



# CONNECTICUT COLLEGE

## **Travel / Business Expense and Reimbursement Policy**

**Original Effective Date July 1, 2013 / Revised August 31, 2015**

(With Updated Mileage Rate Effective January 1, 2018)

### **I. INTRODUCTION**

The Travel/Business Expense and Reimbursement Policy provides specific requirements for Connecticut College travel and business expense payments/reimbursements and identifies the documentation required to substantiate requests for payment/reimbursement. The policy offers direction for departments, supervisors, employees and non-employees related to College Purchasing Card expenditures and reimbursement requests. The policy is necessary to ensure proper use of College resources and compliance with federal and other external regulations.

Primary responsibility for adherence to the policy rests with the individual incurring expenses and the approver who is authorizing the expenses. Because it is not possible to anticipate all of the situations that individuals might encounter in conducting College business, the College retains the right to allow for some flexibility in addressing unique circumstances that might require occasional exceptions. Requests for such exceptions should be addressed to the Controller. Any exceptions to this policy must be approved by the Controller.

The policy follows the accountable plan rules as defined by the Internal Revenue Service (“IRS”). As such, expenditures must meet the following criteria:

1. Expenses must be related to activities of the College;
2. All travel and business expenses must be substantiated with the date, amount, place, name(s) of attendees, and business purpose of the expenses and must be submitted within a reasonable period of time (within 2 weeks for PCard transactions and within 30 days for reimbursement requests);
3. Amounts advanced that exceed the expenses that have been substantiated must be returned to the College within a reasonable period of time (usually within 30 days).

Adherence to this policy and the criteria outlined above will ensure expenditures are not included in an employee’s taxable income. However, if expenditures are not adequately documented, the College may be required by IRS Regulations to report unsubstantiated amounts as “other compensation” on an employee’s W-2 or a non-employee’s 1099.

Many of the following principles also apply to purchases made with Connecticut College Purchasing Cards (PCard). Departmental policies, grants or other funding sources may impose additional restrictions beyond those required by this policy.

## **II. APPROVALS**

The authorized signer is the person responsible for the departmental budget: such as Department Chair, Director, Dean, Vice President or the President. Administrative Assistants are not permitted to authorize employee expense reimbursements or PCard expenditures, however they may sign on direct pay invoices to vendors. Employee expense reimbursements requested through Accounts Payable must be approved by an employee's supervisor/Department Chair/Center Director/Dean in the ordinary course of the routing/review process. Approvals should be documented through signatures on expense reimbursement forms. Electronic approvals (ie., approving emails) will also be accepted if they appropriately identify the particular reimbursement request. Electronic approvals should be completed within the US Bank Access Online system for all PCard expenditures.

Authorized signers must confirm by signature or electronic approval that expenses and reimbursement requests meet the following criteria:

- The expenses were incurred while conducting College activities.
- The information contained on the reimbursement form or in the comments field in Access Online and the documentation attached is accurate and in accordance with College policy.
- Expenses incurred meet applicable sponsor guidelines (grant related expenses).
- Expenses are coded to the appropriate FOAPAL.
- Original receipts for reimbursement requests are submitted in accordance with this policy.

### **NOTE:**

- Employees may not authorize reimbursement of their own expenses or PCard transactions or those of a spouse or family member.
- In no case should any individual request a subordinate approve his/her request for reimbursement or PCard transactions.
- Rubber stamp signatures and proxy signatures are not acceptable.

Any person traveling on official College business should utilize a College PCard for expenditures and obtain prior approval from the authorized approver who is ultimately responsible for the account to which the travel expense will be charged. In most cases, this will be the Department Chair, Director, Dean, Vice President or President. Travel arrangements (air fare, lodging, rental car, etc.) are to be made only after approval is granted. For authorized trips, actual reasonable expenses will be allowed subject to the limits set forth in this policy.

## **III. UNALLOWABLE EXPENSE REIMBURSEMENTS**

There are certain expenses which, because of their nature, may not be purchased with personal funds and reimbursed. Included in this category are:

- Consultant Services (Requires Form 1099)
- Professional Services (Requires Form 1099)

- Plant Expenditures
- Capitalized Equipment and Computer Equipment (excluding accessories)

#### IV. ALCOHOL PURCHASES

Those who wish to purchase alcohol with their meals or at social events are expected to purchase the alcohol with personal funds as alcohol is generally not reimbursable by the College. Alcohol may be reimbursed if incurred in the course of conducting College business with a non-College employee or incurred for an official College event, neither of which is allowable as either a direct or indirect expense of Federally sponsored projects. At the discretion of a Dean, Vice President or the President, employees may also be reimbursed for alcohol purchased during certain other business meetings not specified above. Receipts submitted to substantiate such purchases should note the name of the guests and the nature of the meeting consistent with the criteria in the third paragraph on page one of this memorandum.

***Note: The federal government has mandated that no alcohol may be charged as either a direct or indirect expense of federally sponsored projects. This mandate means that under no circumstances should alcohol be charged directly to a federal grant or contract account.***

#### V. TRAVEL / BUSINESS EXPENSES and PROPER DOCUMENTATION

- In general, business expenses should be charged on the Connecticut College PCard, or if credit cards are not accepted by the vendor, paid by the College directly to the vendor. Expenditure and reimbursement of personal funds should always be a last resort for business expenses.
- Whenever possible, a College approved vendor should be used for purchases. Please contact the Director of Purchasing at ext 5328 for more information on College approved vendors. (Available on Camel Web)
- Whenever direct payment of a business expense to a vendor is not feasible nor can the expense be charged to the Connecticut College PCard, and reimbursement to an individual is necessary, the reimbursement request should be submitted to Accounts Payable on a Request for Payment form within a reasonable time (usually within 30 days) from the time it is incurred, along with an Exception Request for Reimbursement Form outlining why direct payment was not feasible. Accounts Payable normally processes requests for reimbursement on average within two weeks after receipt. An Accounts Payable Payment Processing Calendar is available on CamelWeb. The funds will be directly deposited into the employee's bank account on file.
- Documentation for the purchase of goods and services should include an explanation of the business purpose. Appropriate documentation includes **original receipt** or **original invoice** containing the date of purchase, vendor name and address, description of goods and services, quantity, unit price, and grand total of expenditures. *Statements are not sufficient supporting documentation.*

- Proof of receipt of goods, such as a packing slip, is to be provided.
- Proof of payment, such as a credit card statement, cancelled check, or invoice showing zero amount due, is required on all reimbursement requests. Any charges on the Connecticut College PCard should not be submitted for reimbursement.
- Summarized credit card receipts/copies of checks are not adequate documentation on their own because of the lack of itemization.
- Proper supporting documentation for expenditures for goods and services made via the web includes a confirmation e-mail or web acknowledgement and a packing slip or some other documentary evidence that an actual purchase was made. Order confirmations without proof of payment and proof that goods were received are not sufficient documentation.
- Individuals providing services to the College must be paid directly by the College as outlined below:
  - ***If the payment is to an employee***, it must be processed through Payroll. A Payroll Authorization request form must be submitted to Human Resources.
  - ***If the payment is to a non-employee***, it should be processed through Accounts Payable. An invoice must be submitted outlining the details of the services provided, the dates and the amount.
- For purposes of reporting, a notation of citizenship and the permanent address (not department address) of the payee must be included on all requests for payment. For all U.S. vendors and most foreign vendors, a federal tax identification number must also be supplied. (A completed W-9 form must accompany a request for payment of any new vendors).

## VI. TAX ISSUES

- The College is exempt from sales tax in some states. The College's PCard is embossed with the College's tax-exemption number and preferred vendors have acknowledged the College's tax-exempt status, therefore a College PCard and/or preferred vendor should be utilized in order for sales tax to be excluded from total charges on legitimate purchases of goods. Sales tax on goods purchased from non-preferred vendors will not be reimbursed.
- Certain lodging and meal expenses incurred while traveling may be exempt from state sales tax. The Accounting Office has tax exempt certificates for many states. Please contact the Accounts Payable Specialist (x2082) prior to traveling to inquire if the College has a tax exempt certificate for the state to which you will be traveling. Certificates should be presented to vendors at the time of reservation or registration.
- The State of Connecticut may grant the College an exemption from tax specifically on hotel conference room rentals. The State requires prior approval for the exemption. Please contact the Accounts Payable Specialist (x2082) at least three weeks prior to the

event to allow the State of Connecticut adequate processing time.

## **VII. CASH / GIFT CARD / GIFT CERTIFICATES**

- In general, cash gifts including gift cards/gift certificates are prohibited as gifts to student employees, faculty, and staff. The IRS considers such gifts to be taxable compensation. The College will not typically reimburse for these expenses. Also, gift cards should not be purchased to be used as a form of payment for goods and services. Gift cards do not provide the appropriate substantiation for a business expense; therefore the College will not reimburse for this expense.

## **VIII. MOBILE COMMUNICATION & INTERNET ACCESS**

- For certain eligible employees, the College will provide personal communication devices (cell phone, PDA, iPhone, iPad, Nook, Kindles, etc.) and service (voice, data, text) to employees who require them in order to fulfill their job requirements in one of two ways: 1) by issuing College owned devices, or 2) by reimbursing **incremental** expenses for business usage made by infrequent users.
- Eligibility - The following guidelines identify typical reasons for an employee to have a College-Owned personal communication device to conduct College business:
  - Safety requirements indicate having a personal communication device is an integral part of an employee's job duties
  - A substantial amount of work is conducted in the field
  - The employee is required to be on call 24/7
  - The employee is a critical decision maker
- Eligibility will be approved by an employee's Department Chair, Director, Dean, Vice President or the President. Once approval is granted, the Information Services Department will work with the employee to purchase the appropriate device and service plan. The Information Services Department will periodically review the service plans to determine if the plans should be continued as-is, changed or discontinued based on actual usage. Devices and/or service plans may not be transferred to any other employee or department without prior notification to and approval from the Information Services Department.
- College-Owned Devices – The College has negotiated contracts with preferred vendors for mobile communication devices, and employees are expected to purchase devices from these vendors. If eligibility ceases or upon termination, the employee is required to return the personal communication device to the College.
- Service Plans – The College has negotiated contracts with preferred vendors for service plans, and employees are expected to use the preferred vendor service plans. Upon contract initiation and as requested by the College, employees shall disclose their anticipated percentage personal use of the service plan. A charge for personal use will be deducted from an employee's pay check through payroll deduction. Employees may adjust their estimate once during the initial 12 month period and on a 12 month rolling basis thereafter.

- While traveling, an employee's College-Owned personal communication device should be used to make business related calls instead of incurring charges on the hotel bill, and reasonable hotel internet service charges for business purposes will be reimbursed.
- Employee-owned personal communication devices and home internet connections have become commonplace for many people and incidental use of an employee-owned personal communication device/home internet connection for College business is considered routine and will not be paid by the College unless expenses incurred are *incremental* to the employee.

#### **IX. BUSINESS MEALS / CONFERENCES / RETREATS**

- Business meals are defined as meals taken with students, colleagues, donors, or other individuals or entities doing business with the College or seeking to do business with the College. The primary purpose of such meals is to conduct College business, and specific business discussions are the focus of the meeting. For business meals, each attendee's name, his/her title or affiliations and the business purpose must be included in the expenditure documentation. For group functions, it is helpful to provide additional supporting documentation such as a copy of the announcement, the invitation list, and the final number of attendees.
- Connecticut College PCards are expected to be used in lieu of using a personal credit card or cash. When the use of a Connecticut College PCard is not possible and reimbursement to an individual is necessary, reimbursement shall be allowed for reasonable meal expenses incurred including reasonable tips, 15-20% (The College will reimburse at the rate charged by the restaurant if the tip is automatically added to the bill due to the size of the party). The reimbursement request should be submitted to Accounts Payable on a Request for Payment form within a reasonable time (usually within 30 days) from the time it is incurred, including an explanation of why direct payment was not feasible. Accounts Payable normally processes requests for reimbursement on average within two weeks after receipt. An Accounts Payable Payment Processing Calendar is available on CamelWeb. The funds will be directly deposited into the employee's bank account on file.
- Per IRS requirements, all requests for meal or catering expenditures must document the following: name(s) of attendees, business purpose, cost, date, location, description of meal (i.e. lunch).
- Proper forms of documentation include **original, itemized receipts** showing detailed lists of food and beverages purchased. Restaurant tabs and credit card slips by themselves are not considered sufficient documentation as they do not validate the types of expenses incurred. When payment is made by personal credit card, a credit card receipt should be attached to the itemized receipt.

- The College may require that a request for payment or reimbursement for attendance at a conference by faculty/staff members or students be accompanied by proof of attendance and proof of payment.

#### **X. CONNECTICUT COLLEGE PURCHASING CARD DOCUMENTATION**

- All business PCard charges should be accompanied by a detailed receipt: name(s) of attendees, the purpose, location and date as well as a description of the charge. The receipts are to be uploaded and attached to the transaction on Access Online. Descriptions/Comments are also required to be entered on each transaction in Access Online clearly identifying the attendees and purpose of the expense.
- Connecticut College Purchasing Cards are **NOT** to be used for personal charges.
- Upon termination of employment an employee must surrender the card to the Accounting Office.

#### **XI. CASH ADVANCES**

- With the availability of a College PCard to pay for business expenses and preferred vendors who direct bill the College, employee out-of pocket expenditures are minimized. Requests for cash advances should be restricted to travel related out-of-pocket expenses and submitted with a detailed explanation. A cash advance of up to \$100 can be secured through the Accounting Office. Individuals requesting a cash advance should email [accounting@conncoll.edu](mailto:accounting@conncoll.edu) a minimum of 24 hours in advance of the expected receipt of cash. The person for whom the advance is intended must collect the cash directly from the Accounting Office. The Cash Disbursement form must be signed by the recipient at the time the cash is disbursed, and the individual should be prepared to show some form of ID.
- For an advance greater than \$100, a check will be processed through Accounts Payable. Please submit the request with adequate time to process the check during the normal check processing cycle. An Accounts Payable Payment Processing Calendar is available on CamelWeb.
- All cash advances must be cleared within 30 days from receipt of the advance by presenting a completed expense form accompanied by **original, itemized receipts**. Any unused cash must be returned within the same 30 day period.
- A request for a cash advance will not be processed until any outstanding advances are settled.
- Due to availability of College issued purchasing cards, advances should not normally be required.

#### **XII. GRANTS**

- The terms of the grant/contract will prevail for travel/business expenses charged to a grant/contract sponsored by an outside agency if they are more restrictive than College

policy. If there is any doubt regarding the terms of the grant/contract, the Accounting Office should be contacted before making any travel/business expense arrangements.

### **XIII. TRANSPORTATION COSTS**

- Employees should consider the costs of various transportation options (personal or rented auto, train, etc.) when traveling on College business.

### **XIV. USE OF PERSONAL VEHICLES ON COLLEGE BUSINESS**

- Reimbursement for use of personal vehicles for College business will be at the mileage rate in effect at time of travel as published by the Controller's Office, plus any applicable parking and toll charges. As of January 1, 2018, the mileage reimbursement rate is **\$0.545** (54.5 cents) per mile. Employees cannot request reimbursement for gas in personal vehicles nor should this be charged to the College PCard; the mileage rate includes compensation for gas and other vehicle operating expenses.
- No payment will be made for the cost of towing or repairs to personal vehicles, regardless of whether the costs result from business travel or from acts of the traveler or another individual.
- Mileage reimbursement requests must include destination, purpose of trip and names of passengers. A record of miles driven is to be provided; a mapquest printout showing the starting point and ending point would be sufficient documentation. The request should represent the most direct route starting at the College or if starting from home, the employee's normal commute should be deducted from the total miles traveled.
- Normal travel to and from work is not reimbursable.
- The College is not able to obtain insurance coverage for personal vehicles used for College business. It is the obligation of the owner of a personal vehicle being used for College business to carry adequate insurance for his or her protection and for the protection of any passengers. In the event of an accident, the employee is responsible for his/her own auto insurance deductible. If an employee is involved in an accident while driving a personal vehicle on College business, the employee should report same to the employee's own insurance company. Damage to a personal vehicle would be addressed under coverage offered through the employee's personal automobile policy. If there is a liability claim, the employee's personal automobile insurance would respond on a primary basis up to the policy limit. If the liability claim is greater than the limits of the employee's policy, the College's policy would then respond on an excess basis. If someone breaks into an employee's vehicle and steals personal property, the employee should seek coverage from homeowners or renter's insurance. There is no coverage through the College's insurance except for property of the College.

### **XVI. RENTAL CAR**

- Employees should rent a car only when it is required for daily use at the business destination.

- A College PCard is expected to be used to pay for rental car fees and expenses. In the unlikely event reimbursement is required, reimbursable costs include the rental fee of a standard vehicle, mileage fees, and gasoline charges.
- Employees should refuel rentals themselves to avoid excessive refueling charges upon return of the rented vehicle.
- The College provides insurance coverage for both damage to the vehicle and liability coverage for an employee while driving a rented or leased vehicle for College business. When renting a vehicle for College business, please include the name of the College on the rental form (i.e. "employee name" on behalf of Connecticut College). An employee should waive the insurance offered through the rental agency while in the United States; the College has hired-auto coverage. ***For any travel outside of the United States, our broker recommends that an employee request the additional insurance through the rental agency.***

#### **XVII. AIR TRAVEL**

- A College PCard is expected to be used to pay for air travel limited to economy fare. Payment for first class airfare should only be made in the event of an extreme emergency where the traveler can demonstrate that no other alternative existed. A statement must be included with supporting documentation for any first class travel.

#### **XVIII. LODGING**

- A College PCard is expected to be used to pay for standard accommodations at the single room rate. A detailed bill must be included with supporting documentation for any lodging expenses.
- Reasonable tip allowances to bellhops, maids, etc. will be reimbursed. Requests for reimbursement of tips should be submitted on a Weekly Travel Expense Report. Reasonable tips are typically a few dollars per day for maid service or bellhop assistance.

#### **XIX. MISCELLANEOUS**

- Miscellaneous expenses without receipts are allowable to a limit of \$5 per day.

#### **XX. FOREIGN TRAVEL**

- Total expenditures must be reported in US dollars. Travelers should note the exchange rate at the time of travel on the travel expense report.
- If foreign travel time exceeds one week, the IRS requires evidence that business activities constituted at least 75% of the total time away from home. Travelers should document the daily business activities including the number of days devoted to business as a proportion of the entire trip.

- If the foreign trip is primarily personal in nature, travel expenses are not deductible even though the traveler engages in some business activities while at the destination.

#### **XXI. TRAVEL INSURANCE**

- The College provides a standard travel accident insurance policy for its employees in the amount of \$250,000 maximum per accident, which covers loss of limb or life.
- Coverage begins at the start of the College business trip (from home, the College, or other location) whichever occurs last and terminates upon the employee's return to either the College or home, whichever is first.

#### **XXII. TRAVEL EXPENSE REPORTS**

- For any non-College PCard related travel expenditures (e.g. tips, mileage), a properly completed travel expense report plus all appropriate documentation (as explained above) must be submitted to the Accounting Office in a timely manner, usually within 30 days following the end of the trip. Accounts Payable normally processes travel expense reports on average within two weeks after receipt. An Accounts Payable Payment Processing Calendar is available on CamelWeb. The funds will be directly deposited into the employee's bank account on file.
- Refunds of unused travel advances must accompany the report.
- Any unusual or irregular expenses should be accompanied by a detailed explanation.

#### **XXIII. PREPAID EXPENSES/ADVANCE PAYMENTS/DEPOSITS**

- A prepaid expense is a current year payment for goods or services which are to be received in the next fiscal year.
- Examples of Prepaid Expenses:
  - Advance travel payments for trips to be taken after July 1.
  - Subscriptions or membership fees that begin in the next fiscal year.
  - Maintenance fees or contracts and software licenses with a term date beginning after July 1.
- No prepayment of expenses will be made from one fiscal year's funds unless required by contract terms or advance travel arrangements. Payment must be processed in the fiscal year the expense occurs. Exceptions must be addressed to the Director of Financial Planning.
- If a prepayment for travel is made, in the event the travel/trip is not made due to personal, professional, or business reasons, any prepayment of travel expenses made on behalf of an employee should be reimbursed to the College.

#### **XXIV. OTHER NON-REIMBURSABLE TRAVEL EXPENSES**

- Costs for indirect or interrupted travel for non-College business,
- Cancellation fees for unreasonable failure to cancel hotel or transportation reservations,
- In general, spouse/domestic partner expenses (including meals, hotel, additional driver),
- Excessive costs/tipping (i.e. expensive restaurants, exclusive hotels) not warranted by the circumstances,
- Personal expenses (including hair care, toiletries, medication, movies, health club fees)
- Home costs (including child care, pet care, laundry),
- Fines for parking or moving violations,
- Lost or stolen cash or property.

*Note: This list is not all inclusive. Other items may be deemed non-reimbursable upon review.*