

This model policy is intended for adoption by companies receiving emergency lending from the federal government.

If other companies are interested in adopting these guidelines, they may choose to alter metrics based upon industry size, company size and market sector.

Model Board Policy for Approval of Meetings, Events and Incentive/Recognition Travel

1. General policy statement: The CEO shall be responsible for implementing adequate controls to assure that meetings, events and incentive/recognition travel organized by the company serve legitimate business purposes and are cost justified.
2. All proposed meetings, events and incentive/recognition travel organized by the company must serve one or more specified legitimate business purposes (see representative listing attached). Each proposed meeting, event or incentive/recognition travel with a cost exceeding \$75,000 must be supported by a written business case identifying a specific business purpose.
3. Total annual expenses for meetings, events and incentive/recognition travel shall not exceed 15 percent of the company's total sales and marketing spend.
4. The amount spent for an employee performance incentive/recognition event shall not exceed two (2) percent of the total compensation of eligible participants or 10 percent of total award earners' compensation.
5. The process for approving meetings, events and incentive/recognition travel, and the procedures for assuring adherence to this policy, will be subject to independent audit to confirm policy adherence.
6. At least 90 percent of incentive program attendees shall be other than senior executives (as defined by applicable Treasury Department guidelines) from the host organization.
7. Performance incentives shall not promote excessive or unnecessary risk-taking or manipulation of financial results.
8. All internal meetings or events attended only by senior executives (as defined by applicable Treasury Department guidelines) and/or board members shall be devoted to specific business purposes, and participating senior executives shall be responsible for any expenses incurred for non-business related activities.
9. The CEO of the company shall certify to the board at least annually that the foregoing policies are being followed, and are sufficient to provide reasonable assurance that the company's expenditures for such purposes are not excessive.
10. These policies shall be subject to modification only with board approval stating the specific business rationale for the change in policy.