

Interim Guidelines for Travel and Business Expenses: Summary

Washington College Business Office

Key Policies

Reimbursable expenses must be

- Business related
- Properly reported in a timely manner
- Properly documented

Travel advances must be

- Requested at least two week before the trip
- Requested using an online Requisition Form
- Documented within ten business days of the end of the trip

Business expenses that are reimbursable or may be charged to a College credit card

- Must be directly related to business you undertake on behalf of the College or as part of your responsibilities as a College employee
- Must comply with the policies explained in the attached document
- Must be approved by the appropriate budget manager or senior staff member

Expenses for travel, meals and other entertainment for fundraising purposes

- Must have prior approval from the Vice President of Advancement
- Must include a summary donor contact report before the expenses will be approved or reimbursed

Business related meals that are supported by a federal grant must comply with all regulations for the administration of federal grants.

Key Procedures

Reimbursement

- For reimbursement for out of pocket expenses, submit an electronic Travel Reimbursement Reports within 10 working days of the end of the trip.

Credit card reporting

- For expenses charged to a College credit card, provide original, detailed receipts via the online credit card reporting system

All College employees are expected to be good stewards of Washington College funds and to exercise prudence and good judgment in spending these funds.

Employees who do not follow the policies in the document below may have their College credit cards cancelled or reimbursement requests denied.

Interim Guidelines for Travel and Business Expenses

Washington College Business Office

These policies and procedures are designed for proper stewardship of College funds and accurate record keeping in accord with Internal Revenue Service regulations on accountable plans (IRS Publication 463, Cat. No. 11081L, *Travel, Entertainment, Gift, and Car Expenses*. <https://www.irs.gov/uac/about-publication-463>).

Accountable plans (IRS Pub 463, p. 30) include all of the following elements:

- Reimbursable expenses must be business related.
- Adequate reporting by the employee to the employer of the amount, time, use and business purpose of these expenses, within a reasonable period of time (not to exceed 30 days). Original itemized receipts with details must be attached to the report; and,
- Excess cash advances or reimbursements must be returned with 10 working days after the completion of the trip.

These guidelines apply to College faculty, staff and students (including faculty and staff being recruited). The College will reimburse for reasonable travel, meals, lodging and out-of-pocket expenses incurred on College business.

Departments may implement more restrictive guidelines for employees of that department. Budget Officers or Senior Staff can make exceptions to these guidelines if warranted.

These guidelines are stated in general terms on the expectation that employees will exercise good judgment. They also ensure that business and travel expense reimbursements do not become income on which an employee may have to pay taxes. If you have questions about exceptions to these guidelines, please contact the Budget Director or Business Office staff.

Original itemized receipts showing specific items purchased are required for all reimbursable expenses and expenses charged on College credit cards. Lost receipts or expenses for which no receipt was supplied must be explained on the Missing Receipt Form. Items for which neither a receipt nor a reasonable explanation is provided will not be reimbursed or must be paid back to the College if charged on a College credit card.

Expense Reporting

After completing a business trip, submit an online Travel Reimbursement Report to be reimbursed for out of pocket expenses, normally within 10 working days of the end of the trip. Please submit only one Travel Reimbursement Report per trip. For a trip funded from multiple sources, list the appropriate accounts to be charged the respective amounts. If there is more than one budget manager, get both signatures before submitting the report.

Travel Advances

Please use your College credit card whenever possible. But employees may request a travel advance for overnight travel when they expect out of pocket cash expenses to exceed \$50. Advances in excess of \$500 must be approved by the Controller or designee. Request your advance at least two weeks before departure to ensure that a check will be prepared in time.

Generally, checks are mailed via campus mail on the Friday prior to the date of travel. If you have direct deposit, please plan accordingly to make sure you will have cash with you.

To obtain an advance, complete an online Requisition Form, including dates, destination and purpose of travel, the fifteen (15) digit account number to be charged and the authorizing signature(s). If you have documentation such as a conference registration form, attach that.

To qualify as a non-income payment, travel advances are not issued more than 15 days before the travel date. Unused funds and expense reports must be returned to the Business Office within ten (10) business days of the end of the trip. Outstanding advances for which you haven't submitted an expense report may be taxable income to you and the College is required to report that income to the IRS. (IRS Code Section 62(c).

<https://www.google.com/search?q=IRS+Code+Section+62%28c%29&ie=utf-8&oe=utf-8>).

You may have only one travel advance outstanding (you have not submitted receipts and a Travel Reimbursement Report) at a time. Outstanding travel advances from a prior month are considered over-due; you will not receive any further advances until you have submitted documentation for the outstanding advance. Employees must refund any advanced funds immediately when a trip is canceled or indefinitely postponed.

International travel (with and without students) can involve cash in areas where credit is not widespread. Please limit the use of cash to those areas. For safe travel, use your College card whenever possible so we can take advantage of its security measures.

There should be no cash transactions among or between faculty, staff and students for any trip or other business related expense that is the responsibility of Washington College.

Transportation Expenses

Airfare

The College will pay or reimburse the cost of coach airfare for business travel. Please make airline reservations as early as possible to take advantage of economy fares. Baggage fees for one bag and any additional items required for the business purpose of the trip and the cost of taxis or shuttles to/from airports or train stations are business expenses.

If travel plans change and you won't be using a ticket, you must cancel the reservation and if possible get a refund for the unused ticket. Tickets not cancelled will not be reimbursed. If there is a fee to change the ticket, the College pays the fee if approved by the employee's supervisor. Airfare credit should be used on future college-related travel. If you cannot use the fare credit for college-related travel you may purchase the remaining balance for personal use. See an accountant in the Business Office for this purchase.

The cost of changes from the original itinerary for personal travel is not reimbursed. Any change should be documented with the cost of travel from the originating airport to the business destination as the base price of the travel.

Rental Vehicles

The use of a rented vehicle is usually justified:

- When public transportation is inadequate and a College or personally owned vehicle is not available.
- When a vehicle is the only practical mode of travel to a destination.

Please use the most economical choice for the size of the group and purpose of the trip. For example, two or more employees traveling on the same schedule to and from the same destination should share a rented vehicle.

Only the authorized renter (person signing the rental agreement or designated in the agreement) may drive a rental vehicle. All travelers must abide by the vehicle rental agreement terms. A copy of the rental agreement can serve as your receipt.

Fines assessed to the College for speeding violations and/or toll violations are passed on to the person who signed the rental agreement.

Collision damage is covered by the College's insurance, so do not charge or pay for collision damage insurance. Please immediately report all automobile accidents in a rental car while on College business to the office of the Vice President for Finance & Administration.

If you rent a car for both business and personal use, only the portion of the rental applicable to business is a business expense. Please provide details to explain the allocation of part of the cost to the College.

Personal Vehicles

Washington College reimburses for the use of a personal vehicle at the rate .51 cents/mile plus tolls and parking charges for determining reimbursement for business expenses incurred using your personal vehicle (IRS Pub 463, p.16). Gas charges are not reimbursable. Please attach a map showing the driving distance (Google, MapQuest, etc) to all mileage reimbursements.

Normal commuting between the College and your home is not a business expense. If you travel from home to another location for a business purpose, you are reimbursed the mileage in excess of what you would normally travel between home and the College (IRS Pub. 463, p. 14).

College Owned or College Leased Vehicles

When you use a college-owned vehicle for business travel, you are reimbursed for the actual cost you paid, not the mileage rate.

You must be a "registered driver" with Transportation Services in order to sign out a College vehicle. To become a "registered driver," contact Transportation Services.

Vehicle Liability Assumptions

- College-owned vehicle: The College assumes liability and cost of travel. Therefore, family and friends may NOT travel with the employee.
- Rental vehicle on a College credit card: The College assumes liability and the cost of travel. Therefore, family and friends may NOT travel with the employee.
- Rental vehicle in the employee's name on a personal credit card: Employee assumes liability and can be reimbursed only the business cost of the rental. Therefore, family and friends may travel with the employee.
- Personal vehicle on business travel: Employee assumes liability and is reimbursed for mileage. Therefore, family and friends may travel with the employee.

For College planned, sponsored or athletic events, employees are not reimbursed for use of a personal or a rental vehicle if there is a bus or other college vehicle with an available seat.

Meals

The College reimburses reasonable meal expenses incurred while traveling on or conducting College business. The IRS requires the following details on all business meal expenses, whether as part of travel or local meals with a business purpose (IRS Pub 463, p. 25):

- The name and location of the restaurant
- The number of people served
- The date and amount of the expense

Please also include

- Purpose/nature of business
- Names, titles and business relationship of all attending

Employees should use good judgment regarding the cost of meals. These amounts (including tip) can serve as guidelines:

- Breakfast - \$10 per day
- Lunch - \$15 per day
- Dinner - \$27 per day

Local Meals

Local meal expenses are reimbursable only if there is a business purpose. Washington College defines a business purpose meal as a meal that includes non-College personnel. The cost of meals that include only College employees is not a business expense.

Lunch costs are business expenses during one full day of travel away from campus or when a meeting or travel to/from it are at the middle of the day and lunch is not provided.

For meals with job candidates, search committees should include the appropriate employees. Please consider reasonably priced options. Total meal expenses should not exceed \$300 per candidate.

For gatherings after an on-campus event with guest speakers, reasonably priced options should be considered and the number of guests should be reasonably limited.

Federal Grant Funds: Meals

Federal grant funds may not be used for alcoholic beverages. Federal grant expenses require all original itemized documentation; the missing receipt form may not be used. If you do not have an itemized receipt, you must provide an operating budget code to be charged or pay for the meal.

Fundraising Meals and Entertainment

Faculty and staff other than College Advancement staff who plan to entertain donors must have prior approval from the Vice President of Advancement and submit a summary donor report before meals and entertainment charges will be approved or reimbursed.

Lodging

The College pays room costs for each day that you require lodging away from home for a business purpose. The IRS requires the following details on receipts for all business-purpose lodging (IRS Pub 463, p. 25):

- The name and location of the hotel
- The dates you stayed there
- Separate amounts for charges such as lodging, meals, and telephone calls

For travelers supported by federal funds the maximum allowed for lodging may be limited.

Please use good judgment in selecting rooms; accommodations should be in the mid-price range for the location. Personal charges, such as use of a gym, spa or mini-bar, are not reimbursable and should not be charged to College credit cards or included in reimbursement reports. The original itemized hotel bill represents the receipt for lodging. An employee traveling with a spouse, other family member or non-business associate is reimbursed for the single room rate when the hotel bill shows double occupancy.

Room services meals require an itemized receipt. Because room service meals can be more expensive, please limit room service to instances where other restaurants are not available.

Conferences and Professional Meetings

You can provide the conference agenda or itinerary to support the business purpose of the trip. Travelers may stay at the conference hotel when attending a conference even if it is not the most economical option. If the conference fee includes meals but you choose to eat elsewhere, use good judgment about the purpose and cost of eating elsewhere.

Telephone

Expenses for telephone and fax for business communications while on College business and business telephone calls made from an employee's residence are reimbursable. Please submit with the requisition form a copy of the telephone bill with the business purpose calls highlighted and an explanation of the business purpose of the call. You can include business calls charged on personal phone bills while traveling under "other" for travel reimbursements.

Contractual Services

Contractual Services, consulting services and professional services must be approved by the relevant senior staff member and may not be charged to a College credit card. For payment for these services please use a requisition form.

For more information about contractual, consulting and professional services, see:

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee> and <http://www.washcoll.edu/offices/business-office/downloaddocuments.php> or contact the Business Office.