

**MORA - SAN MIGUEL ELECTRIC COOPERATIVE
EMPLOYEE TRAVEL EXPENSES
BOARD POLICY NO. 203
Supersedes Policy # 28**

SUBJECT: Employee Travel and Related Expenses

OBJECTIVE: To establish standards and conditions for the advancement or reimbursement of employee travel and related expenses

POLICY:

The Cooperative establishes the following standards and conditions for advancements or reimbursements of employee travel and related expenses, as follows:

1. Subject to paragraphs 2 and 3 below, travel by personal automobile shall be approved for attending any authorized seminar or meeting.

2. Travel by personal automobile will be at the then established IRS allowable maximum rate per mile. However, such amounts shall be paid to an employees subject to the following:

A. Travel by personal automobile is permanently authorized for travel within the State of New Mexico. The use of a personal automobile will also be allowed when the meeting or activity site is out of state and so located as to make transportation by air thereto, unfeasible or unduly inconvenient. Authorization for payment of mileage for automobile transportation out of state shall be approved in advance by the Manager.

Employees will be paid mileage only for themselves and the use of their own automobile or a rental automobile for which the employee is paying the rental fee. Mileage reimbursement for automobile travel will be paid for only one employee regardless of whether two or more employees are transported thereby. The limits on personal use of automobiles contained in this subparagraph 2A shall not apply to an employee who because of health cannot travel by any other means.

B. Except as allowable under 2 A above, if travel by airline economy or coach fare, taking into account related tips, mileage to and from the airport, parking and cab fares would prove to be more economical than travel by personal automobile, only such fare and appropriately estimated related expenses shall be paid, except that

(1) mileage will be paid if, because two or more employees travel in the same automobile, the cost for them combined is less than such airline and related expenses would be for them combined; and

(2) such airline and related expenses will be presumed to require no more than one day to and no more than one day from the meeting or other-type site, a "day" being one that begins at 12 midnight at the employee's premises served by the Cooperative and ends 14 hours later in going, and one that begins at 12 midnight at the meeting or other-type site and ends 24 hours later in returning.

An employee may but shall not be obligated to fly to a meeting or other-type site earlier and/or fly back therefrom later if the result will be that the total of a lower air fare and other travel expenses will be less than if the employee flew out later/or flew back earlier; but the employee will not thereby be entitled to more per diem compensation than would otherwise be the case. (The "economy or coach fare" referred to in 2 B above does not include such lower air fares.)

3. An employee's commercial travel and also his out-of-pocket travel expenses, which are actually incurred, reasonable and necessary, shall also be advanced or reimbursed to him, or paid on his or her behalf, and shall include, but not necessarily be limited to, the following:

A. Airline coach or economy fare;

B. Tips, cabs and other out-of-pocket expenses;

C. Hotel bills and food;

D. Laundry and dry cleaning where the site and length of the meeting make such reasonable; and

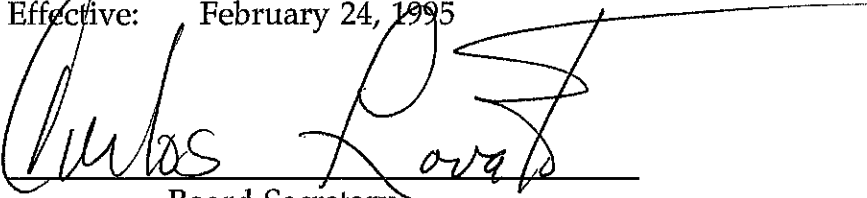
E. All other expenses which would be allowable under applicable IRS laws and regulations.

4. The Cooperative will pay, either by advance or after the expense has been incurred, whichever is appropriate, the expenses provided for in this Policy, except that all advances and reimbursements shall be accounted for in accordance with "Employee Compensation and Expense Invoice" provided by the Cooperative.

The Board shall be responsible for the enforcement of this policy.

Approved: February 24, 1995

Effective: February 24, 1995

A handwritten signature in cursive script, appearing to read "Carlos Rovato". The signature is written over a horizontal line. There is a long, sweeping horizontal stroke extending to the right from the end of the signature.

Board Secretary