

Bowdoin Finance Policy Manual

Policy Title	Effective Date	Revision Date	Created by	Approval Signature
Recruiting Expense Policy	9/27/17		Lisa Roux	

Contents

1. Purpose	1
2. Scope.....	1
3. Responsibility	1
4. Allowable Expenses	1
5. Spouse and Family-Related Expenses	2
6. Relocation	2
7. Taxable Expenses	2
8. Exceptions.....	3

1. Purpose

The purpose of this policy is to provide specific guidelines for travel expense reimbursement for College faculty and staff recruiting. 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

2. Scope

This policy applies to employees and recruits who use personal funds to pay for College-related recruiting expenses and wish to be reimbursed. The principles also apply to purchases made with Bowdoin College Credit Cards. The guidelines in this policy go hand in hand with the College's Travel and Expense Reimbursement Policy, and departmental policies, grants or other funding sources may impose additional restrictions beyond those required by this policy.

3. Responsibility

Employees should familiarize themselves with the types of recruiting-related expenses that are / are not eligible for reimbursement prior to incurring such expenses. The Human Resources Department and/or the Office of the Dean for Academic Affairs are responsible for all recruiting-related travel expenditures and reimbursements.

4. Allowable Expenses

Reimbursement will be made for actual and reasonable expenses directly related to conducting College recruiting activities. Expenses over \$50 must be substantiated with an itemized receipt. Please refer to the College's Travel and Expense Reimbursement policy for additional detail regarding reimbursable expenses, and the process by which employees and recruits will be reimbursed.

Travel-related costs, generally meant to include meals, lodging and transportation specifically related to Bowdoin College business, pre-employment interviews, and post-offer acceptance meetings are non-

taxable. Costs associated with spouse or family travel, either pre- or post-employment, are defined as taxable benefits per the IRS and will generally not be paid for, or reimbursed by, the College. (See 7. Taxable Expenses)

Purchases of alcohol are generally not reimbursable by the College. Employees/Search Committees must obtain prior approval from a Senior Officer for reimbursement for alcohol purchased during recruiting meetings or dinners.

5. Spouse and Family-Related Expenses

The College does not provide reimbursement for travel and entertainment expenses of spouses or others who accompany recruits on College business, whether before or after an offer of employment has been extended. Any exception must be approved in advance by the *Senior Vice President for Finance and Administration and Treasurer* or the *Dean for Academic Affairs* (for faculty hires.)

6. Relocation

When applicable, the new employee will receive a single one-time transition/relocation payment, subject to tax withholdings, included within his/her first available payroll deposit. This payment will be in lieu of specific reimbursement for family travel or other non-reimbursable recruiting/relocation expenses. It is the responsibility of the recruit to track qualified expenses for tax deduction purposes. The recruit should consult his/her tax advisor for details and additional information.

7. Taxable Expenses

To qualify as an allowable expense under IRS accountable plan rules, recruiting travel and entertainment costs paid for or reimbursed by the College must include College-related business meetings or interviews. The following recruiting-related costs are defined by the IRS as taxable benefits:

- The recruit, with or without spouse and family, visits the Brunswick area to investigate housing, schools, etc., with no job-related interviews or meetings;
- Spouse and family travel to the Brunswick area in order for the recruit to interview with College personnel, meet with faculty, tour College facilities, etc.;
- After beginning work at Bowdoin, whether having relocated to the Brunswick area or not, the recruit incurs expenses travelling between Brunswick and his/her former area of residence

See the attached table, *Travel Expense Reimbursement for Recruits – Federal Tax Treatment*, for specific details and examples of the tax treatment of various types of expenses.

In the event that taxable expenses are charged to a Bowdoin College Credit Card or reimbursed by the College, those expenses will be reported to the IRS as taxable income paid to the recruit/employee.

For recruits traveling with a spouse or family, the entire amount of pre-hire recruiting expenses paid by the College will be subject to tax withholdings, unless the recruit provides adequate supporting documentation to identify the portion of expenses pertaining to his or her spouse and family.

While not specifically covered within this policy, moving expenses, when included in compensation for certain positions at the College, will be paid via a taxable payment. It is the responsibility of the new employee to track qualified moving expenses for tax deduction purposes. Any exception for relocation allowances or expenses covered by the College must be reviewed with Human Resources and approved by a Senior Officer.

8. Exceptions

The *Senior Vice President for Finance and Administration and Treasurer or Controller* must approve any exceptions to this policy by written notice.

Policy Distribution List:

Controller's Office Staff
Human Resources
Dean for Academic Affairs Office
Senior Officers

Bowdoin College Travel Expense Reimbursement for Recruits Federal Tax Treatment

<u>Travel Expense Description</u>	<u>Expenses Pertaining to Recruit</u>	<u>Expenses Pertaining to Spouse/Family</u>
Prior to accepting employment, the recruit travels to Brunswick (with or without spouse/family) to interview with College personnel, meet with faculty, tour campus, etc.	Non-Taxable	Taxable
Prior to accepting employment, the recruit visits Brunswick (with or without spouse/family) for job-related meetings and to investigate housing, schools, etc.	Non-Taxable	Taxable
Before or after accepting employment, the recruit visits Brunswick (with or without spouse/family) to investigate housing, schools, etc.	Taxable	Taxable
The recruit's spouse/family travels to Brunswick to interview with College personnel regarding the spouse's potential employment at the College	N/A	Spouse Non-Taxable Family Taxable
The recruit's spouse travels to Brunswick to interview with other area employers	N/A	Taxable
After accepting College employment and before moving to the Brunswick area or beginning work, the recruit travels to Brunswick (with or without spouse/family) for a job-related visit to meet with colleagues, set up his/her office, etc.	Non-Taxable	Taxable
The recruit and family move to the Brunswick area around the time the recruit begins works as a College employee	Non-Taxable if qualified expenses, Taxable if non-qualified expenses	Non-Taxable if qualified expenses, Taxable if non-qualified expenses
After moving to the Brunswick area to begin work as a College employee, the recruit and/or family incurs temporary lodging expenses	Taxable	N/A
After beginning work as a College employee, the recruit incurs expenses travelling between his/her former home and the Brunswick area	Taxable	N/A
The recruit begins work at the College but does not move to the Brunswick area, and incurs expenses travelling to and from his/her home and/or staying in the Brunswick area	Taxable	N/A

Notes:

- (1) Travel expenses include transportation, lodging and meals
- (2) Different rules may apply to non-U.S. residents
- (3) Expenses including spouse and family lodging and transportation, when shared with the recruit where the cost would be the same for the recruit alone, are non-taxable where they are non-taxable to the recruit
- (4) Consult your tax advisor for more information regarding qualified v. non-qualified moving expenses