



BEREA COLLEGE

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

Revised July 1, 2009

POLICY STATEMENT

Employees of Berea College may charge against appropriate College accounts normal and reasonable travel and travel-related expenses incurred for a College business purpose. Business meals not involving travel and certain other business expenses will be reimbursed subject to the conditions contained in the policy. Faculty and staff traveling on College business shall use the most economical standard transportation available and lodging shall be the most economical that is consistent with the College's best interest and the traveler's safety. Travel shall be by the most economical routes and lodging facilities that provide discounts or special commercial or educational institution rates shall be used where feasible. Expenses added by taking alternate routes or types of transportation and lodging shall be assumed by the individual.

PURPOSE

The intent of the policy is to ensure that individuals traveling on Berea College business neither gain nor lose personal funds as a result of that travel. It is necessary that clear and unambiguous reimbursement and expenditure guidelines be in place before funds are committed or expenses incurred. It is also critical that all employees traveling on College business understand the compliance requirements established by the Internal Revenue Service and other oversight agencies (e.g., federal grants).

TO WHOM THIS POLICY APPLIES

- Faculty and staff seeking reimbursement from the College for any type of business expense, regardless of whether travel was involved;
- Individuals traveling on Berea College business, regardless of the source of funds;
- Individuals who make travel arrangements for themselves or for others;
- Individuals who review, approve, process or record travel documentation; and
- Individuals with budgetary oversight.

RESPONSIBILITY

The President, Vice Presidents, and Dean of Faculty are responsible for assuring that within their administrative units:

- Budgeted funds are available to meet travel commitments.
- Proper authorization of travel is obtained before any commitments are made.
- All meal reimbursement requests, regardless of amount, are accompanied by a detailed receipt.
- All non-meal travel related expenditures greater than fifteen dollars are supported by a detailed receipt.
- The potential benefits of the trip justify its time and expense after considering less costly alternatives.

Caution: Individual departments or federal grant programs may have more restrictive policies and procedures regarding travel, but in no case will any unit be less restrictive than this policy. It is the responsibility of the traveling employee to ascertain the restrictions under which his/her travel is covered.

FACULTY AND STAFF REQUESTS FOR REIMBURSEMENT OF EXPENSES NOT CLASSIFIED AS BUSINESS MEALS OR TRAVEL

When faculty and staff use personal funds as payment for business expenses of the College that are not associated with business meals or travel (e.g., an item to be used in the classroom), requests for reimbursement must be submitted on a Supply/Material Reimbursement Report (www.berea.edu/vpf/policiesprocedures.asp). Such purchases must be pre-approved and should only be made under very limited circumstances when a vendor cannot be paid via a purchasing card or a check request.

TRAVEL AUTHORIZATION

A. OBTAINING AUTHORIZATION

Before making any travel commitments, an employee should be aware of his/her department's and/or federal grant program's travel policies, as they may be more restrictive than those contained herein. Available funding must be identified and appropriate departmental approval to travel should be obtained. No one may authorize an exception to these policies and procedures for his/her own travel. Any exception to the standard policy must be authorized in writing by the traveler's supervisor and approved by the appropriate Vice President or Dean.

B. SPOUSE/COMPANION/FAMILY TRAVEL

College payment of spouse/companion/family travel expenses is disallowed. Exceptions to this policy must be authorized by the President/Vice President/Dean of Faculty in advance of the travel commitment.

C. COMBINING COLLEGE BUSINESS TRAVEL WITH OTHER TRAVEL

The College will only reimburse the business portion of a trip when that trip is combined with personal vacation travel. Only receipts from the business portion of the trip should be submitted.

D. FEDERAL GRANT PROGRAM TRAVEL

The award document should be consulted to determine any travel restrictions.

REPORTING OF TRAVEL EXPENSES

All travel and travel-related expenses must be reported on a Travel Expense and Business Meal Reimbursement Report. The Report shall include all expenses relating to travel, regardless of the payment method. If an employee uses a College-issued Purchasing Card to pay for travel and travel-related expenses, the employee still must report the expenses on a Travel Expense and Business Meal Reimbursement Report.

In order to satisfy substantiation requirements, all requests for reimbursement must include an explanation of the business purpose for the expense and original receipts detailing the time, date and place expenses were incurred, amount of the expense, and, if applicable, names of those attending. Receipts must include the detail of what was purchased and not a total only. When charged to a federal grant, the explanation should include the relationship of the travel expense to the project.

A request for payment or reimbursement of official business meals or entertainment expenses must include the following: (1) date expenses incurred, (2) names of individuals (or identify the group if listing all names is not practical), and (3) business purpose. Upon completion of travel, the Travel Expense and Business Meal Reimbursement Report must be submitted within thirty (30) business days to the Office of Financial Affairs for settlement. The Report must be signed by the traveler and approved by the individual having budgetary responsibility for the department or budgetary unit against which the travel will be charged.

AIR TRAVEL

A. RESERVATIONS AND CLASS OF SERVICE

Berea College covers only the cost of coach class tickets. Unless it is impossible to do so, advanced-purchase-discount tickets should be purchased. In each case, every effort must be made to obtain the lowest fare possible. A Berea College purchasing card should be used to purchase airline tickets whenever possible. Reimbursement for an airline flight charged to a personal credit card will be processed as a travel advance if the reimbursement request precedes the actual dates of travel.

B. GROUND TRANSPORTATION TO AND FROM AIRPORTS/STATIONS

The most economical mode of transportation to and from airports/stations should be used. Share ground transportation whenever possible, and make use of public transportation if available.

RENTAL VEHICLES

The use of rental cars is authorized when their use is more time or cost-effective than airline travel, or when other modes of transportation are not available. Berea College has a preferred vendor arrangement. Please contact Motor Pool, Public Safety Department, for details of the current program. This does not mean that another vendor may not be used, but the College will only cover the lesser of the actual or preferred vendor rate. Auto rental in lieu of other ordinary transportation will be allowed only if approved by the employee's department head.

When traveling by air, a car may be rented when the destination is reached if doing so would be less expensive than the combined business purpose cost of taxis and/or buses used during one's stay.

At all times, individuals should rent the most economical class size of car practical, taking into consideration the number and size of people traveling. Any upgrades or enhancements are personal expenditures and will not be reimbursed by the College. When combining College business and personal travel, the College will cover the cost of a rental car based on the percentage of College use and the appropriate size vehicle for the employee's College travel. When renting a car for business using a College purchasing card the employee should decline insurance coverage at the time of the rental agreement completion.

PERSONAL VEHICLES

When travel by private automobile is chosen over commercial transportation in order to save time, to transport equipment, or to reduce costs when a number of people are traveling together to the same destination, reimbursement to the driver is made on the basis of miles traveled. The mileage submitted for reimbursement must be documented. The mileage rate is published on the Travel Expense and Business Meal Reimbursement Report available on the Vice President for Finance website (www.berea.edu/vpf/policiesprocedures.asp) or the rate may be obtained by contacting the Office of Financial Affairs.

When travel by private automobile is for the convenience of the traveler, reimbursement is not to exceed the cost (sum of the costs for more than one traveler) of round-trip coach airfare, plus the reasonable costs of ground transportation. *A quoted price of round-trip coach airfare must be obtained at least 21 days prior to the trip.*

The Berea College mileage rate covers all operating costs of the vehicle (including gasoline, oil, maintenance, depreciation, and insurance); therefore, no other vehicle expense reimbursements will be

made. However, tolls and fees such as ferry, bridge, tunnel, road and parking charges will be reimbursed if duly noted. Under no circumstances will fees for any kind of traffic/parking violation be reimbursed.

If an employee has a temporary assignment away from campus, reimbursement will be made for mileage between the campus and the assignment location or home and the assignment location, whichever is less. Travel between a person's home and the College campus is considered a personal commuting expense and is not reimbursed.

When an employee travels on official business for Berea College and is reimbursed according to these travel regulations, the mileage allowance indemnifies the College from any liability occasioned by the use of the personal vehicle by the traveler. The College's liability coverage is therefore secondary to any insurance coverage provided by the employee.

LODGING

A. GUIDELINES

Generally, the College does not pay lodging expenses for an overnight stay within fifty (50) miles of the claimant's official workstation or home. Berea College is exempt from Kentucky state sales tax and has been issued certification number F198. The College has also been granted exemption from sales and use tax in other states. See www.berea.edu/vpf/purchasing/default.asp for a current list. The appropriate tax exempt certificate should always be presented when checking into a hotel.

B. MAKING HOTEL RESERVATIONS

Travelers should select modestly priced accommodations. For seminars, meetings or other group activity, reimbursement will be for no more than the mid-range rate for single occupancy at the host hotel.

C. CANCELLATION PROCEDURES

It is the responsibility of the traveler to cancel any room reservation he/she will not be using. A record of the cancellation number should be kept, in case of billing disputes.

Caution: If an employee fails to cancel a reservation in a timely fashion, he/she may be held responsible for any cancellation fees. A written explanation for any failure to cancel must be filed.

TELEPHONE USAGE

A. BUSINESS CALLS

While traveling on College business, reasonable business phone calls will be reimbursed.

B. HOTEL TELEPHONE USAGE

To minimize the additional charges added by hotels for room-telephone usage, a calling card, credit card, or public phone should be used whenever possible.

C. CELLULAR TELEPHONE USAGE

Reimbursement will be made for reasonable and necessary business calls made on cellular phones. A copy of the actual telephone bill will be required as supporting documentation.

D. COMPUTER ACCESS COSTS

Reimbursement for charges for computer access while on business may be approved by the employee's supervisor when there is a specific business purpose.

MEALS

A. PERSONAL MEALS WHEN TRAVELING ON COLLEGE BUSINESS

All meals are to be reported on a Travel Expense and Business Meal Reimbursement Report regardless of the business nature of the expense.

The College will not reimburse for breakfast or lunch unless an employee's authorized work requires an overnight stay. Reimbursement for dinner does not require an overnight stay but the employee must be out-of-town on official College business until 8 p.m. or later.

When lodging is required, reasonable meal expenses (excluding alcohol) are reimbursed at actual cost, including gratuities. Fiscal prudence and common sense should be used. Expenditures determined to be "lavish" will not be reimbursed.

B. BUSINESS MEALS

All meals are to be reported on a Travel Expense and Business Meal Reimbursement Report regardless of the business nature of the expense.

Business meals (defined as dining expenses of two or more individuals while conducting College business subject to the specific requirements below) will be reimbursed when supported by an approved expense report. Detailed restaurant receipts (as opposed to stub-receipts) must be submitted and accompanied by an expense report that includes: date, name of the establishment, nature of business conducted, and names and business affiliations of all present individuals (or identify the group if listing all names is not practical). Fiscal prudence and common sense should be used. Expenditures deemed to be “lavish” will not be reimbursed.

In general, employees should not use budget funds to pay for the meal expenses of other Berea College employees. In a typical business meal situation there will be at least one person present who is not a College employee. It is possible for a College employee to entertain other College employees over a meal and it be considered eligible for reimbursement as a business expense. To be considered business, the meal in question must be considered to be an ordinary and necessary business expense directly related to or associated with the active conduct of College business. Whether these requirements are met in a setting where only College employees are present requires judgment based on the facts and circumstances of each case and require prior approval by the Vice President/Provost/Dean of Faculty.

Meals and refreshments incidental to a business meeting that involves substantive business discussions and include only primarily College employees may be provided if, for reasons of continuity, the meeting extends through the traditional meal time period. Such business meals should be infrequent and should generally be served at the meeting site. Documentation requesting payment/reimbursement of business meals must include all of the following: (1) guest list of all in attendance that denotes each participant’s association with Berea College, (2) itemized bill (credit card receipt only is not sufficient); and (3) detailed statement of the business purpose.

A meal taken with individual colleagues at the same work location generally will not be reimbursed by the College unless the business purpose of the meal could not be conducted during working hours. The College may reimburse the cost of meals for employees from the same work location if a working meal is an integral part of a scheduled meeting. The meeting should take place over an extended period of time and the agenda should include a working meal to satisfy the requirement that the meal is part of the business function.

Reimbursement of meals will not be allowed when two or more employees choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during regular working hours. Other than planned meetings and events, when two or more employees choose to dine together and they are the only ones in attendance, the College will not pay for the meal.

In general, the cost of meals will not be reimbursed if the meal is already provided and paid for as part of conference/seminar registration fees.

The College may provide meals or light refreshments in support of the College's educational program such as: (1) meals for athletic teams, (2) meals or light refreshments provided in connection with a class or other academic-based activity, (3) meals or light refreshments in connection with student orientation programs, commencement, (4) meals or light refreshments provided in connection with student government meeting, association meeting or other student meeting, or (5) meals or light refreshments may be reimbursed for meeting between students and faculty or administrators.

Berea College reserves the right to judge reasonableness of meal costs based on the area traveled.

ENTERTAINMENT EXPENSES

Business entertainment expenses must be documented to meet requirements of the federal tax code and prudent business practices. To meet these standards the expenses must be documented to show (1) identification of the persons or group being entertained (if eight or less individuals are being entertained, the names of all persons attending must be shown along with the number of persons attending), (2) a statement as to the reason for such business entertainment, and (3) the place of entertainment.

Entertainment expenses including meals and receptions must have documentation. Without the appropriate documentation, the expense will not be reimbursed. Documentation of reimbursable entertainment expenses must include original detailed receipts, names of the persons entertained, their relation to the College, dates and business topics discussed, or the business purpose for the entertainment.

In general, alcoholic beverages will not be reimbursed. If alcoholic beverages are business or entertainment related, the expense must adhere to the Policy for Use of College Funds for Meetings and Entertainment.

Meals/food can be provided for students if served during a meeting held during a traditional meal hour. Meals and refreshments provided while entertaining students at one's personal residence will be reimbursed according to the regulations and limitations of the Bingham Entertainment Fund. The fund is administered by the Office of the Dean.

A. FEDERAL GRANT PROGRAM EXCLUSIONS

Entertainment expenses, however represented, are not allowable to most federal grant program agreements. If a group meal is charged to a federal grant, the benefit to the grant must be included in the explanation and the entertainment must be specifically authorized by the terms of the grant.

Grant funded employees should note that federal grant regulations specifically disallow reimbursement for alcohol.

PAYMENTS TO THIRD PARTIES

All payments to third parties (e.g. servers, musicians, guest speakers) for services should be processed on a Check Request Form (www.berea.edu/vpf/accountspayable/default.asp) and comply with IRS form W-9 (www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3) requirements.

MISCELLANEOUS TRAVEL EXPENSES

A. ALLOWED MISCELLANEOUS TRAVEL EXPENSES (A SAMPLE)

- Overnight delivery/postage
- Faxes
- Gasoline for rental cars
- Phone calls relating to official College business
- Taxi fares
- Baggage fares
- Gratuities
- Toll and parking charges

Caution: This list is intended to be representative, not comprehensive.

B. DISALLOWED MISCELLANEOUS TRAVEL EXPENSES (A SAMPLE)

- Commuting between home and campus
- Conference and convention meals if already included in registration fees
- Gifts to friends or relatives in lieu of meals and lodging
- Hotel “no show” charges, airline, hotel or car rental cancellation fees
- Life or travel accident insurance premiums
- Parking tickets and traffic violations
- Personal care items
- Personal entertainment such as hotel room services, newspapers, magazines, movies, prescriptions, over the counter drugs, health club facilities, etc.
- Repairs or towing of personal vehicles
- Valet services and /or laundry charges
- Expenses submitted for reimbursement more than 6 months after the expenses were incurred
- Airline club membership dues
- Car washes
- Clothing
- Credit card delinquency fees
- In-flight telephone charges
- In-flight or in-house movies

- Lost baggage
- Mini-bar refreshments
- Personal phone calls
- Expense relating to personal side trips

Caution: This list is intended to be representative, not comprehensive.

APPENDIX

A. REIMBURSEMENT RATES

Please see www.berea.edu/vpf/accounting/default.asp for current mileage rates.

B. GUIDELINES FOR TIPS AND GRATUITIES

Tipping a porter, bellhop, chamber person, waiter or valet should be based on the quality of service rendered. The College will reimburse reasonable gratuities. The following are suggested guidelines:

- Airport porters: \$1/bag
- Hotel bellhop: \$1/bag
- Chambermaids: \$1/night and \$1 for special services (extra towels, hangers, etc.)
- Valet: \$2
- Restaurant waitstaff: 15%
- Taxi drivers: 15%

Please check local customs for appropriate tipping when traveling abroad. Some hotels and restaurants include a gratuity in the price, in which case a tip is not necessary.

RELATED DOCUMENTS

Purchasing Policy	www.berea.edu/vpf/purchasing/default.asp
Use of College Funds Policy	www.berea.edu/vpf/policiesprocedures.asp
Purchasing Card Policy	www.berea.edu/vpf/accountspayable/default.asp
Check Request Form	www.berea.edu/vpf/accountspayable/default.asp
Travel Expense Form	www.berea.edu/vpf/accounting/default.asp
W-9 Form	www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3
Travel Advance Form	www.berea.edu/vpf/accounting/default.asp