

THE RUTH AND HAL LAUNDERS CHARITABLE TRUST
TRAVEL, LODGING, AND EXPENSE REIMBURSEMENT POLICY

The rules against self-dealing by foundation managers such as the trustees of a charitable trust classified as a private foundation, as set forth in section 4941 of the Internal Revenue Code of 1986, as amended (“the Code”) generally prohibit payments from a private foundation to its trustees for the reimbursement of expenses unless such expenses were necessary and reasonable to the carrying out of the exempt charitable purpose of the foundation and were not excessive.

As foundation managers of a private foundation, the co-trustees of The Ruth and Hal Launders Charitable Trust (“RHLCT” or “the Trust”) are governed by the policy promulgated by the following rules. This policy sets forth requirements for the reimbursement by RHLCT of expenses incurred by one of its co-trustees, or a member of the TAB, whether or not such member is also a disqualified person within the meaning of the Code, in order to qualify as an exception to the rules against self-dealing under the standard above stated.

This policy applies to the co-trustees of RHLCT in addition to any person who is appointed by the Board of Trustees of RHLCT to serve a member of the Trustee Advisory Body (“TAB”) of RHLCT. This policy applies to any request for a reimbursement of expenses from RHLCT submitted by any co-trustee or any member of the TAB whether for his or her attendance at a meeting of the RHLCT Board of Trustees, a meeting of the TAB, meeting of a duly constituted committee of RHLCT, or any site visit to a grantee, either past, pending, or prospective, of RHLCT.

1. All requests for a reimbursement of expenses shall be in writing and submitted on a form approved by the Board of Trustees of RHLCT for such purpose. Applications shall be signed and dated by the person requesting reimbursement and such person shall attest on such application form that the expenses incurred, and for which reimbursement is requested, were reasonable and necessary to the carrying out of the exempt charitable purpose of RHLCT and were not excessive. Applications for reimbursement of expenses shall be submitted within a reasonable time after the expenses are incurred, normally 90 days or less. Exceptions may be made by the Treasurer, or if the Treasurer delegates the authority to the Executive Director, if any, of RHLCT on a case by case basis.
2. Every application requesting a reimbursement of expenses shall be supported by such documentary evidence as reasonably necessary to show the purpose, date, amount, and nature of the expenditure. If the purpose of the expenditure is not readily ascertainable from the application, such as an application for reimbursement of expenses to travel and attend a meeting of the Board of Trustees, the application shall

- be accompanied by a written statement of the exempt charitable purpose furthered by the expenditure. Acceptable forms of documentary proof of expenditures include hotel receipts in the case of lodging expense, restaurant receipts in the case of food and beverage purchases, and tickets, ticket confirmations, boarding passes, or other summaries in the case of travel expenses if they indicate the mode of travel, the point of origin and destination and the dates of travel. If more than one person participated in the occurrence for which a reimbursable expenditure was incurred, such as a dinner, the supporting documents should indicate the number and identity of such persons.
3. Travel should be booked for tickets that are reasonably priced for nonstop travel, in coach, economy, economy plus, or comfort class. RHLCT will not (i) reimburse the travel expenses of family members who are not co-trustees or members of the TAB, or (ii) pay for first class or business class airfares or airfare upgrades, except as described below. Travelers are requested to seek the lowest fare available that reasonably meets business travel needs and book non-refundable tickets at least 14 days in advance. When traveling by rail, business class travel is permitted for rail trips scheduled to take four or more hours. Separate fees for baggage, seat assignments or enhanced service within the class of travel booked are allowable when properly documented. If a traveler (i) chooses to book first or business class air travel, or (ii) books a trip with stops unrelated to RHLCT business, RHLCT will limit reimbursement of travel expenses to the cost of a ticket that meets the requirements of this policy. Travelers seeking reimbursement for such trips must provide evidence of the cost of an allowable fare (for example, by printing a screen shot of the available economy fare). If such data is not available, the application shall be denied.
 4. RHLCT will only reimburse business class or first-class air tickets on a case-by-case basis if one of the following conditions applies and advance written approval is obtained:
 - Coach or economy class is more time-consuming for the desired route due to circuitous routing or long layovers when making connections;
 - The itinerary involves overnight travel without an opportunity for sufficient rest before the next working day; or
 - A medical need or disability requires accommodation. The need or disability must be documented in writing by a physician or other medical professional.
 5. RHLCT will not reimburse lavish and/or extravagant hotel or restaurant expenses. Travelers are encouraged to consult RHLCT officers if they are concerned about a particular venue. While RHLCT is not bound by the U.S. government per diem reimbursement rates for government contractors, the rates published by the General Services Administration (found at: <https://www.gsa.gov/travel/plan-book/per-diem-rates>) provide

illustrations of rates that are not lavish. Expenses not reasonably related to the charitable mission of RHLCT such as golf fees, massages, and movie rentals will not be reimbursed.

6. Although an applicant requesting an expense reimbursement should strive to document every expenditure, expenses for which documentation is not normally provided such as mileage reimbursements for personal automobile travel, tolls, and tips to taxi, Uber, or Lyft drivers may be reimbursed. Mileage reimbursements will be made at the IRS prescribed rate. Any request for a mileage reimbursement shall include a statement indicating the date on which the travel via personal use of an automobile occurred, and the points of origin and destination of the travel by automobile.
7. In the instance where a co-trustee or a TAB member has combined a travel segment to attend to an exempt purpose of the Trust with a trip to attend to personal business or to enjoy pleasure travel, including visits to family members or friends, and such person applies for reimbursement of his or her expenses incurred for such travel, these special rules will apply. Reimbursement for any such travel expenses will be reimbursed only if the primary purpose of such travel was to attend to a matter in furtherance of the exempt charitable purpose of the Trust. The test of whether the travel is primarily to attend to a matter in furtherance of the exempt purpose of the Trust is whether the travel would not have taken place but for the need to attend to such matter. An application for reimbursement of expenses incurred in the course of attending a meeting of the Board of Trustees or the TAB, or in making a site visit, or in attending a program or seminar, or in conducting any Trust business otherwise authorized or permitted, where there are blended personal and Trust purposes, the application shall, to the extent reasonably possible, apportion all such expenses between the Trust and personal purposes. Where such apportionment is not possible, such as with the cost of housing, lodging, or rental cars, the apportionment shall be 50% to the Trust and 50% personal. In the case of a travel itinerary where, due to a personal component, the path of travel is other than a direct transit between the office or home of the co-trustee and his or her ultimate destination for the dispatch of the Trust business, the application shall include supporting documentation to demonstrate the cost of travel if made by a route of such direct transit would not have been less than the actual travel expenses incurred for which reimbursement is sought. If not, the reimbursement of expenses for such travel shall not exceed the cost of such direct transit. The co-trustee shall include a signed statement with the application that the expenses were incurred primarily to attend to Trust business. No reimbursement shall be made for expenses incurred on behalf of persons who are not members of the Board of Trustees, or members of the TAB, and the Treasurer shall in his or her discretion disallow such expenses.

Special Rules Governing Expenses Incurred For Grantee Site Visits.

The following additional rules govern applications requesting reimbursement of expenses incurred in the course of making a site visit to a grantee of RHLCT, whether past or prospective.

8. A co-trustee may make a site visit to a grantee, either past or prospective, or attend a seminar or program, or conduct any Trust business otherwise authorized or permitted, without giving prior notice to any other co-trustee but only if (i) 350 miles or less of one-way travel is required to the intended destination, and (ii) less than \$600 of expenses will be incurred. The co-trustee may choose whether to report on the visit to the full Board of Trustees at a subsequent Board meeting. No report other than the application for reimbursement of expenses is required.
9. A co-trustee intending to make a site visit to a grantee, either past or prospective, or to attend a seminar or program, or to conduct any Trust business otherwise authorized or permitted, exclusive however of any attendance at a meeting of the Board of Trustees, and which requires travel of more than 350 miles to the intended destination, or expenses expected to exceed \$600, shall give at least 10 days prior written notice of same to every other co-trustee. The co-trustee shall give a brief report on the same at the next Board scheduled Board meeting and shall complete the application for reimbursement of expenses.
10. Aggregate reimbursements paid to a co-trustee during any given fiscal year for expenses incurred by such co-trustee to make site visits to past or prospective grantees, to attend seminars or programs, or to conduct any Trust business otherwise authorized or permitted, exclusive however of any attendance at a meeting of the Board of Trustees, shall not exceed \$3,000, provided however reimbursements may in any given year exceed such ceiling if the average annual reimbursements paid to such co-trustee for each of the three most recent fiscal years ending in such fiscal year does not exceed \$3,000. This restriction shall not apply to (i) reimbursement paid for goods or services contracted by any managing co-trustee of the Trust, (ii) expenses associated with meetings of the Board of Trustees, (iii) maintenance of the RHLCT Web site, or (iv) expenses incurred by the Executive Director and/or his or her designees to attend training classes, sessions, or conferences sponsored by Foundant Technologies or any other vendor supporting the Trust's Grant Administration website. Fees to attend other educational conferences, seminars or programs may be excluded on a case by case basis from the \$3,000 aggregate limit if they are approved in advance.
11. The Treasurer, or if the Treasurer delegates the authority to the Executive Director, if any, of the Trust, then the Executive Director, shall have the authority to grant any approval required by this policy and to make final determinations as to the approval, adjustment, or rejection of

any application for reimbursement of expenses subject however to the right of appeal to the Board of Trustees. Any co-trustee may appeal action taken on his or her application for reimbursement of expenses to the Board of Trustees of RHLCT, which body shall hear the appeal and uphold, reverse, or reverse with conditions, the decision of the Treasurer of the Executive Director, as the case may be, on such expense reimbursement application. The applicant requesting such an appeal shall notify the Secretary of RHLCT of his or her desire to appeal to the Board of Trustees within 30 days after he or she first learns of the disposition of the expense reimbursement application. Such appeal shall be heard and decided by the Board of Trustees at its next meeting.

12. This policy shall take effect on 1 May 2019 and amends and supplants the previous policy of the Trust entitled "POLICY ON TRAVEL FOR SITE VISITS, ATTENDANCE AT PROGRAMS OR SEMINARS, OR TO CONDUCT OTHER TRUST BUSINESS" effective on 1 May 2013.

Adopted by resolution of the Board of Trustees of The Ruth and Hal Launderers Charitable Trust passed on 21 January 2019