

Travel Reimbursement Policy

1. APPLICABILITY

This policy applies to all cost-reimbursement, time-and materials, and labor-hour subcontracts. It also applies to those fixed-price subcontracts that have travel as a separate pay line item, but its applicability in such cases is only to that line item. The Company will only reimburse travel costs that are specifically allowed under this policy. Travel costs shall not be burdened with any indirect costs unless specifically allowable in accordance with the Seller's usual accounting practices that are consistent with FAR subpart 31.2. In no event shall travel cost be burdened with fee/profit. The Company may provisionally approve costs for reimbursement under this policy. The Company also may issue whole or partial reimbursement subject to a reservation of rights to reclaim any payments discovered to have been made in error.

2. DEFINITIONS

- (a) Business Travel Status. Seller employees assigned to work at either the Y-12 National Security Complex (Y-12) or the Pantex Plant (Pantex), or at a location different than their normal duty station, for an expected period of 30 or fewer consecutive calendar days during any 365-day period.
- (b) Extended Travel Duty ("ETD"). Seller employees assigned to work at Y-12 or Pantex, or at a location different than their normal duty station, for a period expected to exceed 30 consecutive calendar days and fewer than 365 calendar days during any 365-day period. As further detailed in Section 4 below, ETD assignments must not exceed three years and Seller employees receive a reduced per diem allowance for the length of the assignment to address costs associated with lodging, meals, and related incidental expenses. (See Section 5 below for assignments expected to exceed 365 calendar days.)
- (c) Lodging:
 - (1) Expenses for overnight sleeping facilities, baths, personal use of the room during daytime, telephone access fee, and service charges for fans, air conditioners, heaters, and fires furnished in rooms when such charges are not included in the room rate.
 - (2) When renting lodging on a long-term basis (e.g., weekly, monthly), expenses for lodging include the expenses as detailed in paragraph 2(c)(1) above and:
 - the rental cost of a furnished dwelling;
 - the rental cost of appropriate and necessary furniture and appliances (e.g., stove, refrigerator, washer/dryer, table and chairs, bed, sofa, TV, or vacuum cleaner) for an unfurnished dwelling;
 - connecting/disconnecting and using utilities;
 - reasonable maid fees and cleaning charges;
 - monthly landline telephone use fees (excluding installation and long-distance calls);
 - internet and cable TV service (excluding adult entertainment channels, pay-per-view, and movie rentals); and
 - parking fees and utilities for an RV (even if owned rather than rented) when another dwelling is not obtained.
 - (3) Lodging does not include accommodations on airplanes, trains, buses, or ships; such cost is included in the transportation cost and is not considered a Lodging expense.
- (d) Meals. Expenses for breakfast, lunch, dinner and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons).
- (e) Incidental Expenses. Expenses for:
 - (1) fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses, and others on ships, and hotel servants in foreign countries; and

Travel Reimbursement Policy

- (2) transportation between places of lodging or business and places where meals are taken.
- (f) M&IE. The combination of Meals and Incidental Expenses.
- (g) Maximum Lodging Amount ("MLA"). The maximum reimbursable amount for Lodging in effect at the time of travel for the business location set forth in:
- Appendix A to Chapter 301 of the Federal Travel Regulation (FTR) for travel in the contiguous 48 states and the District of Columbia;
 - The Joint Travel Regulations (JTR), DoD Civilian Personnel, Appendix A, for travel in Alaska, Hawaii, Puerto Rico, and territories and possessions of the United States; or
 - Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the U.S. Department of State, for travel in areas not covered above.
- (h) Maximum M&IE Rate ("MMR"). The maximum reimbursable rate for M&IE in effect at the time of travel for the applicable location set forth in the same three sources in paragraph g above for determining the MLA.
- (i) Point of Contact (POC). Seller must designate a single POC who will be responsible for reviewing all travel reimbursement requests for compliance with this policy before the costs are submitted to the Company's Procurement Representative (PR).
- (j) Temporary Change of Station (TCS). The temporary relocation of Seller employees to a new official duty station for a minimum of one year, but not to exceed three years, while performing a long-term assignment. Seller employees will subsequently return to the previous duty station upon completion of the assignment. For the duration of the TCS assignment, Seller employees are not in travel status. (NNSA Policy Letter NAP 540.2, Section 9, "Definitions/Acronyms" (11/22/16))

3. EXPENSES IN BUSINESS TRAVEL STATUS

- (a) General. The Company will pay Seller's costs incurred under this subcontract for transportation, lodging, meals, and related incidental expenses in accordance with this Section. Seller's POC must notify the PR and request pre-approval, utilizing *Subcontract Request for Travel Pre-Approval* (UCN-22351), at least 10 calendar days before an employee's Business Travel Status is scheduled to begin. The Company will not reimburse costs incurred before the date when such approval is granted.
- (b) Reimbursement for Lodging.
- (1) Except as provided in paragraph 3(b)(2) and subsection 3(h) below, Seller will be reimbursed for actual Lodging costs incurred in accordance with Seller's established travel policy to the extent that such amount does not exceed the MLA.
 - (2) When lodging cannot be obtained within the ceiling in paragraph 3(b)(1) above, the PR may approve reimbursement at a higher incurred cost upon Seller's submission of appropriate written justification.
 - (3) Itemized receipts for Lodging are required in accordance with subsection 3(h) below.
- (c) Reimbursement for M&IE.
- (1) Except as provided in subsection 3(h) below, Seller will be reimbursed for M&IE in accordance with Seller's established travel policy to the extent that such amount does not exceed the MMR.
 - (2) For the days travel begins and ends, the allowance will be 75 percent of the applicable MMR.
- (d) Airfare Costs. Airfare costs in excess of the lowest customary standard, coach, or equivalent airfare offered during normal business hours are unallowable except when such

Travel Reimbursement Policy

accommodations require circuitous routing, require travel during unreasonable hours, excessively prolonged travel, result in increased cost that would offset transportation savings, are not reasonably adequate for the physical or medical needs of the traveler, or are not reasonably available to meet mission requirements. Travel other than coach-class is allowable when the conditions at 41 CFR § 301.10-125 are met. However, in order for airfare costs in excess of the lowest customary standard airfare to be allowable, the applicable condition(s) must be properly documented and justified. Transportation aboard personally-owned or privately-owned aircraft is not allowed, and the costs of such transportation are not reimbursable.

(e) Motor Vehicle Costs.

(1) Personally-owned Motor Vehicle ("POV"). If Seller elects to allow its employee to travel by POV, Seller will be reimbursed for the use of the vehicle in accordance with Seller's established travel policy to the extent that such amount does not exceed the POV mileage reimbursement rate allowed by the applicable IRS Standard Mileage Rates based on the mileage between the authorized points of travel as calculated by a commercial online map provider. A variation of ten percent, if reasonable under the circumstances, is allowable, except when a longer route is necessitated by road or weather conditions. An employee approved to travel by POV may not unreasonably exceed time or expense requirements generally imposed by common carriers, regarding reimbursement for Lodging and M&IE for travel time.

(2) Rental Cars. Rental Car expenses are allowable if the nature of the travel or the location of the business is such that the use of public transportation is not cost effective or practical, considering the traveler's time. Rates for up to mid-size/intermediate size cars are allowable. Exception to the use of a mid-size/intermediate car may only be made when

(i) more than three employees are traveling together;

(ii) extra equipment is being transported by the traveler; or

(iii) the traveler has a medical/health condition that prohibits the use of a car at the mid-size/intermediate rental rate. Refueling charges at the rental agency (pre-paid or at car return) are not allowable, unless justification is provided and approved by the Company.

(f) Commuting. When the traveler's residence or regular place of business is within 50 miles of the place of performance of the subcontract work, the costs of commuting are not reimbursable, and no payments for Lodging or M&IE will be made.

(g) Foreign Travel. Foreign Travel includes travel to or from the United States (including Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and other U.S. territories and possessions, to foreign countries, as well as travel between foreign countries.) All foreign travel requests must be submitted at least 40 days prior to the proposed departure date to the STR, PR, and Foreign Travel Office using form UCN-22351 Subcontractor Request for Travel Pre-Approval. The Company Foreign Travel Office will obtain DOE approval in the Foreign Travel Management System (FTMS). Traveler and assigned organization must ensure traveler has received email confirming country clearance approval in FTMS before leaving on foreign travel. Post-travel trip report or trip closeout information (as instructed by the NNSA Programmatic Sponsor) for all foreign travel must be submitted to the Company's Foreign Travel Office, with a copy of the report submitted to the PR, within 25 days after return. Forms for use in requesting approval, post-trip reporting, and questions may be addressed to Travel Y-12 at Y12Travelser@pxy12.doe.gov or Pantex Travel at travel@pxy12.doe.gov.

(h) Receipts. Seller must submit with its invoice:

(1) itemized original receipts for Airfare Costs and associated baggage fees, Lodging, and rental car transportation regardless of cost; and

(2) itemized receipts for any authorized expenditure costing more than \$75.00.

Travel Reimbursement Policy

4. EXPENSES ON EXTENDED TRAVEL DUTY

- (a) Conditions. Seller may be entitled to reimbursement for any employee under a Company subcontract if the employee is on ETD, which means, in addition to the requirements specified above in subsection 2(b), that the employee:
- (1) Maintains a permanent residence:
 - (i) that is located more than 50 miles from the Y-12 or Pantex site, as determined by standard mileage tables; and
 - (ii) for which the employee incurs monthly mortgage payments, rental expenses, or property taxes (if there is no mortgage).
 - (2) Does not commute daily to the Y-12 or Pantex work location from the permanent residence.
- (b) Approval Necessary: Seller's POC must notify the PR and request pre-approval at least 10 calendar days before an employee's ETD is scheduled to begin. The Company will not reimburse costs incurred before the date approval is granted. All reimbursements related to ETD will be limited to three years as detailed below in subsection 4(j). Eligibility will be calculated by using the employee's first day of reimbursement.
- (c) Reimbursement for Lodging: For the first 60 days of the ETD, the Company will reimburse costs associated with Lodging at the lesser of actual cost or 100% of the MLA. After the 60th day, reimbursement will be at the lesser of actual cost or 55% of the MLA. Receipts for Lodging are required.
- (d) Reimbursement for M&IE: For the first 30 days of the ETD, the Company will reimburse costs associated with M&IE at a rate not to exceed 100% of the MMR. After the 30th day, reimbursement will be at a reduced rate, not to exceed 55% of the MMR. No reimbursement for M&IE will be made for vacation, personal absence from work, or return trips home. Furthermore, reimbursement for M&IE will not be paid for days not worked due to illness of two or more consecutive workdays unless the absence is supported by a physician's written statement.
- (e) Reimbursements for Rental Cars:
- (1) Rental Cars. (i) Rental Car expenses while on ETD are allowable at the discretion of the PR, and must be supported in writing. Written justification for such use must be submitted to the PR and approved in advance. Reimbursement for a rental vehicle will be made up to the cost of mid-size/intermediate. Exceptions to the use of mid-size/intermediate car rates may only be made when:
 - more than three employees are traveling together;
 - extra equipment is being transported by the traveler; or
 - the traveler has a medical/health condition that prohibits the use of a mid-size/intermediate car.
 - (ii) Fuel for the rental car is not reimbursable since Seller's employee would have incurred fuel cost at the home work location.
- (2) Personally-Owned Vehicles (POV): The Company may authorize the shipment of one POV. Written justification for such shipment must be submitted to the PR and approved in advance. Rationale for shipping one POV, a cost estimate, and supporting documentation must be included in the written justification. In any case, the distance must be greater than 600 miles to ship a POV. Seller's employee may be eligible for rental of a vehicle for a maximum of 14 days if POV is in transit or until POV arrives, whichever is sooner.
- (3) Seller employees who have shipped their POV to the Assignment Location, may be authorized a rental car at the home location, with prior approval from the PR.

Travel Reimbursement Policy

- (f) Shipment of Personal Effects. The Company may pay shipping costs for personal effects up to 1,000 pounds to and from the Assigned Work Location or choose to substitute 10 home trips for the shipment of an additional 3,000 pounds of personal effects, upon prior written approval of the PR.
- (g) Travel to ETD Location. The Company will reimburse Seller for its employees' for:
- (1) initial transportation costs from their permanent residence to the temporary residence at the ETD location and for the same trip for the final return to the permanent residence at the completion of the ETD, and
 - (2) Lodging and M&IE to include 100% per diem allowance while on travel not to exceed the MLA or MMR.
- (h) Business Travel While On ETD. Transportation, Lodging, and M&IE expenses incurred for business travel outside the Y-12 or Pantex area required in the performance of the subcontract will be reimbursed in accordance with Section 3. In addition, on-going ETD expenses incurred to maintain a housing lease or discounted long-term hotel rate while on bona fide business travel from the assignment area are reimbursable under Section 4. M&IE will be reimbursed only under Section 3 for Business Travel Status and not under Section 4.
- (i) Return Trips Home.
- (1) Company will reimburse the cost of one trip per month home to the permanent residences, not to exceed 10 trips home per rolling 12-month period, of Seller employees (but not others in lieu of ETD employees) who are on ETD and who have not been relocated. Evidence of actual travel to the permanent residence must be verified by the Seller before reimbursement is made by the Company to the Seller. Seller employees' return trips home should be scheduled for weekends and on the employee's own time. Up to a maximum of three days, unless additional time is approved by the PR, is authorized for home leave trip expenses to the extent expressly provided in subsection 4(i), unless Seller employee left or returned on a holiday or left the evening before a holiday or CNS-scheduled non-work day adjacent to the weekend. Company will not reimburse Lodging, M&IE, rental car, or any other ETD allowances (other than as expressly stated in subsection 4.i.) for trips to the home location.
 - (2) If a POV is used to return to the permanent residence, mileage (via most direct route) will be paid at the current IRS rates. The seller will be required to submit a cost comparison between a flight and a POV return trip to the permanent residence for any POV route exceeding 400 miles (one-way). CNS will only be responsible to pay for the lesser cost of the round-trip flight or the round-trip mileage charges. Such allowance will be based on the mileage between the authorized points of travel as calculated by a commercial online map provider. A variation of ten percent, if reasonable under the circumstances, is allowable, except when a longer route is necessitated by road or weather conditions.
 - (3) If airline transportation is used to return to the permanent residence, only coach airfare via the most direct route in accordance with FTR guidelines is allowed. Every effort must be made to obtain the lowest fares. Actual itemized receipts must document all airfare costs. Mileage to and from the airport to Seller employees' permanent residence will be reimbursed at the current IRS rates. For Seller employees that must commute to a nearby airport, a rental car may be reimbursed if the cost is equal to or less than mileage reimbursement. Seller must provide a cost analysis to the PR comparing the cost of mileage to a rental car to determine the option most advantageous to the Company.
- (j) Assignment Extensions.
- (1) If an assignment originally classified as Business Travel Status is extended such that the total assignment duration exceeds 30 calendar days, the assignment shall be

Travel Reimbursement Policy

reclassified as ETD with a deemed start date of the 31st day after the employee's first day of reimbursement for Business Travel Status.

- (2) For Seller employees not initially proposed for an assignment period expected to exceed 365 consecutive calendar days but who are extended beyond 365 days, see subsection 5.b. below for providing cost estimates.
- (k) Breaks in ETD. As noted above in subsection 4(b), the Company will not reimburse costs associated with Lodging, M&IE, Airfare Costs, Motor Vehicle Costs, or any other costs that the Company may have agreed to reimburse, after an employee has been on ETD with the Company for three years. If an ETD has a break of less than 12 months, the Company will treat the ETD as continuous for purposes of the three-year cap. e.g., if an employee completes a two-year ETD and returns home for 12 months or more, a subsequent two-year ETD will restart a new three-year cap. But if an employee completes a two-year ETD and returns home for 8 months before a second ETD, the Company will treat the second such assignment as a continuation of the first so that only 4 months remain of reimbursable ETD.
- (l) Receipts. Seller must submit with its invoice:
 - (1) itemized original receipts for Airfare Costs and associated baggage fees, Lodging, and rental car transportation regardless of cost, and
 - (2) itemized receipts for any authorized expenditure costing more than \$75.00.

5. COMPARISON OF ETD, RELOCATION AND TEMPORARY CHANGE OF STATION

- (a) Initial Cost Estimate. Seller employees initially proposed under a Company subcontract for an assignment period expected to exceed 365 consecutive calendar days may be expected to relocate to the work location area. Therefore, at the time of proposing an employee, Seller must provide to the PR a cost estimate comparing:
 - (1) the expected total reimbursable costs under Section 4, ETD, to
 - (2) the expected reimbursable relocation costs computed in accordance with Seller's standard corporate relocation policy, subject to the limitations contained in FAR 31.205-35, and to
 - (3) the expected reimbursable Temporary Change of Station (TCS) allowance as described in NNSA Policy Letter NAP 540.2, Attachment 2, "M&O Off-Site Extended Duty Assignment Allowances," Subsection 1.a., "TCS Allowances" (11/22/16).
- (b) Subsequent Cost Estimates. For Seller employees not initially proposed for an assignment period expected to exceed 365 consecutive calendar days but who are extended beyond 365 days, Seller must, within 30 days of the original extension and on the annual anniversaries of any extensions thereafter, provide to the PR a cost estimate comparing:
 - (1) the expected remaining total reimbursable costs under Section 4, ETD to
 - (2) the expected reimbursable relocation costs computed in accordance with Seller's standard corporate relocation policy, subject to the limitations contained in FAR 31.205-35, and to
 - (3) the expected reimbursable TCS allowance as described in NNSA Policy Letter NAP 540.2, Attachment 2, "M&O Off-Site Extended Duty Assignment Allowances," Subsection 1(a), "TCS Allowances" (11/22/16).
- (c) Contents of Cost Estimates. All cost estimates must include any applicable tax allowance.
- (d) PR's Choice of Reimbursement Categories. Upon consideration of such cost estimates, the PR may choose to reimburse expenses in accordance with Section 4 above (as for an ETD), as a TCS, or as a permanent relocation. In cases where the PR chooses to reimburse expenses for Seller's employee in accordance with Section 4, ETD, Seller may invoice for an Extended Travel

Travel Reimbursement Policy

Duty Tax Reimbursement Allowance (ETTRA) as prescribed in 41 CFR 301-11.601-605 after the ETTRA amount is paid to such employee:

- (1) one time after such employee has exceeded 365 days of ETD, and
- (2) again, annually until tax calculations are finalized in the calendar year following the end of the assignment.

6. FLOWDOWN

Seller must include this Travel Reimbursement Policy document in each lower-tier subcontract that requires reimbursement of travel expenses.

(End of Clause)

(This policy implements NNSA Policy Letter NAP 540.2 (11/22/16))