

## HAMILTON COLLEGE BUSINESS EXPENSE REIMBURSEMENT GUIDELINES

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Employees at Hamilton have a fiduciary responsibility to use tuition, gifts to the College, and other sources of revenue wisely and carefully in furtherance of Hamilton's educational mission. Moreover, we are subject to the scrutiny of outside agencies and organizations such as auditors, the IRS, the federal and state government, granting agencies, and private foundations from which we receive funds. Travel and entertainment expenditures must be well documented, "ordinary, necessary and reasonable," and have a legitimate business purpose. College approved travelers who incur such expenses should neither lose nor gain personal funds as a result.

The purpose of these guidelines is to establish standards and procedures in order to reimburse reasonable travel and entertainment costs while complying with Federal regulations regarding reimbursement for business expenses. The guidelines are designed to ensure consistency and fair treatment for members of the Hamilton community whose travel will be reimbursed or paid for by the College and for visitors (speakers, candidates) whose travel is at Hamilton's expense. This policy applies to all travel and entertainment regardless of the source of the funds.

This policy will assist in the following

- Identifying reimbursable versus non-reimbursable expenditures.
- Clarifying responsibility for controlling and reporting travel and entertainment costs.
- Identifying required documentation.

This policy is not intended to cover every situation. Questions about expenses and requests for exceptions should be brought to the appropriate senior staff member for consultation with the president. Written documentation for exceptions, including signed approval by the senior staff member, must be provided to the Business Office. Note that some grants and gifts are subject to rules that are more stringent than these guidelines and must be adhered to. Some departments have more restrictive policies and procedures.

### PRE-TRIP PLANNING

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Authorization for travel must be secured from an employee's supervisor prior to travel. Employees should read this entire policy to understand options for travel and reimbursement rates. The proposal to the supervisor should include dates of travel, and estimates of transportation, lodging, meal, and other expected costs, including whether per diem or actual reimbursement allowances will be requested. Options for travel should be researched and the least cost option chosen whenever possible.

### CORPORATE CARD PROGRAM

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The college works with a credit card provider to furnish corporate credit cards to employees, upon request, and with supervisor approval. An employee who frequently travels on college-related business is encouraged to use the Hamilton corporate credit card to pay for business and travel expenses. Individuals are personally liable for the charges until valid receipts are presented for proper reimbursement and the bill is paid by the employee. Personal expenses may not be made using the corporate credit card. Employees on foreign travel should use the credit card for all expenses to simplify currency conversion.

## TAX EXEMPTION

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Hamilton College is a 501(c)(3) tax exempt organization and is exempt from all sales tax in the state of New York, Connecticut, Florida, Maine, Massachusetts (tangible personal property only), Missouri and New Jersey. This exemption applies to hotels/motels, restaurants, rental cars and retail purchases. Connecticut requires that exemption from tax be requested three weeks prior to the event. For further details, including updates on additional state sales tax exemptions, and a copy of the tax exempt form, please see <https://my.hamilton.edu/college/purchasing/taxexemption.html>. New York State sales tax paid on College-reimbursable expenses in excess of \$50 will not be reimbursed. If any agency refuses to grant this exemption, please note this on your receipt. Hotel reservations made through internet reservation services are exempt from this policy as long as the room rate charged is less than the standard room rate charged by the hotel.

## REIMBURSABLE EXPENSES

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Actual reasonable expenses will be reimbursed subject to the limits set forth in these guidelines (see reimbursement procedure below). The College does not provide reimbursement for personal expenses incurred while on official College business. If, for other than College business, a traveler takes an indirect route or interrupts travel by a direct route, reimbursement for transportation costs will be the lesser of the actual charge or the charge that would have been incurred by traveling the direct route. Any personal portion of the cost of a rental car will not be reimbursed. If a traveler occupies a double hotel room with a spouse or children, the College will reimburse the single room rate.

## PERSONAL AUTOMOBILES

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The use of a personal automobile is discouraged, except for regional travel. Personal vehicle travel will be reimbursed at the stated IRS rate in effect at the time of travel. Please go to [https://www.hamilton.edu/college/business\\_office/index.html](https://www.hamilton.edu/college/business_office/index.html) for the current rate. Normally, the College adopts the IRS standard mileage rate for business auto use in lieu of actual costs such as fuel, insurance, and depreciation. Travel mileage should be documented by providing a description of the starting and ending locations and actual odometer readings and/or by using an online mileage calculator such as MapQuest. Parking and tolls should be itemized separately and receipts should be included. Reimbursement should not exceed the cost of commercial transportation, where available. For two or more persons traveling together in the same vehicle, only one person will be reimbursed for mileage.

Note: An employee involved in an auto accident while on College business and driving his/her own car is covered by his/her own automobile policy for damage to the vehicle and property and must also notify Irene Cornish (ext. 4999) in Auxiliary Services within 24 hours, in addition to notifying his or her insurance company.

## RENTAL CARS

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Automobile rentals should be limited to situations where other means of transportation are not practical, economical or available. Travelers are encouraged to choose compact or mid-sized cars whenever possible. The College has discount agreements with major automobile rental agencies. Detailed information can be obtained from the Auxiliary Services Office. The loss damage coverage (LDW) and/or personal accident (PAI) or additional liability insurance (ALI) should be declined when renting a car. The College maintains comprehensive, collision and liability insurance on all vehicles rented or leased for official business. It is preferable to enter "Hamilton College" as well as the individual's signature on the rental forms. If a rented vehicle is involved in an accident, the employee must notify Auxiliary Services (extension 4999) within 24 hours, in addition to notifying the car rental agency. Reimbursable costs include the daily rental fee, gasoline charges, parking and tolls.

Note: Travelers should refill gas tanks before returning the vehicles. Rental companies levy a charge for refueling, far more than the price of gas. Avoid drop charges by returning the vehicle to the renting location. Compare the cost of air travel versus driving and drop charge.

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## BUS, TRAIN, TAXI AND LIMOUSINE SERVICE

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A receipt should be requested to document these expenses. Indicate on the receipt the starting and ending point for the trip and a brief description of the purpose of the trip. The College does not reimburse for first or business class travel. Limousine service to and from airports should only be used when other means of transportation are not practical or available. Airport shuttle buses are permitted.

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## COMMERCIAL AIR TRAVEL

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Commercial air travel expense is reimbursed on the basis of the actual cost incurred by the traveler using normally traveled routes. All College approved travel should be at the most economical rates, not first or business class. First and business class travel may be approved by the senior staff member only in cases when air travel takes 10 hours or longer. Travel class upgrades will not be reimbursed. Travelers are encouraged to book travel through the College's travel agent, BTI. This will allow the employee to have access to our travel agent for any assistance needed during the trip. Travelers are expected to take the least costly fare offered that realistically meets scheduling needs. Air carrier selection cannot be biased by any traveler's frequent flyer affiliation. The lowest cost air travel should take precedence over frequent flyer programs. The last page of an original airline ticket, called the "passenger receipt", is required for reimbursement, or in the case of E-tickets, the receipt provided or the ticket itinerary from the travel agent.

When planning your airline itinerary, consider the following cost saving strategies:

- Stay over one Saturday night. Many discounted fares require staying over a Saturday night. Compare the cost of hotel and meal expenses of staying Saturday night to the savings in airfare.
- Make reservations in advance, most discounted fares are available when purchased several weeks/months prior to departure.
- Be flexible in selection of airlines and flight time.

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## LODGING

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Travelers are strongly encouraged to use standard accommodations at reasonably priced mid-market hotels or motels. Requests should be made for educational discounts or business traveler's rates. Original itemized hotel receipts are required for reimbursement. If reservations were made on the internet, documentation must indicate that. The College does not approve accommodations at up market or luxury hotels (Ritz, Four Seasons, etc.) In general, lodging rates should not exceed the government maximum rates for the city of travel. See <http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0> for pertinent limits. Exceptions must be discussed with the senior staff member in your division. Staying with family or friends is allowed. A small token of appreciation, e.g. gift or meal up to \$50, is permitted.

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## CONFERENCE REGISTRATION

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Original receipts or proof of payment are required accompanied by a requisition for reimbursement. Prepayment registration can be arranged through the Accounts Payable office by submitting a properly completed Check Request form available [http://www.hamilton.edu/college/business\\_office/forms/check-request-form.cfm](http://www.hamilton.edu/college/business_office/forms/check-request-form.cfm).

## MEALS & INCIDENTALS

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Hamilton College will reimburse a traveler for allowable meal and incidental expenses incurred during college-related travel and local meals when a business purpose can be substantiated. In the case of meals for meetings with employees, students, alumni, donors, colleagues from other institutions, or other guests, a primary business purpose must be evident, with personal consumption secondary. The fact that mealtime is a convenient period during which to schedule a gathering or meeting does not automatically convert a personal expense to a business expense.

The college provides two distinct methods for reimbursement:

- meal and incidentals per diem during travel and
- actual cost, for travel or local meals.

Hamilton does not reimburse for additional meals that are otherwise included as part of a conference registration.

Incidental reimbursable expenses include business telephone calls, internet charges, and charges for baggage handling, storage and server and housekeeping tips if appropriate. Phone calls to home from Hamilton employees traveling on College business are reimbursed on the basis of one call each day, but the use of a personal cell phone is preferred.

## PER-DIEM REIMBURSEMENT

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Receipts and detailed documentation are not required when requesting reimbursement of meals and incidentals using the per-diem option. The following apply using the meal and incidentals per-diem method of reimbursement:

Hamilton College expects to reimburse meal and incidental expenses based on federal per diem rates. Refer to the IRS per-diem rates guidelines according to geographic areas involved in travel. IRS per-diem rates can be found in the IRS Publication 1542 at: <http://www.irs.gov/pub/irs-pdf/p1542.pdf> Per-diem rates for foreign travel are determined by the U.S. Department of State by country and locality. These rates can be found at: <http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0>. Because rates for specific localities may change as often as every two months, please be careful to ensure that the applied rate is appropriate to the actual dates of travel.

## ACTUAL COST REIMBURSEMENT

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The College will generally reimburse travelers for three meals a day. On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel. Total meal expense for the day should generally be in line with per-diem levels. All restaurant receipts are required. Individual meals over \$40 should include justification.

The College will not reimburse for gratuities that are greater than the accepted standards. (Currently, the domestic standard is 15-20% of the total bill; international standards may vary.) Reimbursement for actual incidental expenses may not exceed \$20 per day.

In cases of reimbursement requests for business meals for others (e.g. additional guests) reimbursement will be made on the actual cost basis. Indicate on the receipt the name(s) of those at the meal and the business purpose of the meal. Meal reimbursement for same day travel is allowed only for meals purchased out-of-town.

Note: If reimbursement is requested from grant funds, additional restrictions and limitations may apply as stipulated by the grant. In such cases, refer to the terms and conditions of the grant. Federal regulations prohibit reimbursement of any expenditure for alcoholic beverages with federal funds.

## EXPENSES OF AUTHORIZED VISITORS

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Departments may authorize reimbursement to official visitors for expenses incurred in connection with their travel to Hamilton. The procedures outlined in this document should be followed.

## SPOUSE/PARTNER TRAVEL

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IRS regulations state that any reimbursement for companion travel is considered taxable income to the employee unless the companion travel is a) for a bona fide business purpose, b) benefits the College, and c) is documented. In rare circumstances, if authorized in advance by the president, the College will reimburse for travel, meals and expenses of the spouse/partner of an employee.

## NON-REIMBURSABLE EXPENSES

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- Personal entertainment expenses (movies, games, health clubs, golf outings, and other optional conference activities not included in the general conference fee)
- Valet parking, unless the hotel or venue prohibits guests from parking their own vehicles
- Travel accident insurance premiums
- Costs incurred by failure to cancel transportation or hotel reservations
- Traffic and/or parking violation fines, towing charges, or other payments resulting from illegal actions.
- Repairs to personal vehicles used for College travel
- Family members' expenses
- Commuting costs between home and the College
- Laundry service (unless the trip is longer than 5 days)
- Donations to other non-profit organizations.
- Celebratory events where there is no business purpose. This includes employee and student birthday cakes and gifts. For annual office holiday functions, a nominal amount (\$10 total per person may be used as a guide) may be covered by a departmental budget but must be approved in advance by the appropriate senior staff member.
- Gifts or flowers for individual employees. Holiday decorations (e.g. poinsettia plants) may be ordered for public, common areas only after approval by the senior staff member.
- Expenditures deemed extravagant or excessive.
- Gifts from a department to other offices on campus.
- Other expenditures not directly related to one's duties.

## REIMBURSEMENT PROCEDURE

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All requests for reimbursement of entertainment and travel related expenses must be submitted on a properly completed Employee Travel Expense Report. These forms are available at [http://www.hamilton.edu/college/business\\_office/forms/employee-expense-report.cfm](http://www.hamilton.edu/college/business_office/forms/employee-expense-report.cfm). The Employee Travel Expense Report must be signed by the individual requesting reimbursement, and the department supervisor/chair or an authorized signatory on the account from which the reimbursement is being requested. All requests for reimbursement of travel related expenses must be submitted to the Accounts Payable office. In the event of discrepancies in a reimbursement request (e.g. absence of original receipts, non-matching of receipted and requested amounts, etc.) the requestor will be contacted to supply the missing information or clarify the discrepancy. If a request for reimbursement is denied in full or in part, an appeal may be made to the Vice President for Administration and Finance, who will review the business rationale for the exception.

Note: Any check or reimbursement requests made to oneself must be approved by the "next-in-line" supervisor through requisitions. For example, faculty members must have their chair's approval; department chairs must have the Dean's approval. All other employees must have their administrative head approval, and administrative heads must have approval by a senior staff member. Senior staff must submit their reimbursement requests to the President for review.

## TRAVEL ADVANCES

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In limited circumstances, an advance of funds may be obtained from the Business Office for authorized travel purposes by submitting a properly completed Check Request form, accompanied by an explanation of the need for an advance. These forms are available at [http://www.hamilton.edu/college/business\\_office/forms/check-request-form.cfm](http://www.hamilton.edu/college/business_office/forms/check-request-form.cfm). No more than one travel advance may be outstanding at any one time to an individual. All travel advances must be reconciled by completing and submitting an Expense Report (see above) **within two weeks** after travel has been completed.

## DOCUMENTATION

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A properly completed, signed, and approved Employee Expense Report must be submitted to the Accounts Payable Office **within one month** after the conclusion of the trip. A properly completed Check Request Form may be submitted for reimbursement of business expenses other than travel. Small reimbursements of less than \$25 may be outstanding for a longer period and should be accrued. Reimbursement checks of less than \$25 are not normally issued.

Expenditures or requests for reimbursement must be accompanied by original documentation to support the expenditure. This may consist of an invoice, original receipt, or other notification, such as an e-ticket or e-mail receipt. For any questions regarding proper documentation, please contact the Business Office at ext. 4376 **prior** to submitting your request for reimbursement. Additional information such as a brochure, a flyer or an e-mail can be helpful in explaining the nature of the expenditure. A calculator tape or an Excel spreadsheet should be attached to confirm the total requested when there are multiple receipts. Notations should be made on receipts and other documentation to substantiate the expense and indicate the business purpose. Foreign currency should be converted to US dollars. All check requests and requests for reimbursement must be signed by the individual making the request and approved by his or her supervisor. If the request is for a grant, it must be approved by the principal investigator.