1.0 Objectives

1.1 This policy provides for the reimbursement of reasonable and prudent meal expenses employees incur in the performance of their duties. Each employee is responsible for ensuring that submitted expenses are accurate and in compliance with the provisions of the policy. The approving supervisor is responsible for ensuring cost effectiveness and reasonableness of expenses incurred as well as compliance with policy.

1.2 This policy is established to ensure:

a. that employees are reimbursed for the necessary and reasonable cost of meals incurred while performing their duties
b. meal reimbursement guidelines are clearly communicated to staff and consistently applied, and
c. meal expenses are reimbursed within Authority policy limits

1.3 The policy applies to reimbursement of all meals except for those covered by union agreements.

2.0 General

2.1 Meals eligible for reimbursement are incurred by an employee:

a. While traveling overnight on Authority business.
b. While taking a day trip on Authority business.
c. In connection with working overtime.
d. As a "working meal" during a business meeting.

Specific guidelines governing reimbursement are provided in the following sections of this policy.

2.2 Requests for reimbursement are required to include identification of the meal (breakfast, lunch or dinner) with an explanation of its business purpose. Receipts are required for individual meals with a cost in excess of $10. All reimbursement requests require the approval of the employee's supervisor / manager or business unit head before processing for payment.

2.3 Employees who hold the company-sponsored corporate travel card should use the card to pay for business meals. If an employee does not have a corporate travel card, the use of a personal card is encouraged. (Authority policy requires the use of the corporate travel card to pay for all business transportation*, lodging, and car rentals in order to ensure proper receipt documentation and eligibility for special negotiated fares) (Refer to CAP 1.7 Corporate Travel Card Program for further details).

* Except for air/rail travel which should be charged to the Authority's direct billed Citi card.

Employees may use the company procurement credit card (procard) with direct billing to the Authority to pay for meals incurred for internal training courses and working meetings including board and management committee meetings. The procurement card should not be used for any other meal expenses. Refer to Corporate Accounting Policy CAP 4.1 Petty Cash for further details.

3.0 Policy Details

3.1 Overnight Travel

Employees traveling on business that requires an overnight stay will be reimbursed for **actual** and reasonable meal costs up to the following maximum daily amounts:

$55	travel to upstate facilities (BG, CEC, Niagara, St. Law-FDR, Albany)
$70	travel to downstate facilities (White Plains, New York swing office, 500MW and Flynn)
$70	other travel

When on overnight travel status, employees will be reimbursed for breakfast when travel begins before 7:00 AM, for lunch when travel begins before noon, and for dinner when returning home after 7:00 PM.

Employees who spend more than the maximum daily amount should reduce their reimbursement requests for the applicable days to the appropriate amounts (i.e. $55 or $70 depending on the destination). The Authority reimburses employees for the cost of breakfast, lunch, and dinner within these meal guidelines. The cost of food and beverages between breakfast, lunch, and dinner is not reimbursable.

3.2 Day Trips

Employees taking day trips to conduct Authority business will be reimbursed for meals based on travel times. Reimbursements will be provided (1) for breakfast, if the employee leaves home at least one hour before their normal departure time, and (2) for lunch, if the employee is on travel status during their normal lunch hour, and (3) for dinner, if the employee returns home at least two hours after their normal returning time. The Authority reimburses employees for the cost of breakfast, lunch, and dinner within these meal guidelines. The cost of food and beverages between breakfast, lunch, and dinner is not reimbursable.

3.3 Overtime Meals

Employees are eligible for reimbursement of actual expenses for dinner when they work two hours of overtime during a weekday. On Saturdays, Sundays or holidays, employees are entitled to reimbursement of actual expenses for

a Lunch if they work 4 hours or more.
b Dinner if they work 7 hours or more.

Reimbursements cannot exceed the actual cost of the meal. There is no "reimbursement allowance" if a meal is not purchased.

3.4 Limits

Reimbursements for business meals incurred on day trips and for overtime meals will be based on actual and reasonable meal costs up to the following maximum amounts:

Breakfast $10 (day trips only)
Lunch $20
Dinner $40

3.5 Authority- Provided Meals

Whenever the Authority pays directly for a meal, the employee is not entitled to a meal payment. This provision also pertains to arrangements made by certain operating plants, with local restaurants, that provide a meal to an employee through the issuance of a "meal ticket". The cost of a meal obtained by a meal ticket should be within reasonable limits as determined by the Site Regional Manager. Meal tickets can only be used by the employee to whom it was issued and only on the day overtime is worked.

3.6 Business Meals

Business meals will be reimbursed when the meal is provided as a "working meal" during a meeting (on or off the premises) for the convenience of the Authority and for the efficient conduct of business. In all cases of business meals, the senior employee in attendance should pay the bill and file the expense report. All reimbursement requests require the approval of the employee's supervisor/manager or business unit head before processing for payment.

3.6.1 Meals with business guests

Employees will be reimbursed for the actual and reasonable cost of meals, up to $70 per person, with business guests (i.e. non-Authority employees) on or off the Authority's premises when the meal is approved by a vice president or equivalent or higher position. The nature of business discussed, as well as the name, title, and affiliation of each business guest, must be documented on the employee's expense statement.
The senior NYPA employee in attendance should pay the bill and file an expense report for reimbursement.
If the business meal is with an outside vendor and/or 3rd party contractor, the outside vendor and/or 3rd party contractor should **not** be permitted to pay the bill.

3.6.2 Authority Employees Only

In situations where it is necessary for the efficient conduct of business, employees will be reimbursed for the cost of an on-premises meal (breakfast or lunch only) with other Authority employees up to $30 per person, in connection with a working meeting or conference. Reimbursement of off-premises meals where only Authority employees are present will be permitted only when deemed appropriate for business purposes and authorized in writing by a vice president or equivalent or higher position. The cost of such meals should not exceed $70 per person. The senior NYPA employee in attendance should pay the bill and file an expense report for reimbursement.

3.7 Extended Assignments

Employees who work on an extended assignment (i.e. assignments for more than three months but less than one year) at a location other than their assigned work location may elect to receive: (1) reimbursement of actual and reasonable meal and lodging expenses or (2) a daily per diem, based on IRS guidelines, covering meals, lodging and incidental expenses (e.g., laundry, tips, etc.) Per Diem arrangements must be approved by the appropriate business unit head and the Vice President and Controller. Amounts will be set by the Director - General Accounting & Financial Reporting (or his designee) based on Federal guidelines.

3.8 Non-Reimbursable Meal Expenses

3.8.1 Excessive Meal Expenses

While the Authority expects its employees to have good meals at reasonably priced restaurants when traveling, and to conduct business in comfort, it also expects its employees to exercise good judgment. Accordingly, charges exceeding limits established by this policy will be considered personal expenses and will not be reimbursed.

3.8.2 Personal Meals

Meals in connection with retirement, farewells, birthdays, holidays and similar events are considered personal and will not be reimbursed.

4.0 Taxability

Meal reimbursements that are not associated with overnight travel are generally considered taxable income under IRS regulations, and are therefore subject to withholding of social security and income taxes unless such payments are classified as de minimus by the Vice President – Controller's office. Taxable meal reimbursements include those associated with day trips and overtime. Reimbursements for working meals during meetings (Section 3.6) are not subject to taxes.

5.0 Responsibilities

5.1 Employee

Employees have primary responsibility for ensuring that meal expenses are necessary and reasonable, fully - documented as to business purpose, supported by receipts, properly submitted on the appropriate form, accurately coded in the proper account, and otherwise in compliance with the provisions of this policy. Employees should also exercise sound business judgment and common sense whenever they incur expenses to be paid by the Authority.

5.2 Approving Supervisors and Managers

Approving supervisors and managers are responsible for ensuring that their employees understand the content and intent of this policy before expenses are incurred and that the provisions of this policy are met. Supervisors must ensure that Authority funds are spent wisely and carefully, that their employees have submitted appropriate, reasonable and prudent expenses and that all expenses, except as noted otherwise, are submitted on expense reports. In addition, they are responsible for ensuring that their employees seek cost-effective solutions to situations/needs, carefully reviewing their employees' expense reports and confirming that coding for expenses, to be reimbursed, is accurate.

5.3 Site Manager of Business Services
Headquarters Accounts Payable Manager

The Site Manager of Business Services, at the operating plants, and the Accounts Payable Manager, at the Headquarters Office, are responsible for implementing and administering this policy at their respective locations. This responsibility includes ensuring their staff properly reviews, processes, and retains all reimbursement requests received.

5.4 Headquarters Accounts Payable Manager and Headquarters Payroll Manager

The Headquarters Accounts Payable Manager and Headquarters Payroll Manager are jointly responsible for ensuring that meal reimbursements are properly included in the employee's paycheck (i.e. by separate check or direct deposit), taxable reimbursements are reported on the employees W-2 Wage and Tax Statement and social security and income taxes are withheld.

5.5 Director - General Accounting & Financial Reporting

The Director-General Accounting & Financial Reporting or his authorized designee is responsible for overall implementation, administration, and maintenance of this policy on a company-wide basis.

5.6 Vice President - Controller

The Vice President - Controller must approve any deviations from this policy.

6.0 **References**

6.1.1 Agreement between the Power Authority of the State of New York and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers IBEW, AFL-CIO, 2006-2011, as amended or superseded from time to time.

6.1.2 Agreement between the Power Authority of the State of New York and Local Union 1-2 of the Utility Workers Union of America (UWUA), AFL-CIO, 2004 - 2009, as amended or superseded from time to time.

6.2 CAP 1.7 Corporate Travel Card Program.

6.3 CAP 7.4 Processing Overtime Meal Payments

6.4 CAP 4.1 Petty Cash

6.5 Credit Card Procurement System Policy & Procedures (Rev. 11/08)

6.6 Travel Hand Book, NYPA Power net website, Travel Desk section.

Thomas Concadore

Vice President-Controller