

BUSINESS EXPENSE REIMBURSEMENT POLICY
(Replaces Travel and Entertainment Expense Reimbursement Policy)
Updated 01/26/2017

Purpose of the Policy

This policy has been established to ensure the best possible use of the College's resources, cost-effective travel, and for prompt reimbursement of those expenses incurred by College employees for College business. This policy meets or exceeds IRS tax and legal requirements.

This is an evolving document. Updates will be made as regulatory (IRS) and industry standards change. Employees should review the policy at least annually to be sure that they are in compliance with current guidelines.

Policy

This policy outlines business expense reimbursement guidelines for employees of Cornell College. The policy provides guidelines regarding acceptable levels of business expenses and ensures that Cornell College maintains tax-exempt status through compliance with various Internal Revenue Service (IRS) statutes. In order to maintain IRS compliance, three conditions must be met:

1. The purpose for the expense must be related to College business.
2. There must be substantiation of the expense – original itemized receipts must be submitted showing date, time, place, amount, people involved and purpose for the expense. If you don't have an original itemized receipt, a [missing receipt form](#) must be filled out completely and turned in. This form can be found under Business Services Printable Forms on the Cornell website.
3. Any advance of funds in excess of the substantiated amount must be returned to the College within 30 days.

Policy Questions

Questions pertaining to this policy should be directed to your supervisor, division Vice President, or Controller. It is the responsibility of the Controller and Vice President for Business Affairs, in conjunction with President's Council as needed, to update this policy.

Scope

This policy applies to all employees of Cornell College for expenses to be reimbursed by the College. The policy applies to both unrestricted and restricted sources of funds. Any travel and/or expenses funded by federal grants must adhere to College policies and also comply with federal travel regulations, including the specific terms and conditions specified in the grant.

Procedures

It is the responsibility of each individual employee to comply with the Cornell College Business Expense Reimbursement Policy. Supervisors are responsible for authorizing expenses and then reviewing and approving reimbursements in compliance with the College Business Expense Reimbursement Policy.

- Any exceptions to this policy must be approved in writing by the division Vice President with notice to the Controller prior to making a reservation and/or incurring an expense. This exception must also be explicitly documented on the reimbursement request.

POLICY AND PROCEDURES FOR TRAVEL:

I. TRAVEL ADVANCES:

- A. The immediate supervisor, a Vice President, or the President must approve all requests for travel advances.
- B. Travel advances should only be requested for the amount of actual expenses expected to be incurred during travel. Authorization for travel must consider available budgeted resources.
- C. Advances to employees for travel purposes are considered a loan. If the advances are not accounted for as travel expenses, they must be repaid to the College via cash, a personal check, or payroll deduction.
- D. Travel advances are not to be used for purchases prior to travel.
- E. If you have questions related to your travel, check with Business Services prior to your departure.
- F. Advances may be obtained by completing Part I on the [Travel Loan and Expense Reporting Form](#) (the "Travel Form").
 1. After receiving approval for the advance, forward the Travel Form to Business Services for funding.
 2. Travel advances must be received 10 days prior to your departure.
 3. Business Services processes two check runs per week.
 - i. Submission deadline for approved forms is noon Tuesday and Friday in the Accounts Payable Office, third floor Old Sem.
 - ii. Checks will be ready by 3 p.m. the following Thursday and Tuesday respectively, and taken to the Mail and Service Center for distribution in Friday's and Wednesday's campus mail.

II. TRANSPORTATION:

- A. Mode of Transportation.
 1. Minimizing costs when traveling is extremely important to the mission of the College.

2. When determining the mode of transportation, give consideration to economic as well as practical factors. For example, the College will reimburse reasonable lodging for Saturday night stays if to do so results in lower overall costs to the College because of special airfares.
3. Renting a car may cost the College less than driving a personal vehicle depending on the distance and duration of the trip.
4. Please be cost conscious when planning your itinerary by comparing the cost of air vs. ground travel, including parking, tolls, and other expenses related to ground travel.
5. If there are special circumstances related to your travel, please check with Business Services before you leave and make arrangements accordingly.

B. Air Transportation/Rental Vehicles at Destination.

1. Plan early and wisely for air travel; reservations should be made at least 14 – 21 days in advance. Fares can vary greatly depending on timing of reservations, day of departure and layovers. Flexibility on your part can result in cost savings for the College. The College travel agent, Destinations Unlimited (319-393-1359), will bill the College directly for airfare; however, less expensive flights can often be found via Internet searches and purchased online using a credit card. Please read the fine print carefully when booking an Internet fare as they are sometimes non-refundable and non-transferrable.
 - i. Purchase of airline tickets related to academic courses/programs must be made through the Office of International and Off-Campus Studies and are payable through the appropriate course/or department budget. For further details, please contact the Coordinator for the Office of International and Off-Campus Studies.
2. If you are traveling by air, the College will reimburse you at the IRS rate per mile for travel to the airport, plus short-term (if someone is dropping you off) or long-term parking fees (if you drive your own car to the airport).
3. Use of the airport shuttle or limo service is discouraged, and should only be used as a last resort or when cheaper than parking.
4. When you arrive at your destination, we encourage you to use public transportation whenever possible. Airports often offer free to low-cost shuttle services to major hotels.
5. The College will reimburse you for one checked bag. If there are special circumstances for your travel and you need to check more than one bag, you will need pre-approval from your divisional Vice President with notice to the Controller.

- i. Additional shipping or baggage costs directly related to academic courses/programs are reimbursable. Additional costs related to souvenirs or personal items are not reimbursable. Please see the Office of International and Off-Campus Studies for further information.

C. Vehicle Rental When Flying.

1. If it is necessary for you to obtain a rental vehicle during your trip, we ask that you select an economy or mid-sized car.
2. Exceptions include requirements for entertainment needs or accommodations for additional people.
3. Pre-arranging car rentals through the Internet before your trip often results in better pricing.
4. When you return the rental vehicle, ensure the gas tank is full and clean out garbage, etc. Failure to do so results in higher, non-reimbursable costs.
5. Cornell has a program arrangement through Budget that may offer a better price than standard Internet rates.
 - i. Cornell's Budget Corporate Discount (BCD) number is Y016500. You need to enter this number at the time of your reservation to get discounted rates.
 - ii. You can make reservations through Budget's online reservation system.
 - iii. Besides discounted rates, Cornell will receive a \$2 per day rebate for certain qualifying rentals.
 - iv. In addition, you can enroll in Budget's Fastbreak program so you can save time in renting a car. Enrollment is free and you can enroll at <https://www.budget.com/budgetWeb/profile/fastbreak.ex>. Make sure you enter Cornell's Corporate Discount number when you enroll in Fastbreak.

D. Personal Auto Transportation.

1. If traveling more than 100 miles per day, it is recommended that a vehicle be rented instead of using a personal vehicle.
2. If a personal vehicle is used when traveling more than 100 miles per day, reimbursement will be made for gas only at a rate of \$.18 per mile.
3. If a personal vehicle is used when traveling less than 100 miles per day, reimbursement will be made at the IRS rate per mile (announced each time the IRS rate changes).
4. Mileage reimbursement is based on actual miles driven for College business.

5. Please note that direct trips between the employee's residence and the College at any time are considered commuting miles and are not reimbursable.
 6. Travelers using their personal vehicles on College business must carry adequate personal liability and property damage coverage. While the College does have liability coverage which protects in the event of an accident for the excess over the traveler's personal coverage, personal insurance coverage is primary.
- E. College-Provided and Rental Vehicles (when leaving from Cornell).
1. In order to drive a rental vehicle you must:
 - i. Be at least 20 years of age and possess a valid driver's license.
 - ii. Before your first rental in each calendar year, a photocopy of your license must be sent to your contact person (see contact persons under request process below).
 2. Request Process: Click [HERE](#) to complete the Budget Vehicle Rental Request Form. Contact persons include:
 - Athletic Staff – Teresa Flockhart
 - Faculty – Stephanie Nomura
 - Advancement – Sheri Hotz
 - Student Affairs – Carol Stock
 - All Others – Rachel Krug
 3. Your request will be processed by your contact person. Once availability is confirmed, your contact person will send you, as well as the Information Desk, a copy of the confirmation. If a rental vehicle is not available you will need to discuss alternatives with your supervisor.
 4. The rental vehicle will be delivered per the instructions indicated on the request form (either to the Facility Services area or Sports Center). The keys will be delivered to the Thomas Commons Information Desk and the delivery/return invoice can be found in the vehicle, along with the Budget Rental insurance identification card found in the glove box.
 5. Use of the vehicle:
 - i. College gasoline credit cards should be used in conjunction with rental cars and are available from your contact person.
 - ii. Keys, the College insurance identification card, and the rental agreement may be picked up from the Information Desk during their normal business hours.
 - iii. If keys cannot be picked up during these times, call the Information Desk at x4334 and make alternative arrangements.

- iv. Prior to leaving, inspect the vehicle and complete the departure information on the delivery/return invoice (trip departure date and time, odometer reading, fuel level, etc.).
- 6. When renting a vehicle, you should decline all insurance coverage. The College provides insurance coverage for the vehicle and contents owned by the College. In case of an accident, call Travelers immediately at 1-800-832-7839. Be sure to get the name and address of each driver, passenger and witness along with the insurance company and policy number information for each vehicle involved. Do not assume responsibility for the accident. Call the police. Protect against further damage. Request medical assistance, if required. Only discuss the accident with police officers or Travelers representatives.
 - i. Please note that the insurance carried by the College does not cover loss of personal items lost or damaged while renting a vehicle.
- 7. Return process:
 - i. When you return, ensure the gas tank is filled and the vehicle is reasonably clean (remove garbage, etc.).
 - ii. Complete the return information on the delivery/return invoice (return date and time, odometer reading, fuel level, etc.) and leave it in the vehicle.
 - iii. If any damage was incurred, note that under “Problems/Additional Information”. Failure to do these things will result in additional charges to the College and will be charged back to you.
 - iv. Lock the vehicle and leave the keys at the Information Desk.
- 8. Return gas credit cards and receipts (print your name on each receipt) to your contact person within 24 hours of your return. Failure to return gas receipts within thirty days will result in a payroll deduction of the monies advanced to you via the credit card.
- 9. Cancellations:
 - i. Notify your contact person within 24 hours in advance of your departure time of any need to cancel use of the vehicle.
 - ii. Failure to do so will result in your department being charged for the vehicle.

III. LODGING:

- A. The College will reimburse employees for lodging expenses incurred in connection with authorized travel.
- B. Trips of less than 50 miles one way from the College, or the traveler’s residence, whichever is shorter, are considered local travel and do not qualify for overnight

stay unless Cornell business requires attendance at an event away from Mount Vernon, where attendance and travel for the event would prohibit the employee from having 8 hours at his/her home to rest.

- C. When making reservations for overnight accommodations, inform the reservation clerk that you are with a tax-exempt organization. In some cases you will need to show a copy of the [tax exemption document](#) (also available from Business Services).
- D. You may also find a better rate through the use of the Internet and charging the room to a credit card. If you utilize the Internet, be cautious about booking a non-refundable rate if it is possible your plans will change.
- E. When travelling, lodging will be reimbursed for an overnight stay for the evening prior to the event/appointment if the event/appointment is held in a city more than 100 miles from Mount Vernon.

IV. MEALS:

- A. Original itemized receipts must be submitted for any meal regardless of cost.
- B. Meals, including gratuities, are reimbursed based on actual submitted expenses with a maximum per diem amount per person of \$46. Exceptions to the \$46 per day limit will be allowed in the following circumstances:
 - 1. If the meal is incurred in a high cost locality, the daily limit will be allowed up to the IRS guidelines for that specific locality. Please print per diem rate sheet on the following link, highlight your locality and include with your receipt ([IRS schedule](#)).
 - i. International rates can be found [here](#).
 - 2. Within the Advancement and Development or President's area, when the meal is with a current or prospective donor, the meal expenditure can be reimbursed in excess of the current standard rate with supervisor approval.
 - 3. Cornell employees leading groups of students, where the students are provided a limited per diem for meals within IRS guidelines, may also receive the same per diem.
 - 4. For both the day you depart for and the day you return from a business trip, you are allowed $\frac{3}{4}$ of the standard meal allowance.
 - 5. Other exceptions may be accepted with detailed explanations and prior supervisor approval.
- C. Within this allowance, you may request reimbursement for one (1) alcoholic beverage consumed with your meal.
 - 1. The College urges you to use prudence in the consumption of alcohol and not to drink and drive.
 - 2. Please note: the federal government has mandated that no alcohol may be charged as either a direct or indirect expense of federally-sponsored

projects. This mandate means that under no circumstances should alcohol be charged directly to a federal grant or contract.

- D. Meals that are reimbursed for an individual employee without an accompanying overnight stay are considered taxable income (IRS publication 17, chapter 26). As a result, employees cannot be reimbursed for meals without an overnight stay unless one of the following conditions is met:
 - 1. They are entertaining non-College employees (who need to be identified on the receipt) for business purposes.
 - 2. They are attending a conference in which the meal is not included in the cost of the conference.

V. PARKING AND TOLLS:

- A. Actual bridge, tunnel, turnpike and parking expenses may be claimed for reimbursement.
- B. The location, date and time of the incurred expense and original itemized receipts (if available) are necessary.
- C. Parking or traffic violations received while on College business will not be reimbursed by the College.

VI. PUBLIC TRANSPORTATION:

- A. Cabs, hotels/airport shuttle buses, or other forms of public transportation should be utilized when possible.
- B. Original itemized receipts must be turned in for reimbursement.

VII. TELEPHONE AND INTERNET ACCESS:

- A. If telephone access is required to perform College business while traveling, please use a prepaid long distance phone card or a cell phone to make calls while away from campus.
- B. Direct dial calls from hotels can run over \$2/minute and are discouraged.
- C. Charges for use of wireless Internet are reimbursable when used for College business.
- D. If your place of lodging charges for Internet usage, keep in mind that there may be a nearby coffee shop, restaurant, or business that offers free wireless access.

VIII. SUPPLIES/POSTAGE:

- A. At times, a traveler may need to purchase supplies or postage for College business while traveling for the College.
- B. Only those items/shipping charges directly associated with College business are reimbursable.

- C. Personal purchases will not be reimbursed. Check with Accounts Payable at x4132 for clarification.
- D. Supplies purchased for academic courses/programs (such as adaptors, emergency kits, etc.) are reimbursable expenses. However, such supplies remain the property of the College and should be returned to the Office of International and Off-Campus Studies for future use by other courses/trips.

IX. SHARED EXPENDITURES:

- A. If a traveler shares expenses with another person who is not seeking reimbursement from Cornell College, it is the traveler's responsibility to request and split invoices from the vendors, i.e. hotel bills, car rental invoices, restaurant receipts, cabs, etc., or to clearly mark the traveler's portion of the expenses for reimbursement on each receipt.
- B. Spouses and other travelers may accompany Cornell faculty on trips for academic courses/programs as paying members of the travel party. The individual will be charged at the rate of student cost for the particular course/trip.

X. CULTURALLY APPROPRIATE EXPENDITURES:

- A. Trips coordinated by the Office of International and Off-Campus Studies can submit expenses for reimbursement, including tips and other expenses, that are appropriate for that country or culture, even if they would fall outside of the standard College policy. Details normally provided on an itemized receipt and a brief sentence detailing the cultural practice must be submitted with request for reimbursement.

XI. EXPENSES NOT REIMBURSABLE:

- A. Unless specifically addressed in this policy, no other expenses are reimbursable.
- B. This includes, but is not limited to fitness center fees, parking fines, traffic violations, valet service, medications, dry cleaning/laundry services (unless trip is for more than seven days), shoe repair, in-room movies and snacks, magazines, newspapers, gratuities paid to hotel personnel or cab drivers, and other items purchased for personal use (clothing toiletries, entertainment, etc.).

XII. TRIP COMPLETION AND REIMBURSEMENT REQUEST:

- A. Within thirty (30) days of your trip, your Travel Form must be completed, expenses verified, original itemized receipts attached and reimbursement requested, or overpayments of advances refunded back to Cornell.
- B. Credit card statements are not acceptable as documentation for expenses.
- C. If you don't have original itemized receipts, you need to complete a

[missing receipt form](#) (found under Business Services Printable Forms on the Cornell website) and fill it out completely.

- D. This timeframe will enable us to record the expenses in the proper period on a timely basis, and minimize the loss of receipts.
- E. According to IRS guidelines, expenses that are not adequately accounted for within 60 days after they were paid or incurred are considered taxable income. As a result, any reimbursements submitted after 60 days of when they were incurred (or 60 days from the return of a business trip) will be reported as taxable income on the employee's W-2 or a 1099.
- F. Travel advances made and not accounted for will be deducted from the next available paycheck.
- G. If you need assistance in completing the Travel Form, please contact Business Services or, for faculty, the International and Off-Campus Studies Program Coordinator.

POLICY AND PROCEDURES FOR OTHER BUSINESS RELATED EXPENSES:

I. ENTERTAINMENT:

- A. Entertainment of donors, alumni, and other friends of the College is encouraged within the parameters of budgeted resources and in support of the mission of the College.
 - 1. Entertainment expenses will be reimbursed when accompanied by receipts and documentation including type and purpose of event, names of those being entertained, establishment and location.
 - 2. Alcohol is reimbursable when entertaining.
 - 3. The College urges you to use prudence in the purchase and consumption of alcohol and not to drink and drive.
- B. Departmental Entertainment.
 - 1. For reasons of employee training and/or morale and team building, it might be beneficial for divisions/departments to provide food and beverages for staff at retreats, celebrations or team building events.
 - 2. The division/department must work within budget constraints and be cognizant of the costs in relation to the benefits for the College.
 - 3. All divisional/departmental entertainment events must be pre-approved by the divisional Vice President.
 - 4. Reimbursement requests should comply with College policy.
- C. Student Entertainment.
 - 1. Any entertainment (meals, receptions, etc.) provided to students must have prior approval by the divisional Vice President.

2. Any entertainment provided to student-athletes must comply with NCAA and Midwest Conference regulations and guidelines.

II. BUSINESS SUPPLIES:

- A. Only those items/shipping charges directly associated with College business are reimbursable.
- B. Personal purchases will not be reimbursed. Check with Accounts Payable at x4132 for clarification.
- C. All purchases need to be approved by appropriate supervisor/department chair and fall within budget guidelines.
- D. Every attempt should be made for the purchase to be directly invoiced to the College or purchased using a College credit card to avoid the need for use of personal funds.
- E. Reimbursement must be requested within 30 days of receipt of the item.
Reminder: expenses that are not adequately accounted for within 60 days after they were paid or incurred are considered taxable income. As a result, any reimbursements submitted after 60 days of when they were incurred (or 60 days from the return of a business trip) will be reported as taxable income on the employee's W-2 or a 1099.

III. USE OF COLLEGE'S FOOD SERVICE PROVIDER:

- A. The College requires that any food provided within the Thomas Commons must use the College's food service provider.
- B. For food provided outside of the Thomas Commons, the College encourages the use of the food service provider, but it is not required.