

Precision Ocular Network

Expense and Reimbursement Policy

Effective January 1, 2026

<u>1. PURPOSE AND SCOPE</u>	2
<u>2. GENERAL PRINCIPLES</u>	2
<u>3. ALLOWABLE BUSINESS AND OPERATIONAL EXPENSES</u>	2
<u>4. ACCOUNTS PAYABLE PROCESS AND VENDOR PAYMENTS</u>	7
<u>5. REIMBURSEMENT PROCESS</u>	9
<u>6. CORPORATE CREDIT CARDS</u>	10
<u>7. BUDGET MANAGEMENT AND OVERSIGHT</u>	13
<u>8. AUDIT AND COMPLIANCE</u>	14
<u>9. ACKNOWLEDGMENT</u>	15

1. Purpose and Scope

This policy establishes uniform procedures for incurring, documenting, approving, and reimbursing business expenses on behalf of Precision Ocular Network. It ensures responsible use of company funds, compliance with applicable laws and grant requirements, and consistency across all departments.

This policy applies to all employees who incur expenses—whether through a purchase order, company-issued (corporate) credit card, reimbursement, or other approved method.

All employees are required to read this policy and sign the Expense and Reimbursement Policy Acknowledgement to confirm understanding and agreement to comply.

2. General Principles

- All expenses must be ordinary, necessary, reasonable, and directly related to Precision Ocular Network's business.
- Employees are expected to exercise good judgment and spend company funds as carefully as they would their own.
- Personal expenses may not be charged to or reimbursed by Precision Ocular Network under any circumstances.
- Employees must submit accurate, complete, and timely documentation for all expenses.
- Precision Ocular Network reserves the right to deny or recover any out-of-policy expenses and to take disciplinary action for violations.

3. Allowable Business and Operational Expenses

Precision Ocular Network recognizes that certain purchases and services are necessary to support daily operations, professional development, and mission-driven activities. The following categories are allowable when reasonable, properly approved, and directly related to Precision Ocular Network's business purposes.

3.1 Professional Fees and Services

Accounting, audit, legal, consulting, payroll processors, retirement plan administrators, and related third-party service providers, contract labor and temporary staffing

3.2 Memberships, Dues, and Fees

Professional memberships and dues that support the employee's role or Precision Ocular Network's objectives, licenses, permits, and registrations required for business operations, property taxes and other mandatory governmental fees

3.3 Branding, Marketing, and Public Relations

Advertising, digital media, and promotional materials related to outreach or recruitment, sponsorships or contributions to approved events and professional coalitions, and printing, signage, and branded materials promoting Precision Ocular Network's mission

3.4 Human Resources and Employee Support

Recruitment, background screening, and onboarding costs, staff recognition, retention, and training, and vaccinations, drug screenings, or wellness-related costs for staff safety and compliance

3.5 Information Technology and Telecommunications

Hardware, software, and subscription-based tools necessary for operations, data management, system security, IT equipment maintenance, and telecommunication costs such as phones and internet

3.6 Laboratory and Program Expenses

Laboratory supplies (all supplies should be drop shipped to the state in which they will be used – exception: Carolinas count as one state and may be shipped to NC), recovery service fees, serologies or other necessary testing, imported tissue, medical waste disposal, processing fees paid to other eye banks, equipment maintenance and monitoring, and purchased products intended for distribution or placement

3.7 Facilities and Administrative Expenses

Rent and occupancy costs, including utilities, janitorial, waste and security services, repairs and maintenance of facilities and equipment, company fleet expenses, bank account fees, merchant processing fees, and other transaction-related costs

3.8 Supplies and Services

Office, kitchen, and janitorial supplies necessary for daily operations, and postage, shipping, and courier services for business-related correspondence

3.9 Travel, Meals, and Related Expenses

3.9.1 Airlines

- All air travel must be booked in coach or economy class unless an exception is approved by executive management.
- Employees are expected to obtain the lowest logical fare available and to book travel at least 30 days in advance when possible.
- Non-direct flights should be selected when the cost savings are substantial.
- One checked bag is permitted; additional baggage fees require prior approval unless transporting business materials or supplies.
- Upgrades, seat selections, early check-in, and other optional charges are not reimbursable unless required for accessibility or approved in advance.

3.9.2 Ground Transportation

- Rideshare services including Uber, Lyft, taxis, and public transportation are approved forms of ground travel for business purposes.
- Rental Cars:
 - Employees may rent a vehicle when driving is more cost-effective than airline travel or when local travel at the destination would exceed taxi or ride-share costs.
 - When multiple employees are traveling together, every effort should be made to rideshare or carpool.
 - Employees should inspect the rental vehicle for pre-existing damage before acceptance and note it on the rental agreement.
 - Cars may be booked one class above economy only when (a) upgraded at no cost, (b) transporting multiple employees, (c) the authorized class is unavailable, or (d) excess business equipment must be carried.

- Domestic travelers must decline all optional insurance offered by rental agencies; coverage is provided through Precision Ocular Network's corporate insurance policy.
- International travelers must accept all insurance offered.
- The prepaid fuel option should be declined unless it's more cost efficient.
- In the event of an accident, employees must immediately contact the rental car company, local authorities, and the Admin and Facilities Department.

3.9.3 Lodging and Hotels

- Employees must secure the best available rate and use any negotiated Precision Ocular Network hotel rates when staying overnight near designated locations.
- If visiting another Precision Ocular Network office or attending a conference, use of preferred or contracted hotels is required when available. A list of hotels with negotiated rates is attached.
- Lodging should be limited to standard single-room accommodations.
- Additional nights must be approved by the department head in advance.
- Personal charges such as movies, room service (except approved business meals), and minibar expenses are not allowed or reimbursable.

3.9.4 Meals

Precision Ocular Network does not provide or reimburse meals for employees during normal work hours. Exceptions apply only when meals are:

- Part of an approved business meeting that includes discussion of organizational matters, OR
- Incurred while entertaining guests, partners, or others outside of Precision Ocular Network for legitimate business purposes.
- For any meal transactions where a tip is included, documentation must reflect the itemized charges, tip amount, and total. This may be shown either on the itemized receipt itself or by submitting both the itemized and signed receipts.

Meal Reimbursement Limits

- The daily total meal limit is \$100 per day, including tips.
- Suggested maximums: \$20 breakfast, \$30 lunch, \$50 dinner.
- Employees should exercise good judgment and select reasonably priced meal options whenever possible.

- International travelers may exceed these limits only when necessary, due to location, exchange rates, or other unavoidable factors and must provide justification when submitting expenses.
- Alcohol is only allowed as part of a group or business event pre-approved by executive management.

3.9.5 Tips and Gratuities

Reasonable gratuities are reimbursable within the following limits:

- Airport porters / Hotel bellhops: \$2–3 per bag (only when necessary)
- Valet parking: \$5 per use (only when necessary)
- Restaurant wait staff: not to exceed 20 % of the bill
- Drivers (taxi, limo, bus): not to exceed 20 % of the fare

Cash tips should be used only when necessary and must still comply with these limits.

3.9.6 Mileage Reimbursement

Employees who use personal vehicles for approved business purposes and in compliance with this policy's requirements may request mileage reimbursement. Employees who choose to travel significant distances by personal vehicle instead of by air, see Section 3.9.7 (Mileage in Lieu of Airfare).

Reimbursement is calculated at the current IRS standard mileage rate, covering fuel, wear and tear, insurance, and general operating costs.

- Precision Ocular Network automatically adopts updated IRS rates each calendar year.
- Reimbursement requests must include the date, starting point, destination, purpose, and total miles driven.
- Requests must be submitted through payroll within 30 days of travel or month-end, whichever comes first.
- Exclusions:
 - Commuting between home and regular work location is not reimbursable.
 - Employees with access to a company vehicle or fleet card are not eligible for mileage reimbursement except with prior approval when no vehicle is available.
 - Recovery staff when use of a personal vehicle is more time appropriate to preserve donor tissue.

3.9.7 Mileage in Lieu of Airfare

Employees who choose to travel significant distances by personal vehicle instead of by air may be reimbursed for the lesser of:

- The total mileage reimbursement (based on the IRS rate), or
- The cost of a round-trip economy airfare to the same destination.

When requesting reimbursement under this provision, employees must do all of the following:

- Obtain a round-trip airfare quote at least 30 days in advance of the trip.
- Submit the quote along with the Out-of-Pocket Reimbursement Request.
- Provide a brief note explaining the decision to drive in lieu of flying.

3.10 Asset Purchases and Leased Equipment

All asset purchases must receive Board approval prior to commitment or payment, unless the purchase is preauthorized through an approved grant or previously designated/restricted funds. Equipment may not be leased unless both the Accounting Department and Executive Management agree that leasing is necessary. Any approved lease must include written justification and authorization prior to execution.

4. Accounts Payable Process and Vendor Payments

This section outlines procedures for ordering goods or services that require the Accounting Department (Accounts Payable) to process and pay a bill (expenses not charged to employee corporate cards).

4.1 Vendor Setup and Documentation

- New vendors providing services must submit a completed W-9 form before bills can be entered for approval process and payment.
- W-9s are not required for vendors providing only goods or products, or for organizations that are incorporated (“Inc.” appearing in their legal name and on their invoices).

- All landlords and attorneys always require a W-9, regardless of incorporation status.
- The Accounting Department must approve all new vendor setups prior to ordering to ensure accuracy and compliance with reporting requirements.
- Employees should not pay vendors directly or use personal accounts for business purchases.

4.2 Purchase Approval and PO Usage

- Employees are expected to confirm budget availability prior to placing an order and to ensure the purchase aligns with their department's approved spending plan.
- Purchase Orders (POs) are required for non-routine or higher-value purchases, typically those exceeding \$250, or when required for grant/restricted funding documentation. POs are also required for purchases involving new vendors, services, contracts, technology, or equipment. Routine, low-cost purchases – such as common office supplies, small incidental items, or items purchases using a company credit card – do not require a PO.
- When placing an order for goods or services, employees should assign a Purchase Order (PO) number using the format *MMDD + first initial + last name* (e.g., 0126JDoe) and provide this PO number to the vendor. This allows Accounting to identify and contact the individual in case of questions.
- Employees placing orders should request a quote or sales order from the vendor, obtain approval from the department lead, and then forward it to Accounts Payable with instructions and department, location (when applicable), and any funding source requirements (e.g. grants or restricted/designated funds when applicable). This ensures accurate coding, compliance, and tracking.
- **Exceptions to PO Requirement:**
 - Standing orders or recurring service agreements (e.g., janitorial, software subscriptions) and recurring or automatic payments (e.g., leases, utilities, insurance premiums, or other ongoing contracts) are exempt from the PO # requirement but still require review and approval by the appropriate department lead. All purchase agreements and contracts should be reviewed and reapproved annually by the department lead.
 - Imports and purchased products such as ocular tissue or other products intended for resale or surgical placement (e.g., sterile corneas) are exempt from the purchase order requirement.
 - Payments for items not accompanied by an invoice (e.g., donations, contributions, or sponsorships) must be processed through a Check Request form. This form can be accessed via [placeholder].
 - Reimbursements are covered under Section 5 of this policy.

4.3 Invoice Routing and Receipt of Goods or Services

- All vendor invoices must be sent directly from the vendor to AP@precisionocular.org.
- If a vendor cannot email invoices, they should be mailed to one of the following addresses:

500 Robert Jemison Rd. Birmingham, AL 35209
4750 Commercial Park Ct. Clemmons, NC 27012

- If an employee receives a paper or electronic invoice directly from a vendor, they should forward it promptly to AP@precisionocular.org for centralized processing.

4.4 Invoice Approval and Payment Processing

- All invoices require approval by the department lead and two authorized check signers before payment is issued.
- Approvals will occur through Precision Ocular Network's AP payment processor, which tracks routing, timestamp, and user authorization.
- Department leads are responsible for confirming that:
 - Goods or services were received and acceptable.
 - Pricing matches purchase documentation or agreement.
 - Coding and allocation are accurate for expense classification and applicable funding source (grant or designated/restricted funds).

5. Reimbursement Process

Employees requesting reimbursement for allowable, budgeted expenses must provide complete and verifiable documentation for each expense within 30 days of the transaction date. Reimbursement requests must be submitted through Payroll using the approved reimbursement form or process.

5.1 Required Documentation

- Itemized receipts are required for all reimbursable out-of-pocket expenses, regardless of amount.

- See Section 3.9.4 (Meals) for additional documentation requirements specific to meal expenses.
- Exceptions apply only for small cash tips (see Section 3.9.5).
- Each reimbursement request must include a clear business purpose describing how the expense supports organizational operations or objectives, department, location (when applicable), and any funding source requirements (e.g. grants or restricted/designated funds).

Incomplete, undocumented, or late submissions may result in delayed or denied reimbursement.

5.2 Submission and Payment

Approved reimbursements will be processed through Payroll and paid with the next pay cycle. Reimbursement requests submitted after the payroll deadline will be included in the next available pay cycle.

6. Corporate Credit Cards

6.1 Eligibility and Issuance

Corporate credit cards may be issued to employees whose duties require frequent travel or regular purchases on behalf of Precision Ocular Network. Cards are issued at management's discretion and remain the property of Precision Ocular Network. Each card has an assigned spending limit. Cards are not transferable and may be revoked, frozen, or canceled at any time.

6.2 Authorized Use

- Cards may only be used for legitimate business expenses within approved budget, including travel, lodging, meals while traveling, conference registration, approved supplies, and other pre-authorized business purchases.
- Cash advances, bank checks, traveler's checks, or electronic transfers are strictly prohibited.
- The most senior employee present should pay when a shared business expense cannot be split across multiple cards. Group expenses – such as meals, events, and travel – are closely reviewed by auditors, and allowing a junior employee to pay would place the senior employee in the position of approving their own expense, which violates standard internal controls and undermines segregation

of duties, a core requirement of financial controls. All CEO expenses will be approved by the most senior member of the accounting staff.

- No personal expenses are allowed. In the event of an accidental personal charge, employees must immediately complete an Affidavit of Personal Charge and reimburse Precision Ocular Network. The amount will be deducted from the next available paycheck following receipt and processing of the form. If payroll for that period has already been processed, the deduction will occur in the following pay cycle. Affidavit can be requested from Accounting.

Cardholder Responsibility and Confidentiality

Cardholders are personally responsible for safeguarding their corporate credit card and account information. Card numbers, login credentials, or other identifying information may not be shared, emailed, stored insecurely, or provided to another individual under any circumstance.

Only the cardholder is authorized to use the card assigned to them. Allowing another employee, vendor, or contractor to make purchases or access the account constitutes misuse and may result in immediate suspension of card privileges and/or disciplinary action.

6.3 Fraudulent, Lost, or Stolen Cards

If a fraudulent charge occurs, the cardholder must take the following steps immediately:

1. Freeze the card using the app or web browser.
2. Dispute the unauthorized transaction through the app, website, or by calling the phone number on the back of the card.
3. Notify the Accounting Department of the incident and provide confirmation of the dispute.
4. Once the legitimacy of the transaction(s) in question is determined, the card may be unfrozen or replaced as directed by Accounting and/or the issuing credit card company.

If a card is lost or stolen, the cardholder must take the following steps without delay:

1. Freeze the card immediately using the app or web browser.
2. Notify the Accounting Department and request cancellation and reissuance of a new card from the credit card company through the app, website, or by calling the phone number on the back of the card.
3. Review and confirm all transactions occurring on or around the date the card was lost or stolen using the app, website, or by calling the number on the back of the card.

4. Dispute any unauthorized transactions using the app, website, or by calling the number on the back of the card.
5. Report all disputes resulting from a lost or stolen card to the Accounting Department for documentation and follow-up.

Failure to take immediate action or follow these procedures may result in suspension of card privileges and/or disciplinary action.

6.4 Virtual Cards

Cardholders are required to use virtual cards for all online purchases. A separate virtual card should be created for each vendor to enhance security and facilitate tracking, reconciliation, and vendor management.

Each virtual card must be created, used, and managed within Precision Ocular Network's approved Expense Platform and is subject to the same spending limits, documentation, and approval requirements as physical cards.

If a fraudulent charge occurs on a virtual card, the cardholder must immediately dispute the transaction and cancel the affected virtual card through the Expense Platform. Canceling a virtual card does not affect the associated physical card, which remains active unless separately compromised.

6.5 Documentation Requirements

All corporate card transactions must include complete and accurate documentation to verify the legitimacy of each expense. Documentation should be uploaded in the Expense Platform within five (5) days of the transaction. Accounting may require submission of required documentation sooner than 5 days when monthly and/or annual financial closings dictate.

All required documentation must be entered and uploaded in the Expense Platform via web browser or mobile app. Cardholders must complete all required fields for each transaction, including:

- Itemized receipt showing vendor name, date, items purchased, and total amount (credit card slips showing only the total are not sufficient)
 - See Section 3.9.4 (Meals) for additional documentation requirements specific to meal expenses.
 - If a receipt cannot be obtained or has been lost, an Affidavit of Missing Receipt is required

- Business purpose or justification clearly stated in the notes or description field
- Expense category/class/department or other required fields
- Funding source (grant or designated/restricted funds) when applicable

All transactions are subject to review by the Accounting Department to confirm accuracy, compliance, and proper coding. Frequent missing receipts may result in suspension of card privileges or denial of future use.

6.6 Supervisor and Budget Owner Responsibilities

Supervisors and department or budget owners are responsible for monitoring corporate card activity within their areas of oversight. They must ensure that all card use complies with this policy and aligns with approved budgets and organizational objectives.

Responsibilities include:

- Reviewing and approving corporate card transactions in the Expense Platform on a regular basis (minimum once per week and may require more frequently when monthly and/or annual financial closings dictate).
- Confirming that purchases are appropriate, business-related, and within the department's approved budget.
- Ensuring that each transaction has a clearly stated business purpose, proper coding, and—when applicable—a designated funding source (grant or restricted funds).
- Verifying that receipts and documentation are accurate and uploaded within required timeframes.
- Addressing any noncompliance, missing documentation, or questionable transactions directly with the cardholder and notifying the Accounting Department when corrective action is needed.

Failure to fulfill these review responsibilities may result in suspension of card privileges for the department or further management action.

7. Budget Management and Oversight

All employees are expected to spend responsibly and within their department's approved budget.

No purchase, commitment, or reimbursement should be made that causes a department, grant, or project to exceed its authorized spending limit.

Supervisors and department or budget owners are responsible for:

- Monitoring spending activity on a regular basis.
- Reviewing and approving transactions to ensure accuracy, compliance, and budget availability.
- Communicating anticipated budget overages or unusual expenses to the Accounting Department in advance for review and approval.

The Accounting Department will periodically review transactions to confirm proper coding, compliance with this policy, and alignment with [Organization]'s overall budget, grant restrictions, and functional expense reporting requirements.

8. Audit and Compliance

All transactions are subject to internal and external audit.

Precision Ocular Network maintains real-time visibility into total spend through its Expense Platform and may establish rules for automatic alerts or exceptions.

Failure to comply with this policy may result in:

- Suspension or permanent revocation of card privileges.
- Recovery of unapproved amounts.
- Disciplinary action up to and including termination.

9. Acknowledgment

All employees must sign the Expense and Reimbursement Policy Acknowledgment, affirming that they have read, understood, and agree to comply with this policy, including payroll deduction authorization for improper charges where permitted by law.

This policy supersedes all prior expense, reimbursement, and credit card policies and may be updated at any time.

Signature

Date

Print Name