical than other types of transportation such as taxis and airport shuttles. In general, an intermediate or smaller car is the preferred car type; however, when 3 or more Consultants are travelling together under one contract, one class of service higher may be booked. If this occurs, the names of all travelers must be included on the supporting documentation.

Consultants are not covered by the ISO's automobile insurance policy.

Consultants are typically required to carry third-party auto insurance under the associated contract(s) with the ISO. Consultants should contact their company insurance manager for guidance when renting vehicles.

Additional Rental Car Costs:

The ISO shall not reimburse for rental car upgrades or additional costs as follows:

- Insurance for Rental Cars
- Rental Car add-ons (phone, navigation system, towing package, etc.)

5.3.3 Personal Car Use

Mileage when using personal vehicles will be reimbursed at the current IRS business mileage rate. Personal mileage reimbursement covers all costs related to operation of the vehicle, including service, maintenance, insurance, fuel and depreciation.

5.3.4 Airport Parking

Consultants will be reimbursed for airport parking in accordance with the airport's long-term rate. Unless justified, hourly parking will be reimbursed at the long-term rate.

5.4 Lodging

5.4.1 Hotels

- Hotel bills must be itemized
- Reimbursement will be provided for a single standard room with a private bath

- Reimbursement will be for actual and reasonable hotel room expenses
- Tips are reimbursable when confined to reasonable limits for the required services received
- In-room movies, mini-bar charges or other personal charges are not reimbursable

5.4.2 Cancellation Policy

Consultants are responsible for all cancellation charges, unless the cancellation is required by the ISO.

5.5 Meals

5.5.1 Meal limits

Meal limits include a combination of meals, snacks, non-alcoholic beverages, taxes and tips. The ISO shall only reimburse meal expenditure for those named on a particular contract, or when an individual has been authorized by the ISO to receive meal reimbursement. Meal expenses that include ISO employees shall not be charged to the ISO, as employees are responsible for their own expenses.

Meal Limits:

- \$10 per person (breakfast)
- \$15 per person (lunch)
- \$35 per person (dinner)
- \$5 per person (snacks)

Consultants should collect and submit receipts for all business expenses. Itemized receipts are required for all meals over \$10.00. Receipts must include the names of all individuals (note “self” on the receipt if no other attendees) and the business purpose for the meal on the receipt.

5.5.2 Iron Point Cafeteria

The ISO Iron Point cafeteria should be used to provide meals or snacks for business conducted on-site.

Itemized receipts are required for all meals over \$10

6.0 OTHER TRAVEL AND EXPENSE POLICY INFORMATION

6.1 Cost Savings

In general, the ISO does not support a substitution or exchange philosophy with regard to travel expenditures. If Consultants choose a less expensive option, it would not be appropriate to utilize this “cost savings” somewhere else, particularly if it is personal in nature. We must ensure that all ISO expenses are purposeful and aligned with the organizational mission.

When planning business travel itineraries, Consultants should consider the following cost-saving strategies:

- Make reservations in advance.** Deeply discounted airfares have strict advance purchase requirements of 30, 21, 14 or 7 days in advance. Most advance-purchase airfares also carry substantial penalties for change or cancellation.

- b. **Be flexible in selection of airlines and times of travel.** One airline may have a promotional fare not offered by competing carriers. One airline offering single-stop or change-of-plane service may offer substantially lower fares to compete with a carrier flying nonstop. Time of day and day of the week may also influence airfares.
- c. **Look for special promotional fares.** If possible, explore special fares and promotional opportunities on alternate dates and times.

6.2 Tips

Tips are a reimbursable expense and should be appropriate to the location; service level and local protocol and never exceed 20% of the total bill. Incidental tips (where a receipt is not available) may be entered as a single line item on an expense report.

Tips should never exceed 20% of the total bill

6.3 Miscellaneous Reimbursable Expenses

If reasonable and necessary, the following are examples of payable and reimbursable business and travel expenses:

- Air freight for business purposes
- Business office expenses (fax, copy services, etc.)
- Overnight delivery or postage
- Gasoline for rental cars
- Bridge and highway tolls
- Internet connectivity in hotel, airplanes and other public places

The above list is not all inclusive and is intended as a general guideline only.

6.4 Miscellaneous Non-Reimbursable Expenses

The following are generally considered to be non-payable or reimbursable business and travel expenses:

- Lost luggage or contents
- Air travel insurance
- Airline upgrades
- Health club services, specifically massages, manicures, personal trainers or similar services.
- Movies (in-room and in-flight movies)
- Normal commuting costs
- Parking citations and motor vehicle violations
- Business clothing
- Donations
- Personal travel expenses, including sundries or recreational reading
- Entertainment or gaming devices (e.g., Wii, Nintendo DS) or wireless reading devices and supplies (e.g., Kindle, Kindle supplies).
- All non-business related expenses

6.5 Expense Reimbursement

The ISO may deny reimbursement of any expense not permitted under the applicable contract or law. Moderation and discretion should guide decisions to incur expenses on the ISO's behalf.

Moderation and discretion should guide decisions to incur expenses on the ISO's behalf

6.5.1 Consultant Responsibility

- a. Consultants are responsible for the timely reconciliation and submittal of their expenses and to provide full documentation as verification of each expense.
- b. The ISO, consistent with IRS regulations, requires that expense documentation provide a clear explanation of the business purpose.

6.5.2 Receipts/Missing Receipts

A receipt is defined as a verifiable written acknowledgement that a specified remittance article or delivery has been made.

Consultants should collect and submit receipts for all business expenses. Receipts must be submitted as support for all business expenses over \$10.00, except in the case of incidentals like tipping (i.e., bellhops, housekeeping), tolls, parking meters, vending machines or other instances where a receipt cannot be issued.

Itemized receipts are required for all meals over \$10.00.

Consultants should contact the merchant to obtain a copy of a missing required receipt. If Consultant is unable to obtain a copy of a missing receipt that is otherwise obtainable, then an Affidavit of Missing Receipt form must be included with Consultant's supporting documents when submitting expenses for reimbursement.

6.5.3 Timing of Expense Report Submissions

Timely reconciliation of expenses is required. Consultants are required to submit expenses within 30 days following the date of the expenditure but no later than the next billing cycle.

Consultant invoices MUST reflect a contract and associated Purchase Order number in order to be processed. Invoices should be submitted as directed to API Outsourcing, Inc. and sent to one of the following addresses:

Email: caiapo.image@Send2Image.com

Emailed invoices are only acceptable in pdf format and should include only 1 invoice per pdf (including all required supporting documentation (receipts, etc.). Each pdf is treated as a separate invoice. No additional attachments can be included with the pdf submission.

-----**OR**-----

CAISO
P.O. Box 159
Two Harbors, MN 55616

7.0 POLICY COMMUNICATIONS

7.1 Scope

A current version of this Policy will be maintained on the ISO website at caiso.com.

8.0 COMPLIANCE

All affected Consultants must comply with this Policy.

9.0 POLICY HISTORY/REVISIONS DATES

Origination Date: August 31, 2007
Last Amended Date: September 30, 2011
Next Review Date: August 1, 2012

10.0 APPROVAL SIGNATURES

This policy has been reviewed and approved by the following stakeholders:

Business Unit Manager:

Denise Walsh	<i>Denise E. Walsh</i>	10/06/11
Name	Signature	Date

Corporate Compliance:

Lisa Milanes	<i>Lisa Milanes</i>	10/06/11
Name	Signature	Date

Procurement & Vendor Management:

Bruce Drummond	<i>Bruce Drummond</i>	10/06/11
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Jodi Ziemathis	<i>Jodi Ziemathis</i>	10/06/11
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Nancy Saracino	<i>Nancy Saracino</i>	10/06/11
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Greg Fisher	<i>Gregory J Fisher</i>	10/06/11
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Director:

Ryan Seghesio	<i>Ryan Seghesio</i>	10/06/11
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