

Crossroads Diversified Services, Inc.

POLICY STATEMENT

Subject: Travel and Other Expense Reimbursement Policy
Authority to amend/repeal: Board of Directors
Date Approved: October 23, 2008
Reference: IRS Revenue Ruling 2006-56, November 9, 2006

POLICY

The Board of Directors of Crossroads Diversified Services, Inc., recognizes that board members, officers, and employees ("Personnel") of Crossroads Diversified Services, Inc., may be required to travel or incur other expenses from time to time to conduct Company business and to further the mission of this non-profit organization. It is the policy of Crossroads Diversified Services, Inc., that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by directors, officers and employees. It is the policy of Crossroads Diversified Services, Inc., to reimburse only reasonable and necessary expenses actually incurred.

When incurring business expenses, the company expects Personnel to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend the company's money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent.
- Abide by the per diem expense limits established by the President/CEO.

Allowable expenses include, but may not be limited to:

- Travel, including air fare, personal vehicle, rental cars and other forms of ground transportation.
- Out-of-town lodging.
- Entertainment and business meetings.
- Out-of-town meals.
- Parking and tolls.
- Personal incidentals when out of town.
- Reasonable telephone/fax expenses due to the absence of Personnel from the individual's place of business.
- Reasonable and necessary gratuities.

Expenses will not be reimbursed unless the individual requesting reimbursement submits a written expense report with receipts, or other legitimate documentation of expenses in lieu of receipts. Expense reports shall be submitted by the first day of the month following the incurring of expenses.

It is a policy of the Board that the company will have in place and communicate to all Personnel the procedures necessary to execute this policy.