

# NAZARETH COLLEGE OF ROCHESTER

## TRAVEL AND ENTERTAINMENT EXPENSE REIMBURSEMENT POLICY

July 1, 2011

### I. SCOPE

This policy applies to all individuals (faculty, staff, students, volunteers) traveling on behalf of the College. All travel and entertainment (T&E) expenses incurred on behalf of the College are subject to the approval of the department head/chair and the divisional Dean or Vice President. For those individuals or departments reporting directly to the President, the President must approve.

### II. PURPOSE

The purpose of this policy is to establish and communicate equitable standards and effective procedures for controlling travel costs, and to ensure consistent and fair treatment of all individuals traveling on College business. This policy provides guidance to travelers on cost effective management of T&E expenses, in identifying reimbursable versus non-reimbursable expenses, and in clarifying responsibility for controlling and reporting T&E expenses.

### III. RESPONSIBILITY

Each traveler, supervisor, and divisional Dean or Vice President/President is responsible for ensuring that T&E expenditures are necessary to accomplish the College's goals and are properly controlled and documented. Enforcement of these policies is the combined responsibility of the divisional Dean or Vice President/President and the Controller.

### IV. POLICY

#### a) Reporting

A travel expense report should be submitted to the Controller's Office within two weeks of the completion of the trip and must have the written approval of the department head/chair authorizing the trip or the divisional Dean, Vice President/President. No one is authorized to approve his/her own expense report. The report should be filled in completely with all pertinent dates, times, and locations. The business nature of the trip should be clearly indicated. An employee's signature on the report signifies that all expenditures listed are true and accurate, and are supported by required receipts and documentation.

(See paragraph on Documentation). An approval signature certifies that a review has been made by the appropriate superior and that the expenditures are in compliance with College policies.

b) **Documentation**

Necessary and reasonable expenses are allowable when properly described and documented with receipts. The following documents are required to substantiate an expense:

- ♦ Air/Train Original ticket coupon/receipt (travel agency invoices, boarding passes, or itineraries are not acceptable)
- ♦ Hotel Original itemized bill
- ♦ Car Rental Original rental agreement
- ♦ Meals/Ent. Cash receipt or charge card copy with itemized purchases
- ♦ Other Cash receipt or charge card copy with itemized purchases

If an expense report is not properly completed, it will be returned to the employee by the Accounts Payable Department for proper documentation and/or completion before reimbursement is made. Unsubstantiated business expenses are subject to income tax by IRS regulation. Failure to comply with documentation requirements may result in income tax liability and the suspension of travel privileges or in disciplinary action including termination.

c) **Travel Advances**

A cash advance may be obtained no sooner than two weeks before the date of the trip by completing a check request approved by the department head/chair authorizing the trip. The maximum cash advance is \$5,000 unless prior approval is received from the Controller. No one is allowed to approve his/her own cash advance. Send the cash advance request to Accounts Payable. Cash advances are held in a travel advance receivable account (05033) until the trip is completed and an approved travel expense report is processed. At that time the appropriate expense budget is charged for the entire cost of the trip. Keep this in mind when requesting cash advances for trips that take place in a subsequent fiscal year. A non cash travel advance paid directly by the College to a third party is accounted for in similar fashion. Examples include airline tickets, conference registration fees, hotel deposits, etc. paid directly to a vendor. Please submit these bills for payment as you would any other invoice. Subsequent advances will not be processed if a current advance is outstanding for a completed trip. Outstanding cash advances for trips completed as of December 31 but not reported are subject to income tax liability by IRS regulation. The College is required to report this liability annually on the W-2.

d) **Corporate Charge Cards**

Charge cards are issued to employees on a limited basis and only after approval by the Vice President for Finance. The employee is responsible for documenting all purchases made with the charge card each month upon receipt of the monthly request for completion of the Explanation Sheet from the Controller's Office. Documentation and reporting requirements are as noted in paragraphs IV (a) and (b) in this document. Sign and date the Explanation Sheet and submit all supporting documentation with original receipts to your divisional Vice President for approval. Return the approved Explanation Sheet with supporting documentation to the Controller's Office within two weeks of the statement date. Unsubstantiated business expenses are subject to income tax by **IRS** regulation. Failure to comply with documentation requirements or misuse of the corporate card may result in suspension of card privileges or disciplinary action including termination.

e) **Air Travel**

The College requires the traveler to obtain the least expensive coach fare available. No employee shall use a personally owned or personally leased aircraft on behalf of or on College business.

f) **Auto Travel**

An employee wishing to use his/her own car for College travel (non local) must have the approval of the department head. The cost of non local auto travel should not exceed the cost of the least expensive air fare. If two or more employees ride together, the per mile allowance is payable only to the car owner (see below for per mile allowance). The per mile allowance covers gas and all wear and tear including insurance. The owner of the car is responsible for the safety of the passengers as well as for physical damage to the vehicle. The College's insurance is secondary to that of the owner. Check with your insurance company before using your car for business purposes. Mileage reimbursement rate for privately owned vehicles used for College business is in accordance with current IRS standards. Total automobile reimbursement is mileage reimbursed at the current IRS rate plus parking and tolls. Local auto travel reimbursements can be approved by the department head/chair for any individual under them. Dean or Vice President/President approval is required of the department head/chair.

g) **Auto Rental**

An employee may rent a car if deemed necessary by the Dean, Vice President or President. A standard model should be used for up to two travelers otherwise a full size car may be rented. Liability and collision insurance is not needed for travel in the U.S. and Canada as the College's insurance covers rental vehicles and all deductibles. The College has a charge account with Enterprise Rent-a-Car at all locations in Rochester and

will drop off the rental car at the College for you and pick up the vehicle at the campus as well. Contact the East Rochester location at 585-264-9990. Be sure to identify yourself as a Nazareth College employee when setting up your reservation. Each Enterprise store in the Rochester area has our NYS Tax Exempt form but please mention that the College is tax exempt when setting up the reservation. If you need an out of state auto rental, contact the East Rochester location and inquire if they can assist with the out of state reservation. The College has discount programs (but not billing programs) with Avis, Hertz, and Alamo. You must use your own personal credit card when making a reservation with these vendors and request reimbursement later if you rent from any other auto rental company other than Enterprise Rent-A-Car.

**h) Meal Expenses**

All personal meals while traveling on College business are reimbursable. All meal expenditures must be accompanied by a receipt and will be subject to review and approval. Current guidelines for reasonable meal expenses including tips are as follows: Breakfast \$10.00, Lunch \$12.00, Dinner \$24.00. These guidelines should not be considered per diem allowances and receipts are required for all meals regardless of the amount.

**i) Hospitality**

Reasonable expenditures for hospitality for business reasons are permissible. Hospitality costs should be supported by a statement providing the following details:

- ♦ The name(s) of the person(s) hosted and their business affiliation
- ♦ The nature of the hospitality, e.g. meals, etc.
- ♦ The name of the restaurant
- ♦ The date and time of the hospitality
- ♦ The business reason for the hospitality

Receipts are required as above

**j) Tips**

The actual cost of tips (excluding meal tips which are included under meal guidelines) should be shown separately. Excessive tips should be explained fully.

**k) Spousal Travel**

Additional cost related to an employee's spouse will not be reimbursed unless it is deemed necessary for business purposes and prior approval is obtained. Reimbursed spousal travel expenses are subject to income tax liability by IRS regulation. The College is required to report this liability annually on the W-2.

**l) Other Reimbursable Expenses**

Reasonable business entertainment expenses (meals and beverages) provided in your home are reimbursable. Full explanations and actual receipts are required for reimbursement. If complete receipts are not available, your estimation of the cost with a written explanation is sufficient. These expenses are approved at the discretion of the divisional Dean, or Vice President/President. Reasonable non entertainment business expenses (minor purchases made on behalf of the College) are also reimbursable. A check request may be used. A receipt must be attached. Approval of such purchases should be made by the department head/chair authorizing the purchase or the divisional Dean or Vice President/President. An individual may not approve his/her own expense reimbursement.

**m) Sales Tax Exemption**

The College's New York State sales tax exemption can and should be used for travel expenses within New York State. This would include hotels, restaurants, or other business related purchases. Show the merchant a copy of our tax exempt certificate at hotel check in or before you make a purchase. You may pick up a copy of the certificate in the Accounts Payable Office in Smyth 42.

**TRAVEL AND ENTERTAINMENT EXPENSE REPORT CHECKLIST**

		<u>YES</u>	<u>NO</u>	<u>N/A</u>
A)	In the event of travel:			
1)	Are the trip destination points and dates spent at various destinations documented?	_____	_____	_____
2)	Is the business purpose clearly documented?	_____	_____	_____
3)	Is the business relationship of all clearly parties Clearly documented?	_____	_____	_____
4)	Are expenses itemized (i.e. meals, transportation, etc.)?	_____	_____	_____
5)	Are expenses supported with receipts?	_____	_____	_____
B)	In the event of meals and entertainment:			
1)	Are expenses itemized (i.e. meals, tickets, etc.)?	_____	_____	_____
2)	Are expenses supported with receipts?	_____	_____	_____
3)	Are dates and location of expenses documented?	_____	_____	_____
4)	Is the business purpose clearly documented?	_____	_____	_____
5)	Is the business relationship of all parties involved clearly documented?	_____	_____	_____
C)	Have any advances in excess of actual expenses incurred, been returned to the College?	_____	_____	_____
D)	Has the employee signed and dated the expense report?	_____	_____	_____