

Policy Name: Business Expense Reimbursement Policies

Updated: April 1, 2011

Effective Date: April 1, 2011

Office with Primary Responsibility: Controller's Office

Offices with Secondary Responsibility: Finance Centers

Policy Summary

The Business Expense Reimbursement Policies provide specific requirements for Dartmouth College travel and other business expense reimbursements as well as identifies the documentation required to substantiate requests for reimbursement. These policies are necessary to ensure the proper use of College resources and compliance with federal and other external regulations.

Reason for Policy

The purpose of these Business Expense Reimbursement Policies are to provide departments, supervisors, other employees, and non-employees seeking reimbursement with specific guidelines covering Dartmouth College travel and other business expenses as well as the documentation required to substantiate requests for reimbursement of those expenses. Because it is not possible to anticipate all of the situations that individuals may encounter in conducting College business, these policies are designed to allow for some flexibility in addressing unique circumstances which may require occasional exceptions.

As a general guideline, it is expected that individuals who have incurred a business expense and individuals approving Business Expense Reimbursement forms will interpret these policies in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to the College. Accordingly, the primary responsibility for adherence to these policies rests with the individual as well as the department managers and supervisors who are authorizing travel and other expenses, and approving expense reimbursements.

The basic policy governing travel and business expense reimbursement is that an individual should neither gain nor lose funds in the course of conducting College business. Individuals should bear in mind that government agencies and other observers may perceive certain expenditures as being either excessive or inappropriate in the context of a regulatory audit, an IRS audit, or other similar review of College activities. Thus, moderation and discretion should guide individuals' decisions to incur expenses on the College's behalf.

Table of Contents

Policy Summary and Reason of Policy	1
General Policies.....	3
Reporting of Expenses / Required Documentary Evidence.....	3-4
Signature Authority.....	4
Reimbursable Business Expenses	4-6
Travel or Expenses Paid by a Third Party.....	6
Cash Advances	7-9
Air Travel	9-10
Automobile, Parking, and Ground Transportation.....	10-11
Personal Vehicles.....	10
Public Transportation.....	11
Dartmouth College Rental (VOX) Cars	11
Rental Vehicles	11
Rail Travel	11
Lodging, Meals, and Entertainment.....	12
Lodging.....	12
Travel Meals and Per Diems.....	12-13
Business Meals and Entertainment	14-15
Gratuities for Hosts.....	15
Miscellaneous Travel Expenses.....	16
Professional Development and Conference Registration.....	16
Temporary vs. Indefinite (Greater than 12 months) Travel	16
Vistors, Recruiting, and Relocation Expenses.....	17
Visitors and Recruits.....	17
Relocation Expenses for Newly Hired Employees	17-18
Miscellaneous Business Expenses (Non-travel).....	19
Memberships, Dues, and Subscriptions	19
Cell Phones and Internet Connections	19
Gifts to Employees.....	19
Exclusions/Exceptions to Policy.....	20
Frequently Used Natural Classes.....	20
Ramifications if Policy is Breached	21
Organizational Responsibilities	21
Forms	21

Scope: Who should know this policy?

- Employees who incur business expenses and require reimbursement;
 - Employees who travel on College business;
 - Employees who supervise employees who incur business expenses and/or travel on College business;
 - Employees who make travel and other arrangements for: prospective College employees; College visitors; students who travel on approved College business; and, College-sponsored conventions, conferences, or seminars;
 - Employees who complete or process Business Expense Reimbursement (BER) forms (formerly called Travel and Entertainment Vouchers); and
 - Non-employees seeking reimbursement for expenses related to College business.
-

General Policies

The College will only reimburse expenses incurred in connection with College business that are appropriately documented by the employee, student, or visitor.

- Reimbursement will be on the basis of actual and reasonable expenses incurred for necessary business expenses or approved per diem amounts.
- The basic policy governing travel and business expenses is that an individual should neither gain nor lose funds in the course of traveling or conducting College business.
- The College will not reimburse travelers for expenses which are inherently personal in nature such as child care, clothing, personal recreation, entertainment, etc. Reimbursable expenses must have a valid, business purpose.
- Assuming a reasonable level of comfort and convenience for the traveler, every effort should be made to keep College expenses to a minimum.
- Cash Advance requests and Business Expense Reimbursement forms must be approved by the individual's immediate supervisor or a more senior officer who has the authority to approve such expenditures.

Reporting of Expenses

The primary responsibility for review and approval of expense reimbursements and compliance with all provisions of this policy rests with the individuals incurring expenses and supervisors who are authorizing the expenses. Because Business Expense Reimbursement forms are subject to audit by government agencies and other sponsors, thorough documentation and accounting for expenses (as defined in this section) is essential. The College must have all of the documentation required to substantiate payments made in accordance with this policy.

Requests for business expense reimbursement must be received by the Controller's Office or Finance Center within 15 business days after the date of incurrence of an expense or the end of the travel. As noted in the cash advance section, if a cash advance was provided and the settlement is not completed within 120 days from the anticipated settlement date, the cash advance will be reported to the Payroll Office for appropriate reporting as taxable income and the appropriate taxes will be withheld from the employee.

Required Documentary Evidence (Receipts)

Individuals are generally required to submit documentary evidence of payment of a business expenses. Documentary evidence includes: receipts, canceled checks or bills marked paid by the vendor. If any single business or travel expense, not including an entertainment or lodging expense, is less than \$50.00, documentary evidence is encouraged but not required. All entertainment expenses (see definition page 14-15), regardless of the amount require documentary evidence, including business purpose and participants. Additionally, all lodging expenses, regardless of the amount, require documentary evidence. If, in rare cases, documentary evidence is not available where required, a written explanation of why the documentary evidence cannot be provided must be submitted with the Business Expense Reimbursement form prior to processing.

Adequate Documentary Evidence of Expenses

- Documentary evidence ordinarily will be considered adequate if it shows the amount paid, date, name and location of place, and essential characters of the expense.
- For items under \$50.00 without documentary evidence, individuals must still record the actual amounts of the charges and clearly itemize the expenses on the Business Expense Reimbursement form. In these cases, it is not appropriate to routinely round-off amounts or to estimate expenses.
- In the case of airfare not charged directly to a departmental account through the College's travel agent, travelers must submit the passenger copy of their ticket. Travel itineraries do not constitute adequate documentary evidence for reimbursement purposes.
- For lodging reimbursement, the College requires an itemized hotel invoice or statement which reflects that payment has been made in full. An invoice or statement reflecting a "balance due" is not sufficient proof of payment. The "balance due" does not signify that payment was made on behalf of the traveler, therefore, the traveler will need to obtain an invoice that reflects that payment was made in full, or provide another form of proof of payment, prior to requesting any reimbursement.
- Any request for per diem reimbursement for visitors must be accompanied by documentation which adequately substantiates the time the visitor resided in the area and traveled to/from Hanover. This may include airline tickets, hotel bills, employment agreements, or other such documentation.

Signature Authority

Business Expense Reimbursement forms must be approved by the employee and his/her immediate supervisor or more senior officer in the department who has the authority to approve charges to the particular account(s). The individual supervisor may delegate (in writing) his or her signature authority to another individual. No employee is authorized to approve his or her own, a peer's or a superior's Business Expense Reimbursement form, or charges to an account for which he/she is not authorized to approve expenditures. Area fiscal officers are authorized to approve Business Expense Reimbursement forms charged to College accounts for which they have budget responsibility (except for their own expenses or those incurred by his or her immediate supervisor).

Business Expense Reimbursements forms for non-employees must be approved by the individual and the College employee who has financial responsibility for the chart string where expenses will be charged.

Reimbursable Business Expenses

Reimbursable business expenses may include, but are not limited to:

- Business travel
- Business lodging
- Business meals
- Business meetings

- Business entertainment
- Business telephone calls
- Conference registration fees
- Expenses associated with baggage handling and storage, including excess baggage charges and tips
- Fees for currency exchange on business expenses
- Fees for passports and visas, if specifically obtained for the business trip
- Gratuities for hosts
- Limited laundry and dry cleaning charges for business trips consisting of more than five consecutive days
- Personal telephone calls to home of a reasonable amount while away on business
- Relocation of new employees
- Non-travel related expenses such as monthly cell phone costs, uniforms, etc. (Employees must comply with all procurement policies found at <http://www.dartmouth.edu/~control/departments/procurement/index.html>)

Non-Reimbursable Expenses

The College will not reimburse travelers for expenses which are inherently personal in nature. The following is a sample list of personal expenses which are not eligible for reimbursement as College business expenses:

- Airline travel insurance costs
- Alcohol beverages consumed between or after mealtimes
- Amenities such as movies or video rentals, in-room bars, massages, or saunas
- Charges from unwarranted failure to cancel hotel reservations or airline tickets
- Child care, baby-sitting or house-sitting costs
- Collision Damage Waiver Insurance on domestic vehicle rentals
- Continuing Education costs for maintaining a professional certification that is not directly related to the employee's current position
- Credit card interest or delinquency fees
- Dartmouth parking fees
- Excessive costs affiliated with business related alcohol expenses
- Excessive costs affiliated with business meal reimbursements
- Fees for boarding pets or other animal care
- Fees for personal credit cards
- Fines for parking violations or towing charges
- Frequent flyer credits or tickets
- Frequent in-office functions providing food and beverages
- Grooming expenses such as haircuts and toiletries
- Incremental airline ticket costs to obtain frequent flyer benefits
- Incremental costs for first or business class airline tickets, except for (1) overnight ("red-eye") flights exceeding five hours in duration, (2) other flights exceeding seven hours of continuous air time in duration or (3) special circumstances which have been approved in advance by President or Vice President. All of these must be permitted by the sponsoring agency when being charged to a PTAE0.
- Lodging cancellation fees
- Loss of cash advances, airline tickets or personal funds or property
- Magazines, books or other personal reading material
- Membership dues in airline clubs, athletic clubs, faculty clubs, frequent flyer clubs, social clubs, fraternal orders, or other similar
- Non-Dartmouth activities or personal time off taken before, during or after a business trip
- Non-travel employee meals
- Personal clothing or accessories
- Personal membership dues to wholesale clubs

- Personal recreation or entertainment such as greens fees, sightseeing fares, theater tickets, ski lift tickets, and theme park passes, etc.
- Premium and luxury car rentals
- Prescriptions, over-the-counter medication or other medical expenses
- Professional certification that is not directly related to the employee's current position are not reimbursable business expenses
- Upgraded Hotel or Motel accommodations such as Suites, in-room Jacuzzi, etc.

Personal Business Conducted Before, During or After Business Travel

Additional costs incurred for earlier departure or later return are not reimbursable since these are personal expenses unless the savings in airfare is equal to or greater than the total costs for lodging, meals, etc. incurred during the additional day(s) of travel. All additional costs must be weighed against the savings in airfare, including the inherent cost of being out of the office for a longer period of time.

Expenses of a strictly personal nature, as well as any incremental travel costs incurred to conduct personal business during the course of a College business trip, are the responsibility of the traveler. Incremental costs are the otherwise reimbursable expenses which would not have been incurred on the business portion of the trip, except for the fact that the traveler conducted personal business at some time during the trip. Such incremental expenses must be identified and deducted from the Business Expense Reimbursement form.

Every effort should be made to avoid charging personal expenses to College accounts despite the intention of the traveler or a third party to later reimburse the College for these charges. Airline reservations for personal travel made through Travel Leaders should be charged to a personal credit card, they should not be directly billed to a GL or PTAE0 String.

Accompanying Spouses

Expenses incurred for accompanying spouses are considered personal in nature except on the infrequent occasion when the spouse has a significant role at an event and it furthers the mission of the College. In these cases, the travel expense of the spouse should be authorized in writing in advance by the appropriate officer: the Dean, Vice President, Chief of Staff, or President. This written approval must be submitted with the Business Expense Reimbursement form and must document the business purpose served by the spouse's attendance at the meeting or function.

The tax law requires that amounts paid by an employer for spousal travel expenses are to be included in the employee's annual IRS Form W-2 as taxable income unless the spouse's presence on the trip serves a bona fide business purpose. The IRS has ruled that when a spouse attends a meeting or conference as a companion and has no significant role or performs only incidental duties of a clerical or secretarial nature, the attendance does NOT constitute a business purpose. Departments should consult the Controller's Office prior to making commitments to reimburse for spousal travel as the reimbursement may be taxable to the employee.

Travel or Expenses Paid by Third Parties

Employees who have non-College business affiliations may occasionally conduct business for both the College and their outside employer or sponsor during a trip. In these instances, the traveler must prorate all expenses associated with the trip that are reasonably allocable to each endeavor. Ordinarily, expenses which are allocable to non-College business should not be charged to department accounts even though the traveler or a third party intends to reimburse the College for these charges at a later date.

Cash Advances

Dartmouth encourages all regular travelers to obtain a Corporate Card for business travel expenses, and book airfare through Travel Leaders for direct payment by the College. The College will provide cash advances to faculty, staff, and students traveling on authorized College business to cover incidental out-of-pocket costs, such as taxi fares, bus fares, tips, parking costs, and other cash expenses which cannot readily be charged to a Corporate Credit Card.

- A cash advance may be requested and should be the minimum necessary to cover anticipated out-of-pocket expenses with a maximum daily limit of \$50.00 for domestic travel and \$75.00 for international travel. This limitation does not apply to student cash advances for non-travel expenditures or group travel.
- If requesting a cash advance for more than the standard amount per day listed above, a detailed calculation indicating how the amount of the cash advance was determined needs to be included with the request.
- Cash advances of any amount, will only be granted if they bear the signature of an authorized approver or delegate that has been given the authority to approve such expenditures for designated GL and PTAE0 Strings on behalf of the College.
- Employees and Students requesting cash advances can obtain up to \$500 in cash. Any request over \$500 will require a College payable check.
- Cash advances will not be issued more than 10 business days before the trip or expected expense. Requests for advances in the form of a check should be requested at least 10 business days in advance of need.
- Employees and students who have not settled their cash advances within 30 days will have a second notice copied to their supervisor.
- Cash advances must never be used to cover personal expenses or any activity which is the sole responsibility of the employee or student. The Controller's Office may revoke an individual's privilege to obtain cash advances if it is determined that an employee or student has abused the College's policy.

Obtaining Cash Advances

Cash advances are requested by completing a cash advance form which is available on the Controller's Office website at: <http://www.dartmouth.edu/~control/forms/cashadv.html>. Cash advance request forms must bear the signature of an authorized approver or delegate that has been given the authority to approve such expenditures for designated GL and PTAE0 Strings on behalf of the College, regardless of the request amount. Under no circumstances can the recipient of the cash advance approve his or her own cash advance request form. The cash advance may be provided to the recipient in the form of cash (up to \$500) or a College check.

Cash advances will not be issued more than 10 business days before the trip or expected expense. Requests for advances in the form of a College payable check should be requested at least 10 business days in advance of need. Requests for large amounts of traveler's checks should be received by the Cashier's Office at least 24 hours before they are needed. Advances paid in cash or travelers checks can be obtained from 9:00 am to 4:00 pm at the Cashier's Office (summer hours are 9:00 am to 3:30 pm). A picture identification and a signature is required acknowledging receipt of the funds when picking up the cash or travelers checks from the Cashier's Office.

Cash Advances for Airfare

The College will NOT process any direct billings for travel expenses from any travel agency other than Travel Leaders. Travelers must use their Corporate Credit Card, a personal credit card, or cash to pay for travel arrangements made outside Travel Leaders.

If the traveler chooses not to obtain tickets through Travel Leaders, thereby making it necessary to personally pay for those tickets, a cash advance may be obtained to reimburse the traveler for tickets purchased prior to the trip. These advances can only be settled when a Business Expense Reimbursement form is properly completed with a receipt reflecting how the payment was made for the purchase of the ticket is attached after the travel has been completed.

Cash Advances for Conference Registration

In those rare instances when prepaying a conference registration with a College check or P-Card is not possible, a cash advance may be obtained by employees and students to cover any personal funds used. To receive a cash advance for conference registrations and similar fees, the employee or student must present a properly approved cash advance form with a copy of the registration form plus proof of payment (i.e., copy of check, credit card confirmation number *etc.*). Do not provide the entire credit card account number with any proof of payment. Make sure the merchant account number is blacked out for your protection as well as the College's.

Non-Dartmouth Personnel

Cash advances may be provided to visiting faculty or lecturer who will be reimbursed by the College for meal and lodging expenses incurred while in the Hanover area. The cash advance for the visitor must be in a College employee's name, on behalf of the visiting faculty or lecturer and needs to be approved by the authorized approver or delegate that has been given the authority to approve such expenses on a specified GL/PTAEO Strings.

Due Dates and Cash Advance Settlements

Each cash advance is the personal obligation of the recipient receiving the funds until the expenses have been settled. The recipient of the funds is responsible for the proper record keeping of expenses incurred while conducting college business and for settling any unused funds owed back to the College. Cash advances must be accounted for on an accurately completed Business Expense Reimbursement form with required itemized receipts. Due dates on cash advances are established at the time that the employee or student is issued the advance. The Cash Advance Form requires the recipient to declare when the trip, activity or event will have been completed. The due date for settling up the advance is no later than 15 business days after returning from the trip, or completing the activity or event. Employees and students must immediately return to the Cashier's Office all of the cash advance when a trip, activity or event has been canceled or has been postponed for more than ten business days.

Business Expense Reimbursement forms with required itemized receipts must be properly authorized and submitted to the Controller's Office or the Finance Center for settlement of cash advances. Once the Business Expense Reimbursement form is submitted, approved and processed, the College will reimburse the traveler by check for expenses which exceed cash advances. If cash advances are greater than the expenses incurred, the traveler must return the remaining balance (by personal check, traveler's checks, or cash) to the Cashiers Office or Finance Center upon completion of the Business Expense Reimbursement form.

Cash advance settlements must provide adequate documentation to substantiate the business expenses covered by the cash advance, as required by the IRS to avoid the reporting of cash advance payments as taxable income to the employee or student.

Unsettled Cash Advances

Employees and students who have not settled their cash advances by the anticipated settlement date will be notified via an e-mail that the settlement is overdue. The first notice sent is 15 days after the anticipated settlement date. The second notice is sent 30 days after the anticipated settlement date and copied to the employee's supervisor. The final notice is sent 60 days after the initial anticipated settlement date and copied to the traveler's Fiscal Officer.

If settlement of the cash advance isn't completed within 120 days from the anticipated settlement date, the employee or student and their Fiscal Officer will be notified that the cash advance is being reported to the Payroll Office for appropriate reporting as taxable income and the appropriate taxes will be withheld from the employee's paycheck. If the funds have been reported as taxable income to the employee or student, the cash advance needs to be recorded as a departmental expense by charging a Chart/PTAEO String for the amount of the cash advance. Any future request for a cash advance by that employee or student will be denied by the Cashier's Office.

Air Travel

Air travel is generally restricted to commercial airlines. The class of air travel chosen is expected to be the least costly consistent with a reasonable level of comfort and convenience for the traveler. The College's contract with Travel Leaders specifies that they will offer the lowest fare consistent within this guideline and available within one hour of the arrival and departure times requested by the traveler.

In some cases, premium fares may be an appropriate reimbursable business expense. For instance, on overnight ("red-eye") flight exceeding five consecutive hours in duration, other flights exceeding seven hours consecutive flight time in duration, or specific circumstances which have been approved in advance by a Dean, Vice President, Chief of Staff, or President. All of these must be permitted by the sponsoring agency when being charged to a PTAEO.

Airfare booked through Travel Leaders can be charged directly to the appropriate GL or PTAEO string. If airfare is booked via another agency other than Travel Leaders, the College will not reimburse the traveler until after the trip has occurred. However, travelers can request a cash advance that will need to be settled after the trip is completed. (See Cash Advance, above).

Under exceptional circumstances, if it becomes necessary to use air charter or air taxi services the traveler must obtain an approval from their Dean, Vice President, Chief of Staff, President, or Board of Trustees prior to the use of such services. Only corporate aircraft of major recognized corporations should be used. The traveler must also contact the Office of Integrated Risk Management & Insurance at (603) 646-2441 prior to the flight for insurance purposes.

International Travel

Most sponsored research funding agencies require that all international travel be on a U.S. flag carrier unless circumstances, such as lengthy holdovers, preclude using a U.S. flag carrier. In the event that there are no U.S. flag carriers going to the traveler's destination, the traveler must contact the Office of

Sponsored Projects. Arrangements for international travel supported by sponsoring agencies can be complex, requiring not only prior approval but detailed justification for each trip, as well as detailed trip reports. For specific information on sponsoring agency requirements, contact the Office of Sponsored Projects.

All policies pertaining to domestic travel apply to international travel as well. Actual costs are reimbursable, to the extent reasonable and necessary, provided adequate documentation is submitted with the Business Expense Reimbursement form.

Change in Air Travel Schedule

All travel arrangements should be made well in advance, as airfare booked early can often be obtained at a much lower rate. 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. Depending on the circumstances the penalty for cancellation and the loss of the full value of the non-refundable ticket may or may not be reimbursed by the College.

Group Travel

Group travel consisting of ten or more individuals with the same points of departure or destination is eligible for special rates through Travel Leaders. Any department requesting a price quote for group travel from an outside agency must also submit a travel bid form, at the same time, to Travel Leaders.

Frequent Flyer Plans

It is College policy that travelers may personally retain the rewards for frequent flyer plans or other bonuses that may accrue from business travel. However, in no case may the traveler choose a reservation at a higher cost in order to accumulate additional plan credits. The College will not purchase frequent flyer miles from travelers or reimburse them for tickets purchased with frequent flyer miles. Any membership fees to join frequent flyer clubs are considered personal expenses and will not be reimbursed by the College.

Automobile, Parking, and Ground Transportation

If traveling by car from home to an airport at the start or end of a trip, the traveler will be reimbursed for miles in excess of the traveler's normal commute to their worksite from home. If travel to an airport from home is necessary on a non-workday, reimbursement will be made for the entire distance. Parking at the airport will be reimbursed, but travelers are urged to use long-term, lower-cost parking lots when available. If public transportation or a cab taken to and from the airport would result in a lower cost (due to the high cost of parking in most cities and airports), the traveler is encouraged to take advantage of these savings.

Personal Vehicles

As a general rule, the use of personal vehicles for College business is discouraged because no reimbursement will be made for the cost of repairs to the vehicle, regardless of whether the costs resulted from business travel or whether they result from acts of the traveler or another individual. Furthermore, 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.

When the use of a personal vehicle is necessary, reimbursement for its use will be at the mileage rate published by the Controller's Office, which is based on the IRS published mileage reimbursement rate. The mileage reimbursement rate can be found at <http://www.dartmouth.edu/~control/>. The mileage reimbursement rate includes the cost of using the vehicle, such as any car repairs, gas charges and any incremental cost for the owner's personal automobile insurance coverage, since it is the primary coverage in case of an accident. Reimbursements may be requested for tolls and parking fees when using your personal vehicle for business. The College will not reimburse employees for parking tickets, fines for moving violations, vehicle towing charges or auto repairs and maintenance.

Public Transportation

Public transportation expenses include the cost of taxis, shuttles, airport vans (or car service), subways, buses, rail, and other modes of public transportation while on College business. The College will reimburse the individual for these expenses (including a reasonable tip) when reasonable and properly documented.

Dartmouth College Rental (VOX) Cars

If travel by automobile is appropriate, travelers should determine whether a College VOX car provides the best option in terms of cost and convenience. For more information concerning the availability, pricing, and reservations go to the Parking & Transportation Service's website <http://www.dartmouth.edu/~fom/services/voxcars.html>. Note: Travelers are NOT charged for gasoline usage, as this is included in the car rental fee.

Domestic Rental Vehicles

Dartmouth College has established a contract with Avis Rent A Car as its primary provider for all vehicle rentals for business. This contract entitles participants to the Avis Worldwide Discount (AWD) program. The Avis Corporate AWD number is A115600. The traveler's Dartmouth corporate card should be used to ensure that you receive the maximum insurance protection.

For business rentals not booked through Avis the College's insurance will cover the individual as well as the vehicle when the vehicle is rented for business purposes; therefore, employees should not sign (or initial) for additional insurance coverage provided by the rental company. Business travelers must use their corporate card to receive free primary Collision Damage Waiver (CDW) insurance for the value of the rental vehicle. This reduces the College's expenditures for any accidents and will prevent your department from potentially incurring an expense of \$1,000 for the deductible due to any at-fault accidents. Travelers not using their Corporate Card will not be reimbursed should they select the CDW insurance coverage.

International Rental Vehicles

Rental vehicles for international travel should be obtained through Travel Leaders. Travelers should purchase rental Collision Damage Waiver (CDW) insurance and liability insurance when renting cars outside the United States. This is often referred to as a "full coverage" option.

Rail Travel

Coach accommodations should generally be used for trips shorter than seven hours of travel on the train. Business class seats may be purchased if there is a business need (e.g. wireless internet access). First class (roomette) accommodations may be used for longer trips or overnight travel.

Lodging, Meals, and Entertainment

Lodging

Travelers should use standard accommodations in reasonably priced hotels. Since hotel reservations are typically guaranteed to assure lodging for late arrivals, travelers are required to cancel these reservations in a timely manner to prevent “no show” charges. Except under extenuating circumstances, the College will not reimburse expenses due to a traveler's failure to cancel guaranteed room reservations.

When requesting reimbursement for lodging, the itemized hotel receipt or statement must be submitted with the Business Expense Reimbursement form in order to be compliant with IRS regulations. The College requires an itemized hotel invoice or statement which reflects that payment has been made in full. An invoice or statement reflecting a “balance due” is not sufficient proof of payment. The “balance due” does not signify that payment was made on behalf of the traveler, therefore, the traveler will need to obtain an invoice or other documentation that reflects that payment was made in full, prior to requesting any reimbursement.

Travel Meals and Incidental Expenses

For U.S. travel meals and incidental expense, the College allows use of a per diem or actual expense reimbursement. The per diem is based on the IRS high-low per diem rates. Per diem rates are updated annual. The high per diem rate is \$65.00 (for 2011) and applies to certain [U.S. locations defined by the IRS](#) (see listing of locations below). The low per diem rate is \$52.00 (for 2011) for all other U.S. locations. Per diem amounts include meals and incidentals (includes meal related tips).

If a meal is not paid for by the individual because it was provided by a third party or during a partial day of travel, the daily per diem should be reduced based on the allocation below:

	<u>High Per Diem Location</u>	<u>All other locations</u>
Breakfast	\$ 10.00	\$ 8.00
Lunch	16.00	13.00
Dinner	<u>39.00</u>	<u>31.00</u>
Daily Total	\$ 65.00	\$ 52.00

The meals and incidental per diem rate for international travel is based on the rates published by the U.S. Department of State for the time period the trip took place. The international per diem rates can be found at the following website: http://aoprals.state.gov/web920/per_diem.asp.

For partial day travel or when a meal has been paid for by others, a deduction must be made from the international per diem allowance as follows: breakfast (15%), lunch (25%) and dinner (60%).

If a per diem is not chosen, actual and reasonable costs will be reimbursed. The policy does not require but encourages receipts for any individual expenses under \$50.00 when per diems are not used. Receipts for travel meal expenses of \$50 or more are required. For a given trip, a traveler needs to choose either per diem reimbursement or actual cost reimbursement. However, travelers who choose the per diem option but while travelling incur the cost of an entertainment meal may request reimbursement for the actual cost of the entertainment meal. The requestor must provide a receipt and information regarding the business purpose and participants for the entertainment meal, and adjust the per diem as described above.

Locations eligible for high meal and incidental Per Diem amount - \$65 (effective 2011)

State	Key City Area / Location
California – CA	Monterey San Diego San Francisco Santa Barbara Santa Monica South Lake Tahoe Yosemite National Park
Colorado – CO	Denver, Aurora
Florida – FL	Key West
Illinois – IL	Chicago
Massachusetts – MA	Boston / Cambridge
Maryland – MD	Counties of Montgomery and Prince George’s
New York – NY	New York City – Manhattan, Bronx, Brooklyn, Queens, and Staten Island Westchester County – White Plains, Tarrytown, New Rochelle
Pennsylvania – PA	Philadelphia
Virginia – VA	Alexandria Falls Church Fairfax Counties of Arlington and Fairfax
Washington – WA	Seattle

Business Meals

Business meals are defined as meals taken with students, donors, colleagues, or individuals from companies during which specific College business discussions or activities took place. Detailed receipts must be provided concerning the names of the other diners and the business purpose for hosting the meal.

Travel Business Meals

When the traveler is claiming reimbursement for meals purchased for non-Dartmouth personnel, these meals should be considered “Business Meals” rather than “Travel Meals,” and detail must be provided concerning the names of the other diners and the business purpose for hosting the meal

Non-Travel Business Meals

In cases where College employees meet over a meal when they are not traveling, the cost of the meal can be considered reimbursable when the primary purpose of the meeting is to conduct business and there is a clear and compelling reason to meet outside the worksite over a meal. Generally, these requirements are met when it is not possible for one or more employees to meet during other working hours and the purpose of the meeting is to conduct business in accordance with a formal agenda. IRS regulations do not allow for the reimbursement of meal charges incurred by employees who are not traveling away from home unless the above criteria are met and there is a clear benefit to the College.

It is permissible to incur expenses chargeable to the College for meals provided as part of a local conference, seminar, workshop, presentation or other similar group meeting involving employees when it extends through the usual mealtime(s). Such meals must be reasonable in relation to the nature, duration and purpose of the meeting.

Employee Banquets

Banquets for employees are considered reimbursable business expenses when the expenditure is intended to serve as a token of appreciation that primarily promotes employee relations or that recognizes individual or group achievements.

Employee Functions

Functions such as parties to celebrate births, marriages, etc., or small worksite celebrations with purchased food or beverages are ordinarily paid for by the employees involved. If extenuating circumstances dictate that the expense for such function is approved as an appropriate charge to a College department Chart/PTAEO string, then the charge must be posted to the corresponding natural class for entertainment.

Alcohol

The federal government has mandated that no alcohol costs may be charged as either a direct or indirect expense of federally sponsored projects. This mandate means that the cost of alcohol should not be charged directly to a PTAEO string. The allowability of expenses for alcohol on non-federal grants depends upon the guidelines of the specific sponsor.

If alcohol charges conform to the guidelines outlined in the other policy sections, it may be reimbursable; however, it must always be charged separately to the appropriate natural class of entertainment federal unallowable alcohol. Some College divisions may choose not to reimburse for alcohol costs.

While not encouraged, alcohol cost is reimbursable as a business expense when served at College functions primarily intended to promote donor, employee, or student relations. When alcohol has been deemed a legitimate business expense, it must be separately charged to the appropriate natural class.

Business Entertainment

Meals and functions are considered business entertainment if they are intended to provide hospitality to non-College individuals which, although partially social in nature, are deemed necessary and customary in furthering the College's mission. Meals which include spouses or other individuals who are not directly involved in conducting College business are general indications that the occasion is entertainment rather than a business meal or meeting.

Examples of business entertainment include, but are not limited to:

- Receptions for College guests and visitors;
- Alumni reunions or similar alumni functions;
- Entertaining donors or prospective donors; and,
- Welcoming receptions for parents and students.

Business entertainment expenses should be reasonable in relation to the nature of the function and the resulting business benefit expected to be derived from the expenditure. A description (either a list of names or identification of the hosted group) and the total number in attendance at a business entertainment function must be indicated on the business reimbursement expense request along with the business purpose of the entertainment. It is critical that the Business Expense Reimbursement form clearly documents the business purpose of the entertainment.

Because business entertainment expenses are rarely, if ever, allowable as either direct or indirect costs of federally sponsored grants and contracts, it is imperative that these and any related alcohol costs be segregated in the appropriate chart string so that they may be easily identified in the accounting records (and excluded from any calculation of direct or indirect sponsored research costs).

Gratuities for Hosts

Should the traveler decide to stay with colleagues, family, or friends in lieu of a hotel, the traveler may request reimbursement for gratuity expenses of a reasonable value offered to the host. These gratuities would be in place of meals and/or lodging for the accommodations provided by the host. An explanation of such items should be submitted with the Business Expense Reimbursement form.

Miscellaneous Travel Expenses

Lost or Damaged Equipment

The College's blanket all-risk property insurance provides coverage for all College-owned or leased equipment, with a replacement value in excess of \$1,000. The insurance coverage provides for loss or damage caused by any peril not otherwise insured, including theft, but not general wear-and-tear and gradual deterioration. All departmental equipment should be carefully secured when not in use or left unattended in public places when travelling. Computer equipment hardware and accessories must be secured against theft. To report a loss, please contact The Office of Risk and Internal Controls Services at (603) 646-3839.

Telephone Calls

Travelers should use the Dartmouth College Telephone Calling Card distributed by Telephone Services. The instructions for placing telephone calls are on the reverse side of the calling card. These rates are sometimes lower than the hotel telephone system or placing your calls collect. If your calling card is lost or stolen contact Telephone Services at (603) 646-2300.

Professional Development

Expenses incurred in attending professional development programs may be reimbursable. Departments determine who may attend such programs at the College's expense. The Departments should ensure that the content of the program is of a substantive nature which directly relates to the employee's job responsibilities.

Travel costs and fees associated with continuing education credits required to maintain a professional certification that is not directly related to the employee's current position are not reimbursable business expenses.

Conference Registration and Similar Fees

Conference registration fees, abstract fees, and other similar types of expenses that must be paid in advance of a professional development program should be paid by a College check (via Request for Payment Form), employee's Corporate Credit Card, or employee's P-card.

In those rare instances when a direct College payment for these types of fees is not possible, employees may use their own funds for the conference registration (or similar expense) and be reimbursed in the following ways: (1) on a Business Expense Reimbursement form after the trip and/or conference has occurred, or (2) by a cash advance before the conference has occurred with subsequent settlement on a Business Expense Reimbursement form, presumably with other travel costs. There is not adequate documentation (because the event has not yet occurred) to treat the fee as a reimbursable business expense in advance of the conference.

Temporary vs. Indefinite (Greater than 12 months) Travel

If an individual's travel assignment is expected to last longer than 12 months or does in fact last longer than 12 months, expenses for meals and lodging cannot be considered non-taxable business expenses. Because of the long-term nature of the assignment, the IRS assumes that the traveler has moved his/her tax home to the new place of employment and treats the meals and lodging expenses as personal

expenses, requiring that any reimbursements be reported as additional compensation to the employee and subject to tax withholdings. This is true for all expenses incurred from the point in time when it was known that the assignment would be more than 12 months, not just those incurred after the 12-month period. In these exceptional circumstances, the department should contact the Controller's Office well in advance of the temporary assignment for more specific information and instructions.

Visitors, Recruiting, and Relocation Expenses

Visitors and Recruits

When Dartmouth is covering the cost of travel, room and board, and other expenses of visitors and recruits (to be hereinafter referred to as visitors), College travel and reimbursement policies apply to their expenses as well. Visitors, or departments on behalf of them, must adhere to the same reasonableness standards and submit required documentation supporting expenditures. It is the responsibility of the sponsoring department to make visitors aware of the College's policies. Reimbursement of their expenses will be made in the normal manner once a completed Business Expense Reimbursement form has been reviewed and approved. The College will reimburse the travel costs of students and non-employees (such as job applicants, lecturers, consultants and other individuals) when required by authorized contractual agreement or when approved in advance by a department head or senior officer. Reimbursement will be made in accordance with these policies.

If rent for housing a visitor is to be paid directly to a landlord or property owner, departments should prepare and submit a Miscellaneous Income Payment Voucher payable to the landlord using the proper natural class for rent along with the payee's social security number for tax reporting purposes.

If necessary, visitors may request cash advances for expenses which will be reimbursed by the College, however, cash advances must be recorded in the name of a College employee, since the employee is ultimately responsible for the settlement of the cash advance. Any problems with payment or reimbursement of expenses for visitors should be discussed with the Controller's Office or Finance Center to ensure the proper handling of expenditures.

Relocation Expenses of Newly Hired Employees

College departments may, in hiring new employees, agree to pay all or a portion of the cost of relocating individuals and their families to the Upper Valley area. The level of reimbursement is based upon the agreement between the employee and the hiring department. The College's Procurement Department will coordinate arrangements for the relocation of household or office belongings of newly hired members of the faculty and administration.

Recently hired employees moving to the Upper Valley area may be reimbursed for the transporting of their personal vehicle(s) to their new home. All relocation costs should be charged to the appropriate chart string, including the proper natural class, regardless of whether the expenses are paid directly by submitting invoices for payment to the Accounts Payable Department or paid to employees as reimbursement for their out-of-pocket expenses.

Certain types of moving expenses paid or reimbursed by the College must be treated as additional compensation to the employee, subject to both income and employment tax withholding. If the expenses paid by the College qualify as deductible moving expenses and are supported by receipts or other appropriate documentation, the payments are not required to be reported on the employee's IRS W-2

Form. Guidelines for determining taxability are based on the IRS rules – refer to IRS Publication 521 Moving Expenses found on: <http://www.irs.gov/pub/irs-pdf/p521.pdf>.

Taxable and Non-taxable Employee Recruitment Expenses

Before an offer is accepted:

Payment of authorized recruitment travel expenses (such as airfare, lodging, and meals) incurred during the employee recruitment process is not taxable to the prospective employee.

After an offer is accepted:

After an offer of employment has been accepted, the employee/employer relationship is established and pre-move house hunting expenses (such as airfare, lodging, and meals) incurred by the employee and family are considered taxable income (if reimbursed by the College).

Moving Expenses

A person's cost of moving their personal household belongings qualify for Non-Taxable Reimbursement when:

- It is closely related to the start of work, both in time and in place;
- The person's main job is at least 50 miles farther from their former home than their old job location was from the former home; and
- A person is expected to work full time for at least 39 weeks during the first 12 months after they arrive in the general area of their new job location.

Costs that qualify as Non-Taxable moving expenses:

- Expenses must be reasonable for the circumstances of the move;
- Expenses must be for the new employee and members of their household. A member of the household is anyone who has both the former home and the new home as his or her home. It does not include a tenant or employee, unless that person is a dependent;
- Cost of packing, crating and transporting furniture and other household items;
- Shipping automobiles and pets;
- Storing and insuring items within a 30 day period after moving out of the former home and before delivery to the new home;
- Transportation and lodging costs for the employee and his/her family members while traveling from the former home to the new home.

Costs that qualify as Taxable moving expenses:

- Relocation services
- Meals while traveling during final move
- Transportation and meal costs for house hunting trips
- Temporary living expenses
- Cost associated with selling the former residence, terminating a lease, or buying or leasing a new home

Newly hired employees or supervisors of the employee should visit the College Procurement's website <http://www.dartmouth.edu/~control/departments/procurement/relocation-exp-new-empl.html> or call (603) 646-2811 for further assistance.

Miscellaneous Business Expenses

Memberships, Dues and Subscriptions

Fees for individual memberships in business associations as well as fees for magazine, newspaper, or newsletter subscriptions may be reimbursable. Approvers or delegates will decide whether these costs will be covered by the College. Individual membership in professional associations or other costs incurred to maintain professional certifications or licenses that are directly related to the employee's current position and have a clear business benefit to the College are reimbursable.

The cost of memberships in athletic clubs, faculty clubs, social clubs, fraternal orders, or other similar organizations generally do not qualify as business expenses. Employees must pay for these memberships personally, unless there is a clear business benefit and the primary purpose of the membership is to benefit the College. In these special instances, they must be charged to the appropriate natural class and have been pre-approved by a Dean, a Vice-President, Chief of Staff, or President. The Controller must be notified when memberships are approved to ensure appropriate tax reporting and documentation.

Cell Phones and Internet Connections

Individuals that incur cell phone or internet costs that are reimbursable under the Cellular communications policy may be reimbursed through the business expenses reimbursement process.

Gifts to Employees

Modest gifts upon the death or serious illness of an employee or family member are allowed and can be charged to a department chart string. Other gifts or bonuses to employees are not usually allowed except when made pursuant to a recognized College-wide policy or practice; for example, service awards for employees or tokens of appreciation upon retirement. It is not appropriate to spend any College funds in recognition of employees for non work-related achievement or events such as weddings, baby showers, housewarming, etc.

Gifts paid for by College funds and received by employees or students are taxable and must be reported as income if their value exceeds the following dollar thresholds:

- Gift certificates of any amount
- Gifts of tangible personal property greater than or equal to \$50.00
- Gifts of tangible personal property greater than \$400.00 to a long-service or retired employee

The authorizing department must contact the Payroll Office for reporting requirements for this type of reportable income. The employee's annual IRS W-2 Form will reflect the taxable income for that calendar year.

Exclusions / Exceptions to Policy

- See exclusions and exceptions within the Business Travel and Other Expense Reimbursement Policy. Other exceptions may be granted by the Controller, Vice President for Finance, Executive Vice President and Chief Financial Officer, and President.
-

Frequently Used Travel and Business Expense Natural Classes

7516 - Uniforms or Clothing
7532 - Books
8043 - Cell Phones
8111 - FOREIGN Airfare
8112 - FOREIGN Ground Transportation
8113 - FOREIGN Lodging
8114 - FOREIGN Meals
8115 - FOREIGN Immigration Fees
8116 - FOREIGN Non College Travel
8141 - DOMESTIC Air
8142 - DOMESTIC Ground Transportation
8143 - DOMESTIC Lodging
8144 - DOMESTIC Meals
8145 - DOMESTIC Mileage Reimbursement
8146 - DOMESTIC Non College Travel
8151 - NONTRAVEL Meals Local
8161 - CONFERENCE Registration Fees
8201 - ENTERTAINMENT
8202 - ENTERTAINMENT - Alcohol

Related Information

- IRS Publication 463: Travel, Entertainment, Gift and Car Expenses: <http://www.irs.gov/pub/irs-pdf/p463.pdf>
- IRS Publication 521 Moving Expenses found on: <http://www.irs.gov/pub/irs-pdf/p521.pdf>
- Mileage reimbursement rates: <http://www.dartmouth.edu/~control/>
- Parking & Transportation Service's website: <http://www.dartmouth.edu/~fom/services/voxcars.html>
- Controller's Office website: <http://www.dartmouth.edu/~control/forms/cashadv.html>
- Procurement Office website: <http://www.dartmouth.edu/~control/departments/procurement/relocation-exp-new-empl.html>
- International travel per diem rates: http://aoprals.state.gov/web920/per_diem.asp

Ramifications if policy is breached

The College could be cited by the IRS for having an “unaccountable plan.” Any reimbursements made to an employee, student or visitor under a non-accountable plan would then have to be reported as additional compensation by the College on an individual’s IRS Form W-2. Employees, students, and visitors would then report this as taxable income on their annual IRS tax filing.

Organizational Responsibilities

- The primary responsibility for interpretation of these policies rests with the departments and supervisors who are authorizing travel and approving business expense reimbursements.
 - Individuals whose travel is funded by a sponsored grant or contract should check in advance of the trip with the Office of Sponsored Projects to ensure that all agency procedures and restrictions are followed.
 - Prior to processing BER forms for payment, the Controller's Office and/or the Finance Center will routinely review these documents for accuracy and proper documentation. Depending on the dollar amount of the reimbursement, this review includes verification of: (a) proper supporting documentation, (b) accuracy of addition and mileage calculations, (c) authorizing signature, and (d) account strings. In the course of the review, the Controller's Office or the Finance Center may request approval from senior administrative officers when claimed reimbursements appear unreasonable or do not comply with College policy.
 - A sample of BER forms will be selected for post-processing quality control review by the Controller’s Office. The reviews will include verification of (a) proper supporting documentation (b) authorizing signature, and (c) compliance with this policy.
-
-

Forms

Business Expense Reimbursement forms can be found at <http://www.dartmouth.edu/~control/forms/bus-exp-reimb.html>