

**OCCIDENTAL COLLEGE**  
**BUSINESS EXPENSE REIMBURSEMENT POLICY**  
**November 2008**

**PURPOSE**

This establishes Occidental College's reimbursement policy for expenses incurred by employees on behalf of the College.

**EXPENSE REIMBURSEMENT POLICY**

It is the policy of the College to reimburse all employees for those expenses which are "necessary and reasonable" in the performance of College related business/research activities and are consistent with the best interests of the College.

This document provides a broad definition of the types of such allowable expenses which **MUST BE REPORTED ON THE EXPENSE REPORT TO BE REIMBURSED**, including Business Meals and Entertainment Expenses, in compliance with current IRS requirements. Individual Vice Presidents may further define the specific allowable expenses and dollar limitations for such expenses for their departments. The business purpose of all reimbursable expenses must be documented on the Expense Report. In the event an expense category is omitted here, employees are to comply with the intent of the policies, using common sense and good business judgement in determining the propriety of all expenses.

Claims for expense reimbursement must be submitted currently so that the general ledger may be updated on a timely basis.

**FORM OF REQUEST**

Any request for reimbursement for the various types of business expenses included in this document will be considered for payment if the following elements accompany the request:

- Travel Expense Report ("Expense Report"). This form must be completely filled out and must include:

Employee's signature  
Supervisor's signature  
Appropriate FOAPAL to which the expenses will be posted  
For business meals: required information includes parties seen,  
purpose of meeting, place of meal and duration  
Original receipts for all expenses

**FORM OF PAYMENT**

All expense reports should be forwarded to Accounts Payable. Only properly documented requests for reimbursement will be considered for payment. If accepted, a check will be issued after the necessary processing and within the existing accounts payable timing guidelines. No other form of payment is acceptable.

Petty cash can only be used for reimbursement of business expenses under \$25.00. All reimbursements of \$25.00 and more must go through accounts payable. If this causes a financial hardship, please plan ahead and request a cash advance.

## **TIMING**

Requests for reimbursement are to be submitted to Accounts Payable for processing. Current Accounts Payable guidelines are: properly completed expense reports submitted by Tuesday noon should result in a check by Friday afternoon.

This expense reimbursement policy should allow employees to obtain reimbursement weeks before any credit card payments are due. Rush checks will not be processed due to an employee's procrastination in submitting an expense report. Delays by your supervisor will also not be a justification for a rush check. Please plan ahead. The request for reimbursement must be made no later than 60 days from the date the expenses were incurred (e.g., an expense incurred on March 1<sup>st</sup> must be received by Accounts Payable no later than April 29th).

## **ORIGINAL RECEIPTS**

For all expenses for which a receipt is normally issued (i.e., all expenses except business mileage and tips), **an original receipt must be attached**. A photocopy of a receipt will not suffice. (See below if original receipt is required by the employee).

- **Restaurant Expenses**

Where possible, a credit card should be used to pay for business meals. Only the cardholder copy of a charge slip will be accepted as an appropriate receipt. In those few instances where the restaurant only accepts cash, a receipt from the restaurant is required. The bottom tear-off portion of a restaurant bill is not an acceptable receipt.

- **Other Expenses**

An original underlying hotel bill, car rental bill, airline ticket stub, or other receipt must be submitted in order to obtain reimbursement for those expenses. The detail support which is included with your credit card bill is not an acceptable receipt for expenses. No reimbursements will be made for expenses supported by estimates or approximations only.

Failure to submit adequate or proper documentation can subject the expense reimbursement to be deemed taxable W-2 income.

If the original receipt is required by the employee, the employee must still submit the original receipt with the expense report. After the reimbursement is issued, the employee can request that the Business Office return the original receipt. This request should be accompanied with the reason the original receipt is required.

## **SPECIFIC GUIDELINES**

Unless permission is otherwise received from the appropriate Vice President, the following sets forth the specific guidelines of Occidental College's Business Expense Reimbursement Policies.

### **Meals:**

- Specific limits for out-of-town meals are:

Breakfast - \$20

Lunch - \$25

Dinner - \$45

These limits do not mean that an employee has a limit of \$85 per day for meals. Savings on one meal cannot be used to increase the allowable reimbursement on another (example: a complimentary breakfast does not allow the employee to spend an additional \$15 on lunch/dinner).

- "Business meals" are defined by the IRS as the cost of food and beverage (including taxes and tips) consumed in-town or away from home with other business-affiliated individuals, or consumed alone while traveling on college business.
- An employee's supervisor has the authority to impose stricter dollar limits on out-of-town meals if the situation warrants it.
- Amounts to be spent on business meals with a potential donor or job applicant are not dictated by the above limits, but should be discussed in advance with the appropriate Vice-President, or by the President when the appropriate Vice President is not available. Vice Presidents are required to obtain the approval of the President.
- Certain research contracts allow per diem amounts for out-of-town meals. Per diem amounts are required to be approved in advance of the trip by the appropriate Vice President, or by the President when the appropriate Vice President is not available. Vice Presidents are required to obtain the approval of the President.
- The amount of the per diem should be established with the above meal limits in mind.
- The College will reimburse employees for tips not exceeding 18% of the check rounded to the next highest dollar.
- Information required to be placed on the receipt or expense report includes all of the attendees at the meal, location of meal, and business purpose of the meal. All of these components are required by the IRS and must be present for reimbursement.

- Business meals whose sole business purpose is to conduct College business in the presence of only College employees will not be reimbursed unless one of the following elements is present: 1) the meal is between employees who would not otherwise meet during the course of the day; or 2) attempts to meet in College offices have failed.
- The College will not reimburse employees for snacks between meals.

**Mileage:**

- Business mileage for personal automobiles will be reimbursed at the maximum prevailing Federal IRS rate.
- The mileage calculation must be included on the expense report. The IRS requires that the employee show total mileage for the day less base mileage. (Example: 40 less 15 base = 25 miles).
- Base mileage is defined as the round trip mileage between an employee's home and office. (Example: if an employee lives 9 miles from the College, the base mileage is 18 and reimbursement would be for all business mileage that was in excess of 18 miles for that day.)
- By submitting for mileage reimbursement, the employee is confirming, in writing, that they understand the information regarding automobile insurance (see below) and are adhering to it.

**Dues:**

Professional dues should be paid directly by the College.

- Dues may not be reported on expense reports. All requests for payment of dues must be sent directly to Accounts Payable, after appropriate approval.

Social club dues, if approved by the President or the Board of Trustees will be reimbursed based on the percentage of business use versus personal use.

**Education and Training:**

- Education and training expenses should be paid directly by the College.
- Education and training expenses may not be reported on expense reports. All requests for payment of education and training must be sent directly to Accounts Payable, after appropriate approval.

## **Out-of-Town:**

### **A. Travel**

- Airline charges must be supported by last copy of ticket (original). Reimbursement will be made for coach travel, or lowest possible available fare. Additionally, reimbursement for airline charges will be made only after the trip is completed. Amounts in excess of the lowest available fare will not be reimbursed.
- A copy of the “ticketless confirmation” will need to be attached to the expense report if that method was utilized by the employee.
- The College will reimburse excess baggage fees for the first two pieces of luggage only. If the airline does not charge for the first piece of luggage, the College will reimburse only one excess baggage fee.
- Fees for changing airline tickets will not be reimbursed unless such a change results in an employee arriving home sooner and expenses equal to at least the additional charge by the airlines are saved.
- Car rentals must be supported with rental agreement. Reimbursement will be made for compact and mid-size automobiles only, unless specials are available at a lower price. For business use in the continental U.S.A., all optional coverage must be rejected. Since the College will not reimburse for coverage of personal possessions, you are advised not to leave personal possessions in the rental car.
- By submitting for mileage reimbursement or rental car reimbursement, the employee is confirming, in writing, that they understand the information regarding automobile insurance (see below) and are adhering to it.
- Every attempt should be made to fill the gas tank of a rented car prior to turning it back in to the rental company.
- Parking charges, other than parking meter charges, of at least \$15.00 must be supported by a receipt. Employees are not authorized to park in short-term lots within an airport for long-term parking. Reimbursement will be made for parking in long-term lots only.
- Cab and limo receipts must be attached for all charges of at least \$15.00.
- Parking and cab fares under \$15.00 do not have to be supported by receipts.
- Express check out – see “Lodging” below.

### **B. Lodging:**

- Indicate the actual room charges plus applicable room taxes. Request for reimbursement must be supported by the original hotel bill.
- Non-room charges such as telephone, valet, bar, meals, etc. are required to be shown separately on the expense report.

- Express check-out receipts are acceptable for both hotel and auto rental if the receipt shows the complete itemized detail of charges for the stay or rental and shows the method of payment.

C. Other Expense:

- Charges for movie channels, airline headsets personal/toiletry items, and hotel spa/health club charges will not be reimbursed.
- Tips for baggage handling, bellman service, etc. are required to be individually recorded on the expense report. Reasonable amounts for tips will be reimbursed.
- Replacement costs for lost personal items and other similar changes will not be reimbursed.
- Charges for flight life insurance will not be reimbursed.
- Phone calls home while out of town will be reimbursed as long as they are not excessive. General guidelines are one phone call home of reasonable length per day. This is subject to interpretation by the individual approving the expense report.
- Clothes cleaning charges will be reimbursed if a business trip exceeds six consecutive days and five nights.
- Memberships in airline clubs are not reimbursable.

Family Member's Travel:

- Generally, expenses (i.e. airfare, meals, lodging, etc.) incurred by family members (non-Oxy employees) who accompany College employees on out-of-town travel will not be reimbursed. The only exceptions are those instances in which a family member will be assisting a College employee to perform duties or if the family member's attendance is mandatory. In both instances, the approval of the appropriate Vice-President, or in certain cases, the President, is required in advance of incurring such expenses.
- In some cases travel for companions may be reimbursed, if required by an employment contract, however these amounts will be included in the employee's W-2 earnings.

D. Insurance:

- Adequate personal automobile insurance must be carried for one's financial protection. College policy requires that each employee or authorized driver have a current valid driver's license in good standing and personal automobile insurance not below the minimum legally required coverage in the State of California.
- College employees also understand that the employee's insurance policy is primary in the case of an accident and the College's insurance policy will cover claims only

after the employee's insurance policy limits have been fully exhausted--no matter the purpose of the trip. See below for additional details.

- Because of the excessive cost, the College does not carry insurance to protect valuables transported in autos (e.g., briefcases, clothing, etc.) and auto theft insurance policies do not cover such items. The College recommends that homeowner's or renter's household goods insurance be obtained by the employee to cover the employee's exposure.
- By submitting for mileage reimbursement or rental car reimbursement, the employee is confirming, in writing, that they understand the College's driving policy and are adhering to it.

- The College carries Worker's Compensation Insurance to compensate employees for injuries received while undertaking College business. Casualty insurance is also carried by the College for its protection against third-party claims in excess of the individual's required coverage described above, or the individual's actual insurance coverage, whichever is greater. The casualty policy applies only to claims by third-parties; it does not cover the cost of damages to an employee's automobile.

**Gifts to Other Employees Or Outside Vendors:**

- Such expenses are prohibited, unless approved in advance by the appropriate Vice President, or by the President when the appropriate Vice President is not available. Vice Presidents are required to obtain the approval of the President.

**NON-REIMBURSABLE EXPENSES:**

In general, expenditures of a personal nature, unreasonable or excessive expenses, those not specifically related to the conduct of College business and those not specifically covered in the preceding sections are not reimbursable. The following are indicative of the type of expenses that will not be reimbursed:

- Personal services; if personal services are ever provided by the College, the value of those services will be included in the employee's W-2 earnings.
- Personal entertainment (i.e., not incurred in connection with College business);
- Unnecessarily excessive costs (e.g., very expensive restaurants or exclusive hotels) not warranted by the circumstances;
- Fines for traffic or parking violations;
- Laundry expense, except as noted above;
- Meal expenses not directly related to College business;
- Expenses incurred in connection with personal business;
- Insurance for personal car;
- Excessive personal telephone calls;
- Charitable contributions;
- Political contributions;
- Briefcases and luggage;
- Finance charges from any source;

- Cost of cellular telephones and monthly maintenance/access charges associated with cellular telephones. Only the cost of business-related toll and airtime charges are reimbursable; unless the phone is provided by the College;
- Cost of beepers/pagers, unless provided by the College;
- Theft of personal property, including articles stolen from a personal car or rental car;
- Hotel/Motel cash bar, movies or health club/spa fees;
- Any estimated or unexplained expenses.

### **Imputed Income and Gross up for Employment Taxes**

- The College generally does not gross up for employment taxes on imputed income to an employee unless approved by the Vice President for Administration and Finance.

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