



Guidelines for Arbitrator Reimbursement

Revised January 15, 2014

Thank you for agreeing to serve as an arbitrator for FINRA Dispute Resolution. To better serve our users, we are continuing our efforts to reduce the costs of case administration. Accordingly, please be conscientious regarding any expenses you may incur while performing your duties.

FINRA Arbitrator Expense Reports

All FINRA Arbitrator Expense Reports must be submitted within 30 calendar days of the date the expense was incurred. Additional copies of the Arbitrator Expense Report are available at FINRA's Arbitration and Mediation website or you can contact your case administrator.

All reimbursable expenses should be itemized on the FINRA Expense Report. Original receipts (not copies) for all reimbursable expenditures \$25 or over must be attached. You are not required to submit receipts for expenses less than \$25. In completing the expense report, you must include the following in the space provided:

- your Arbitrator ID number,
- the case number (include in "Overall Business Purpose" section),
- the case name (include in "Overall Business Purpose" section).

Failure to properly complete the expense report will delay reimbursement.

What expenses are reimbursable?

First, you must determine your arbitrator category. This will determine which expenses are reimbursable.

Category One Arbitrators

Category One: Arbitrators who live or work within 120 miles of their primary hearing location.

Category One arbitrators will be reimbursed for:

- ☘ **Local Transportation:** You will be reimbursed for mileage (up to 120 miles each way), parking, and toll charges incurred traveling to and from the hearing location. Effective January 1, 2014, the mileage rate is 56 cents per mile (per IRS Regulation). Actual miles driven should be entered on the expense report. Commuter trains, subways, buses, or other forms of convenient, low-cost public transportation should be used whenever possible.
- ☘ **Meals:** You will receive lunch at the hearing provided by FINRA Dispute Resolution, or be reimbursed up to a maximum of \$25 for expenses (including any gratuities). Arbitrators can use their \$25 allowance to purchase any food they wish (i.e., coffee, breakfast, lunch, snack, etc.), as long as they remain within the \$25 daily allowance. You will need to submit receipts for expenses \$25 or over.

Category Two Arbitrators

Category Two: Arbitrators who elect to serve in additional hearing locations other than their primary hearing location.

- ☘ **Meals:** You will receive lunch at the hearing provided by FINRA Dispute Resolution, or be reimbursed up to a maximum of \$25 for expenses (including any gratuities). Arbitrators can use their \$25 allowance to purchase any food they wish (i.e., coffee, breakfast, lunch, snack, etc.), as long as they remain within the \$25 daily allowance. You will need to submit receipts for expenses \$25 or over.

Category Two arbitrators are not entitled to reimbursement of any expenses except for meals.

Category Three Arbitrators

Category Three: Arbitrators who live more than 120 miles from their primary hearing location.

Category Three arbitrators will be reimbursed for reasonable reimbursable expenses when serving in their primary hearing location. (Category Three arbitrators will be treated as Category Two arbitrators for additional hearing locations) **For each case, you must first obtain the written authorization from FINRA Dispute Resolution before incurring expenses.** Failure to obtain

such written authorization will result in FINRA Dispute Resolution's refusal to reimburse you.

➤ **Lodging:** You may be reimbursed for your lodging on the night before the hearing. The lodging must be at the hotel where the hearing is scheduled, or at a hotel approved by FINRA Dispute Resolution. Arbitrators staying in a private residence with family or friends will be reimbursed for a hostess gift to extend appreciation to friends or relatives for their hospitality not to exceed \$100 per stay.

🍽️ **Meals:** You may be reimbursed for meal expenses incurred while at the hearing, up to a maximum of \$55. These amounts include any gratuities added to the bills. Arbitrators can use their \$55 allowance to purchase any food they wish (i.e., coffee, breakfast, lunch, snack, etc.), as long as they remain within the \$55 daily allowance. If serving at a FINRA Dispute Resolution location, lunch may be provided at the hearing. If so, your daily food allowance will be reduced by \$25.

You will need to submit receipts for expenses \$25 or over.

☎️ **Telephone Calls:** You may be reimbursed for reasonable telephone calls that are necessary for business and personal reasons (such as to immediate family members).

✈️ **Air and Train Travel:** You may be reimbursed for the lowest, *fully refundable*, airline ticket available for the trip. If you desire to use transportation other than the lowest fully refundable air fare available, any excess charges will not be reimbursed. If you purchase nonrefundable tickets, no reimbursement will be allowed in the event of a cancellation. You are strongly encouraged to schedule reservations as far in advance as possible to obtain the most favorable fares. Train travel in lieu of air travel is an acceptable alternative when scheduling permits its use and ticket costs are the same or less than air travel. On occasion, FINRA Dispute Resolution may obtain airline tickets for you. In such cases, all unused airline tickets must be returned to FINRA Dispute Resolution immediately if you will not be using them. FINRA will reimburse you for airline baggage fees when the checked item is related to arbitration business purposes.

🚗 **Airport Ground Transportation:** You may be reimbursed for airport limousines, buses, or other forms of convenient, low-cost public ground transportation whenever traveling to and from the airport and hearing location. The costs of taxis are only reimbursable to the extent that other lower cost alternatives (such as hotel courtesy vans) are not available.

- 🚗 **Rental Cars:** The costs of rental cars are only reimbursable to the extent that other lower cost alternatives (such as hotel courtesy vans) are not available. Rental cars will be reimbursed for economy size cars only. You should decline the car insurance option. As independent contractors working on behalf of FINRA, arbitrators are covered by FINRA's corporate-wide insurance policy.
- 🚗 **Automobile Use:** Should you choose not to fly, or if no flights are available, or if it is more economical to drive than to fly, FINRA Dispute Resolution's policy is to reimburse you for mileage, parking, and toll charges incurred in traveling to and from the hearing location. Effective January 1, 2014, the mileage rate is 56 cents per mile (per IRS Regulation). Actual miles driven should be entered on your expense report. FINRA Dispute Resolution will also reimburse you for per diem meal expenses incurred while traveling to and from the hearing location in amounts not to exceed those listed above.

Category Four Arbitrators

Category Four: Arbitrators who are asked by FINRA Dispute Resolution to serve in a hearing location in which they did *not* previously volunteer to serve.

Category Four arbitrators will be reimbursed for reasonable reimbursable expenses. **For each case, you must first obtain the written authorization from FINRA Dispute Resolution before incurring expenses.** Failure to obtain such written authorization will result in FINRA Dispute Resolution's refusal to reimburse you.

- 🏠 **Lodging:** You may be reimbursed for your lodging on the night before the hearing. The lodging must be at the hotel where the hearing is scheduled, or at a hotel approved by FINRA Dispute Resolution. Arbitrators staying in a private residence with family or friends will be reimbursed for a hostess gift to extend appreciation to friends or relatives for their hospitality not to exceed \$100 per stay.
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Category Five Arbitrators

Category Five: Arbitrators who have a secondary hearing location(s) in close proximity to their primary hearing location will receive the same

reimbursement arrangement as in Category One (see above) for their secondary hearing location(s) as for their primary hearing location. (For example, an arbitrator may have his/her primary HLC as New York City, NY and his/her secondary HLC as Newark, NJ. The arbitrator would be reimbursed for services on the same basis when serving either in New York City or in Newark.)

Gratuities For All Arbitrator Types

All gratuities must be reasonable. You should include the gratuity in the total amount you request for a particular expense and itemize it in your expense report. Because the amount allowed for meals needs to include the amount of your gratuity, the gratuity must appear in the receipt provided by the food vendor. Any non-meal gratuity of \$10 or more requires a receipt. Additional supporting documentation may be requested at the discretion of FINRA. FINRA provides the following guidelines for tipping:

- Cab fare: 20 percent
- Meals: 15 – 20 percent
- Housekeeping services: up to \$2 per night
- Baggage assistance: \$2 per bag
- Car valet: \$2 per driver

Non-Reimbursable Expenses¹ For All Arbitrator Types

The following expenses are considered personal. Under **no** circumstances will arbitrators be reimbursed for the following:

- 🧑‍🏠 Hotel amenities such as hotel spas, recreational sports, in-room movies, mini-bar, and hotel room refrigerator charges.
- 👤 👤 Expenses of anyone accompanying an arbitrator to a hearing or while traveling. Combined charges should be adjusted to exclude expenses incurred by the accompanying person. In addition, any difference between single and double room rates because of an accompanying person should be deducted from the total expense.
- 🎧 Airline headsets and any other items for personal use. If charges for reimbursable items and personal items are combined, the charges should be adjusted to exclude personal items.
- 🍷 Any alcoholic beverage.

¹ Expenses not considered as “business expenses” by the IRS.