

Bowdoin Finance Policy Manual

Expense Reimbursement Policy

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1. Purpose

The purpose of this policy is to provide specific guidelines for employee expense reimbursements. This policy follows accountable plan rules as defined by the IRS. As such, expense reimbursements must meet the following criteria:

1. Expenses must be related to activities of the College
2. Expenses must be adequately accounted for within a reasonable period of time
3. Amounts advanced that exceed the expenses that have been adequately accounted for must be returned to the College within a reasonable period of time

As long as these three rules are met, expense reimbursements will not be included in an employee's taxable income.

2. Scope

This policy applies to employees and others who use personal funds to pay for College related expenses and wish to be reimbursed. Many of the principles also apply to purchases made with Bowdoin College Credit Cards. Departmental policies, grants or other funding sources may impose additional restrictions beyond those required by this policy.

The guidelines in this policy go hand in hand with other College-issued policies that address specific types of transactions, as follows:

Faculty Travel Program	Faculty Recruitment
Credit Card Policy	Cell Phone Policy
Motor Vehicle Policy	Traveler Safety, Accidents & Insurance

3. Responsibility

Employees should familiarize themselves with the types of expenses that are / are not eligible for reimbursement prior to incurring such expenses. Employees may not authorize reimbursement of their own expenses or expenses of supervisors, department heads, etc., to whom they report to.

The authorized signer is the person responsible for the departmental expenses: the department chair, the Dean or Senior VP, or the President. Academic Coordinators and Administrative Assistants are not permitted to authorize expense reimbursements. Authorized signers must confirm that expenses and reimbursement requests meet the following criteria:

- The travel expenses were incurred while conducting College activities
- The information contained on the reimbursement form 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 general ledger project and account numbers
- Original receipts are submitted in accordance with this policy

4. Allowable Expenses

Reimbursement will be made for actual and reasonable expenses directly related to conducting College activities. Expenses over \$50 must be substantiated with a receipt. Note that for foreign travel, travelers may choose to be reimbursed on a per diem basis in accordance with the **Foreign Travel** section of this policy.

4a. Air Travel

Air travel is generally reimbursed for coach airfare only. For overnight flights exceeding 5 hours in flight and other flights exceeding 7 hours in flight, travelers may be reimbursed for business class. In special cases involving long distance travel, premium fares are an appropriate, reimbursable business expense. Exceptions require prior approval of a Senior Vice President or the President.

Air travel is restricted to regularly scheduled commercial airlines. In the event it is necessary to use air charter or air taxi services, the traveler must contact the Procurement and Risk Manager at (207)725-3115 to ensure adequate insurance coverage is in place. Corporate aircraft of major recognized corporations may be used under exceptional circumstances with the approval of a Senior Vice President or the President.

All travel arrangements should be made in advance, as airfare booked early can often be obtained at a much lower rate. The College has negotiated discount airfares to certain key destinations. Hewins Travel and American Express Business Travel (AXIOM) will automatically make those available to travelers. The Bowdon Community is encouraged to use these companies. Before committing to a deeply discounted ticket carrying a substantial penalty for cancellation, individuals should make certain that they can adhere to the planned itinerary. Reasonable flight change fees will be acceptable only if travel is booked through Hewins, Amex or AXIOM. The College will not reimburse for flight change fees or penalties imposed by other travel companies including on-line companies or the airlines. The policy not to cover flight change fees includes travel charged to personal credit cards.

Federal grants - Air travel outside the United States that is charged to a federal grant may be subject to the Fly America Act. The Fly America Act generally requires the traveler to use a U.S.

carrier. Travelers who plan to use federal grant funds to pay for airfare should call the Grants Administrator in the Controller's Office at (207) 798-4279 prior to booking airfare.

Frequent Flyer Miles – Travelers may retain frequent flyer miles earned while traveling on College business. However, travelers must book airfare based on the most cost effective rate whenever possible, irrespective of any frequent flyer mile benefit. Excess cost resulting from the use of a traveler's preferred airline will not be reimbursed. IRS regulations require that the College reimburse only actual costs to the traveler; therefore the use of frequent flyer miles for College purposes is not eligible for reimbursement.

Lost Items - Insurance recovery is available for lost luggage up to a maximum of \$1,250 if the travel arrangements were charged to a Bowdoin College JPMorgan Chase Corporate Credit Card. Travelers should immediately file claim forms with the airline baggage claims office. Lost baggage, clothing, or other personal items beyond what is described above are the responsibility of the traveler. Recovery for such personal losses may be available through the traveler's homeowner's insurance. The College does not reimburse travelers for lost items.

Traveling with Equipment - When traveling with portable computers and other types of electronic equipment, these items should not be packed in a suitcase. The equipment should be tagged with identification and carried onto the airplane. Travelers may wish to obtain additional insurance from the airlines. Please refer to IT security policies for best practices in protecting information on your laptop or PDA at <http://www.bowdoin.edu/it/information-security/security-for/faculty-and-staff.shtml>.

4b. Ground Transportation

Ground transportation expenses include the cost of parking, rental cars, taxis, airport vans, trains and other public transportation. The College will reimburse travelers for these expenses, including reasonable tips.

Rental vehicles – When requesting reimbursement for rental vehicles, the itemized receipt or agreement must be submitted with the travel voucher.

Rail travel – When using rail travel, coach accommodations should be used for trips shorter than 7 hours. First class (roomette) accommodations may be used for longer trips or overnight travel.

Parking – Travelers are urged to use long-term, lower cost parking lots at the airport whenever possible. Once at the destination, hotel shuttles may be available free of charge or for a nominal fee.

4c. Hotels

Travelers should use standard accommodations in reasonably priced hotels. When requesting reimbursement, the original itemized hotel bill and the original receipt showing proof of payment should be submitted with the reimbursement form. Except under extenuating circumstances, the College will not reimburse expenses due to a traveler's failure to cancel guaranteed room reservations.

If a traveler decides to stay with colleagues, family or friends in lieu of a hotel, the traveler may request reimbursement for gratuity expenses of a reasonable value (for example, flowers, gift basket or a meal) offered to the hosts. These gratuities will be reimbursed in place of the value of meals and/or lodging provided by the host. Explanation of these items should be

submitted with the reimbursement request. Cash, gift certificates, gift cards and alcohol are not reimbursable gratuities.

4d. Meals

The cost of meals and reasonable tips (suggested tip is 15 – 20%) will be reimbursed. If the tip is automatically added to your bill, due to the size of your party, the College will reimburse at the rate charged by the restaurant. Reimbursement requests must include the number of persons and their names, and a brief explanation of how the meal relates to College activities. Itemized receipts are required for meals over \$50.

The College will not provide reimbursements for the meal expenses of spouses or others who accompany faculty or other employees on College business, except in unusual circumstances which require their presence. These exceptions must be approved in advance and in writing by a Dean, a Senior Officer or the President.

4e. Mileage Reimbursement

Reimbursement for use of personal vehicles will be at the mileage rate in effect at time of travel as published by the Controller's Office. No reimbursement will be made for the cost of repairs to personal vehicles, regardless of whether the costs result from business travel or whether they result from acts of the traveler or another individual. 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.

The use of College fleet vehicles or rental cars is encouraged for trips of longer duration – such as trips exceeding 100 miles round trip.

4f. Miscellaneous Expenses

Miscellaneous expenses must be for valid business reasons. Itemized receipts must be submitted for amounts over \$50. Examples of miscellaneous expenses include but are not limited to:

- Fees for passports and visas, if specifically obtained for a College related trip
- Fees for currency exchange
- Limited laundry and dry cleaning charges for trips of more than five days
- Expenses associated with baggage handling and storage, including excess baggage charges and tips
- Tips

4g. Telephone Calls

An approved Bowdoin College Telephone Calling Card distributed by the Telecommunications department should be used whenever possible, or a College-issued cell phone. Reimbursement for calls made using a cell phone will be in accordance with the [Cell Phone Policy](#).

5. Unallowable Expenses

The College will not reimburse expenses that are inherently personal in nature. Examples of personal expenses which are not eligible for reimbursement include but are not limited to the following:

- Amenities such as movies, health clubs or in-room bars
- Childcare, baby-sitting, house sitting, or pet sitting costs
- Any personal clothing or accessories
- Grooming expenses such as haircuts and toiletries
- Prescriptions, over-the-counter medication or other medical expenses

- Magazines, books or other personal reading materials
- Expenses related to non-Bowdoin activities or personal time off taken before, during or after a business trip
- Airline club membership dues
- Airline travel insurance costs
- Incremental costs for first or business class airline tickets, except overnight red-eye flights exceeding 5 hours in duration and other flights exceeding 7 hours in duration when permitted by the sponsoring agency and/or the department
- Fines for automobile or parking violations
- Cost differential on premium and luxury car rentals

Alcohol - Purchases of alcohol are generally not reimbursable by the College. Those who wish to purchase alcohol with their meals or at social events are expected to purchase the alcohol with personal funds. At the discretion of their Senior Officer, employees may be reimbursed for alcohol purchased during business meetings. Employees should, however, use prudence in these circumstances and should not purchase an unreasonable amount of alcohol as compared to the cost of the overall meal. Receipts submitted to substantiate such purchases should note the name of the guests and the nature of the meeting.

Alcohol is an unallowable cost for federal grants. Therefore, **no alcohol may be charged as either a direct or indirect expense of federally sponsored projects.**

Spouses and guests - The College will not provide reimbursements for the expenses of spouses or others who accompany faculty or other employees on College business, except in unusual circumstances which require their presence. These exceptions must be approved in advance and in writing by a Dean, a Senior Officer or the President.

6. Preferred Suppliers

The College has established preferred supplier relationships for most travel requirements with the goal of providing quality service and the best possible pricing. Travelers are expected to use the following suppliers for travel services:

Travel agents:	Hewins Travel (207)729-6261 American Express Business Travel 1-800-327-2737
Internet travel:*	American Express Business Travel (AXIOM)
Hotels:	Corporate rates through Hewins Travel, Travelport or College affiliations
Auto Rental:	Enterprise Car Rental or Hertz
Credit Card:	JPMorgan Chase

The College also has preferred rates with local hotels for inbound parents, vendors or guests. The Procurement and Risk Manager (207) 725-3115 will provide a list of these properties.

*Please request a user id and password from the Procurement and Risk Manager (207)725-3115

7. Sales Tax Exemptions

Bowdoin College is sales tax exempt in several states. The list currently includes Colorado, Florida, Illinois, Maine, Massachusetts, Mississippi, New York, North Dakota, and Wisconsin. Individuals should obtain a Tax Exemption certificate when planning overnight travel to any of these states by submitting an on-line request at <https://www.bowdoin.edu/controller/internal/taxexempt.shtml> or by contacting the Procurement and Risk Manager (207) 725-3115.

8. Foreign Travel

Foreign travel is any travel outside the United States and the U.S. territories of Guam, Puerto Rico, and the U. S. Virgin Islands. Travelers are responsible for converting expenses denominated in foreign currencies to U.S. dollars when completing reimbursement forms. A copy of the conversion rate(s) used must be attached to reimbursement forms submitted to the Controller's Office. The FXConverter located at Oanda.com is a tool that will convert foreign currencies into U.S. dollars based on historical foreign exchange rates. An average rate for the duration of the trip will be accepted, or daily rates can be used. The College reimburses based on the "Typical Credit Card Rate: +2%" on Oanda.com or any web currency conversion tool.

Per Diem method – As an alternative to keeping receipts for meals and lodging, travelers may choose to be reimbursed on a per diem basis per IRS guidelines. The reimbursement will be based on the number of days traveling, the location of travel and the per diem rate in effect for that location and time. The rates are in U.S. dollars so there is no need for currency conversion. Travelers will be required to submit proof of travel (such as airline ticket itinerary) to support the dates and locations of travel. Travelers opting for per diem reimbursements should not use a College-issued credit card to pay for expenses.

Per Diem rates are set by city within a country and are subject to change monthly. Each locale has separate lodging and meal rates, as well as a combined daily rate.

Example:

Foreign Per Diem Rates In U.S. Dollars								
Country: CHINA								
Publication Date: 08/01/2009								
Previous Rates: <input type="text" value="08/01/2009"/> <input type="button" value="Go"/>								
Country Name	Post Name	Season Begin	Season End	Maximum Lodging Rate	M & IE Rate	Maximum Per Diem Rate	Footnote	Effective Date
CHINA	Beijing	09/01	11/30	280	101	381	View	06/01/2008
CHINA	Beijing	12/01	08/31	221	95	316	View	06/01/2008
CHINA	Changchun	01/01	12/31	104	71	175	N/A	03/01/2006
CHINA	Chengdu	01/01	12/31	134	77	211	N/A	05/01/2008
CHINA	Chongqing	01/01	12/31	99	83	182	N/A	05/01/2006
CHINA	Dalian	01/01	12/31	110	89	199	N/A	03/01/2007
CHINA	Fuzhou	01/01	12/31	127	99	226	N/A	02/01/2009

The lodging per diem is intended to substantially cover the cost of lodging at adequate, suitable and moderately-priced facilities. The meals per diem is based on the costs of an average breakfast, lunch, and dinner in a locale, including taxes, service charges, and customary tips plus an additional amount to cover incidental travel expenses such as laundry and dry cleaning. Meals for guests are not included when using per diems.

Meals not purchased – When meals are covered by a registration fee (e.g. a conference or convention) or paid by a third party, the per diem rate claimed that day should be reduced. Similarly, an adjustment to the amount claimed should be made for meals consumed on the airplane at no cost to the traveler. The following allocations should be used when making deductions for meals not purchased:

Component of Daily Meals Per Diem Rate	
Breakfast	20%
Lunch	30%
Dinner	50%

Selected days in a location cannot be at actual cost while others are at per diem. However, travelers may use the meals per diem and claim actual lodging expense for a location, or vice versa.

9. Advances

Funds may be advanced when a credit card or other means for payment is not readily available, such as when traveling to a remote location. Amounts will be based on a reasonable estimation of the expenses to be incurred. Advances must be accounted for (as described in the **Getting Reimbursed** section of this policy) and any amounts in excess of the actual expenses incurred must be returned within 120 calendar days of the date funds were advanced, otherwise the entire amount of the advance will be included in the employee's wages, subject to tax withholding and reported to the IRS and to the employee on Form W-2. Faculty on extended College travel (greater than 30 days but less than 1 year) must return any excess of the actual expenses incurred within 120 calendar days of his/her return to campus. For administrative convenience, return dates of September 15 and January 15 from fall and spring semester leaves, respectively, are assumed for all faculty.

The College uses the U.S. State Department per diem tables as a guideline for limits on foreign travel advances for meals and lodging. The maximum advance amount will be based on the number of days traveling, the location of travel and the most current per diem rates available for a location. A per diem advance will be deemed adequately accounted for when proof of travel is provided (as described in the **Foreign Travel** section of this policy), the actual per diem allowance has been confirmed by the Controller's Office, and any amount in excess of the actual per diem allowance has been returned to the College.

Cash advanced from a College-issued corporate credit card is subject to the [Credit Card Policy](#).

10. Getting Reimbursed

An adequate accounting of expenses must be submitted to the Controller's Office within 60 calendar days of when the expenses were incurred. (In the case of an advance, within 120 calendar days of the date funds were advanced.) Faculty on extended College travel (greater than 30 calendar days but less than 1 year) must submit adequate accounting of expenses within 60 calendar dates of his/her return to campus. For administrative convenience, return dates of September 15 and January 15 from fall and spring semester leaves, respectively, are assumed for all faculty. The accounting must include the following information:

- The name of the individual requesting the reimbursement
- The dates the expenses were incurred
- Itemized receipts* for each expense over \$50
- A specific description of how the expenses relate to College activities (e.g. a professional conference, field research, etc.)
- For airfare, the airline ticket or itinerary must be provided; the dates, number of passengers, destination and cost must be clearly shown**
- Approved by an authorized signer
- Any expense items disallowed should include a notation by the authorized reviewer (e.g., exceeds budget, not approved in advance, violates department policy, etc.)

* Credit card receipts and other forms of payment proof on their own are not adequate documentation because of the lack of itemization. In cases where receipts are difficult to obtain, a log of the expenses should be provided.

** This documentation is not necessary when airfare is booked through Hewins Travel or American Express Business Travel or otherwise billed directly to the College)

Reimbursement that are not substantiated in accordance with this policy will be included in the employee's wages, subject to tax withholding, and reported to the IRS and to the employee on Form W-2.

11. Exceptions

The *Controller* must approve any exceptions to this policy by written notice.