

Policy, Travel and Business Expense

Title: Travel and Business Expense Policy

Effective Date: prior to 2005

Issuing Authority: Vice President and Chief Financial Officer

Contact: Nate Engle at engle@stolaf.edu or 507-786-3502

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Purpose of Policy

The College appreciates the efforts of those who travel on behalf of the College. 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 on business assignments. This policy meets or exceeds IRS tax and legal requirements.

Policy

St. Olaf College will pay for reasonable, necessary, documented and properly authorized expenses for the purpose of official College business, as described in this policy. Employees should neither gain nor lose personal funds as a result of college business.

Procedures

It is the responsibility of each individual employee to comply with the St. Olaf College travel and business expense policy. Supervisors are responsible for authorizing travel and then reviewing and approving travel reimbursements in compliance with the College travel and business expense policy.

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

Travel Spending:

- All employees are expected to travel coach or economy class and to select moderately priced accommodations and restaurants. Airline reservation upgrades utilizing Frequent Flyer miles are acceptable.

Travel Arrangements:

- Whenever possible, the services of travel agencies should be avoided in favor of on-line reservations. Any use of a travel agency must be approved by the Controller prior to scheduling. Employees should use online providers such as Expedia, Orbitz, Travelocity, Delta, and Hotels to search for fares. Some comparative shopping is encouraged and reservations should be made well in advance in order to achieve a lower cost.

- In addition, travelers who are authorized to use the St. Olaf College Purchase Card are required to use it when making travel arrangements. Using a personal credit card in lieu of the St. Olaf College Purchase Card in order to gain frequent flyer miles will not be permitted.

Travel Reimbursement:

- Persons incurring expenses during travel on behalf of the College will be reimbursed for approved out-of-pocket expenses upon completion of a travel expense report or by using the Out-Of-Pocket Reimbursement feature that works with the Wells Fargo Purchase Card.

College Purchase Cards

The St. Olaf College Purchase Card is a cost-effective method of paying for small dollar purchases and travel expenses. The card can be used for both in-store purchases as well as phone, mail, fax, or Internet orders. The card is not intended to avoid or bypass appropriate purchasing procedures but is to be used in accordance with the guidelines established within the Purchase Card Manual. Using the card for international travel eliminates the need to convert receipts to US currency on expense reports.

Travel Expense Report / Employee Reimbursement Form

Use the Travel Expense Reimbursement Report form or the Out-Of-Pocket Reimbursement feature that works with the Wells Fargo Purchase Card for reimbursements to any St. Olaf employee or student. Invoices and requests for payment must reach the Accounts Payable office by the end of scheduled business hours on Tuesday to ensure payment in Thursday's check run or ACH deposit. This form must be filled out and **turned in to the Accounts Payable Office within 20 business days of when the expenses were incurred**. This will enable us to record the expenses in the proper period on a timely basis, and minimize the loss of receipts. According to IRS Guidelines, expenses that are not adequately accounted for within 60 days after they were paid or incurred are considered to be 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.

- Your supervisor must sign this form
- Attach detailed receipts (itemized)
- If receipt is unavailable, see other acceptable substantiation noted below
- The complete Lawson number must be on the form, and should include the company, unit, and account (xxx-xxxx-xxxx)
- **Dates, place, and business purpose** must be stated in order for the travel to be considered non-taxable income
- Prepaid expenses such as airfare or conference registration fees have the option of being reimbursed when paid or after the expense is actually incurred.
- When requesting mileage reimbursement include the starting point, destination, and the number of miles times the mileage rate (see below for instructions on calculating mileage). Airport runs are reimbursed at a flat rate.
- The federal mileage reimbursement rate beginning January 1, 2015 is \$.575 per mile; Airport run: \$43.00 round trip. The standard mileage rate January 1, 2014 through December 31, 2014 was \$.56 per mile; Airport run: \$42.00 round trip.

Acceptable Substantiation

An itemized receipt or substitute documentation must support each purchase. The preferred documentation is listed below in order of preference:

- An original receipt or invoice from the vendor including:
 - Vendor name
 - Transaction amount
 - Date
 - Itemized description of the item(s) purchased
 - For meals, include the names of individuals at the meal or the name of the group and the business purpose or reason for the meal.
 - Alcohol is only allowed for rare instances specified below in this policy. If alcohol is allowed, list the names of the individuals or the group to whom the alcohol was served.
 - Sales tax should not be paid, except for prepared meals, lodging, airline tickets, and gas.
- Copies or facsimiles of the original receipt or invoice
- A packing slip, statement, or other documentation received from the vendor
- A screen-print or order confirmation e-mail, when making Internet purchases, or a copy of an order form that was mailed to a vendor to request an item.
- If the cardholder is unable to obtain the above listed preferred documentation, a completed Receipt Template Form shall be completed documenting the transaction and verifying it was for official business.

Mileage Calculations

Receipts for actual fuel charges will not be accepted unless it was for a college vehicle or if it is documented that the amount for fuel would be less than the mileage calculation reimbursement. Direct trips between the employee's residence and the College at any time are considered commuting miles and are not reimbursable. Mileage reimbursement is meant to cover only those miles incurred above and beyond the employee's normal commute to the College. For example, if the normal commuting round trip is 40 miles, and the employee goes on a business trip leaving directly from home that covers 75 miles, then only the incremental 35 miles are reimbursable. Mileage Reimbursement For Commuters Form

Cash Advances

See the St. Olaf Cash Advance Procedures for specific guidelines and forms relating to cash advances.

Specific Guidelines by Travel Category

Airlines: Domestic and international flight arrangements should be made using an online booking tool [most cost-effective method]. Be flexible whenever possible, plan trips to stay over a Saturday night or choose alternative airports, flights with an intermediate stop or different times if the savings are greater than the additional cost of meals, lodging, or other costs to the College.

- *Cancellations:* Travelers should carefully weigh the likelihood of changing plans vs. the added expense of a refundable ticket when making travel arrangements.
- *Advance Purchase:* The College expects its employees to purchase airline tickets as far in advance as possible (at least 14 to 21 days for domestic travel and 30 for international).
- *Frequent Flyer Miles:* These may be used by the employee for personal trips or upgrades, but a higher fare for the sole purpose of gaining extra miles is not acceptable. Using a personal credit card to gain frequent flyer miles when use of the St. Olaf College Purchase Card is authorized is also not permitted.
- *Fly Coach:* The College expects employees to fly coach whenever possible, and federal regulations require persons using federal grant funds for travel to utilize coach or equivalent airfare. The use of Air Taxi, First Class flights, or seat upgrades must be pre-approved by the Division Vice-President with notice to the Controller's Office, prior to making a reservation and/or incurring an expense. Airfare costs in excess of the lowest available commercial discount airfare are not allowable except when it causes undue hardship (i.e. physical limitations, scheduling challenges, etc.). Whenever First-Class travel is approved it should be specifically noted on the reimbursement request as well as notification given to the Controller's office.
- *Insurance:* Because the College provides eligible employees with life and disability insurance as well as the opportunity to increase coverage, flight insurance premiums will NOT be reimbursed.
- *Airline Club Memberships:* St. Olaf College will not reimburse travelers for airline club memberships, but frequent flyer awards may be used for that purpose.

Hotels: 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 St. Olaf business requires attendance at an event away from Northfield, where attendance and travel for the event would prohibit the employee from having 8 hours at his/her home to rest. For lodging, travelers should use an on-line booking tool. Reservations should be made in advance whenever possible. For conferences/meetings, discounted lodging arrangements may have been negotiated by the conference organizer. However, it may be possible to find acceptable and lower cost accommodations on-line. Some comparative shopping is encouraged.

- *Cancellations:* In the event that cancellations are necessary, travelers should contact the hotel immediately. All cancellations must have a recorded cancellation number and charges for unused reservations are the employee's responsibility. Always advise the hotel about late departures to avoid penalties.
- *Reimbursable Charges:* College travelers may be reimbursed for one telephone call home per day, but are encouraged to use good judgment regarding the length of the call and the method of payment. Long-distance calling cards with very competitive rates are available through the St. Olaf Telecommunications Office; travelers are encouraged to use these rather than incur higher long-distance charges through the hotel. Reasonable laundry and valet service will be reimbursed during travel lasting more than six consecutive days. Tipping at the standard rate is also reimbursable.
- *Non-reimbursable Charges:* Costs that are not reimbursed include charges for in room mini-bar, movies, personal telephone calls beyond one daily call home, and alcohol/liquor for personal consumption. Only the single rate is reimbursed if the employee is accompanied by a spouse, family member or friend.

- *Gifts in lieu of lodging expenditures:* If a College employee stays with a friend or family member while on College business, a reasonable gift (i.e. flowers or a meal) to the employee's host may be reimbursed. While the College appreciates the savings in lodging expenses, employees are asked to use discretion in determining an appropriate gift, and alcohol/liquor is not permitted.

Ground Transportation: Ground transportation, especially to and from airports, should be by the least expensive mode of transportation. (Hotel shuttles, commuter trains, and busses are recommended over taxis.) If the traveler is driving while on College business, he or she may be reimbursed for travel-related expenses such as parking fees and road tolls. See Vehicle Use Policy for specific information.

Meals: Original copies of itemized receipts for meals must be attached to an expense report. Meal expenditures will be reimbursed up to a limit of \$40 per day. Excess meal expenses for one day may not be carried forward or backward to another day. If you choose to exceed the limits noted, please attach reimbursement for the excess and turn into the Business Office. Annual adjustments to this limit will be subject to IRS guidelines and made at the discretion of the College Treasurer. Exceptions to the \$40 per day limit will be allowed in the following circumstances:

- 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 attached link and highlight your locality, and attach to receipt. (Domestic per diem rate link)
- Within the Advancement and College Relations or Presidents area, when the meal is with a current or prospective donor, the meal expenditure can be reimbursed in excess of the \$40 per day with supervisor approval.
- St. Olaf 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.
- Other exceptions may be accepted with detailed explanations and supervisor approval.

Tipping at the standard rate is reimbursable as long as it falls within the daily meal expense limit.

Meals that are reimbursed for an individual employee without an accompanying overnight stay are considered to be 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:

- They are entertaining non-College employees (who should be identified on the receipt).
- They are attending a conference in which the meal is not included in the cost of the conference.
- On day trips if the employee is in continuous travel status for twelve hours or more.

Alcohol: Alcohol will only be reimbursed when one of the following conditions is met:

- For the purpose of conducting business with current or prospective donors.
- For the purpose of conducting business with non-College employees. You must have supervisor approval. The name(s) of the guest(s), along with the purpose of the meeting, must be noted on the receipt.
- There may be other occasions when it is necessary for alcohol to be reimbursed. These instances will be few and must be authorized by the heads of the division.

Students *may not* participate in the purchase and/or consumption of alcohol under any circumstances. Employees are reminded that use of College money to purchase alcohol can expose the College to additional liability should injuries occur as the result of alcohol consumption.

Miscellaneous Expenses: The College will pay for expenses associated with registering for conferences. Certain entertainment expenses during business engagements or fundraising activities are reimbursable but must be fully explained. Other expenditures associated with travel including business telephone calls, internet access, facsimiles, telexes, seminar/conference fees, currency rates, baggage service, parking fees, tips and gratuities, and other travel expenses clearly related to the purpose of travel must be itemized on the travel expense report.

Expenses Not Covered by the College: Spouses, dependents and/or guests travel, alcohol for any purpose other than specified above in the alcohol section of this policy, personal expenses, dry cleaning/laundry for trips of less than 7 business days, traffic violations, airline or auto club memberships, health spa fees, sundries/toiletries, theft or loss of personal belongings or money, non-business meals and/or transportation. Valet parking is discouraged, except where practical alternatives are not available. In general, undocumented expenses are the responsibility of the traveler.

Responsibility of those INCURRING expenses and preparing Travel Expense Reports

- Expenses must follow this St. Olaf Travel and Business Expense Policy and must also meet guidelines of the sponsoring agency, i.e. NSF or DOE where their guidelines are stricter. (*Circular 21 travel rules*)
- Travel Expense Report has been properly prepared and adequately documented.
- Policy exceptions are documented and approved.
- Expenses are coded to the proper units and accounts.

Responsibility of those APPROVING Travel Expense Reports

- Leadership reinforces the importance and risks of not complying with sponsoring agencies, IRS, and College policies and rules.
- Approval and documentation for any policy exceptions.
- Expenses were incurred in the conduct of College business.
- Expenses are within the budgeted amounts.

International Travel

- Conversion rates
- Link to U.S. State Department travel advisories

Driving Overseas: If you're a frequent driver overseas, an International Driving Permit (IDP) may be worthwhile.

- It tells a police officer that the license you carry is good and that your credential should be honored.
- It can cut hours of delay if you are involved in a traffic violation.

- You can get an application for the permit, which is good for one year, at your local American Automobile Association office. Or you may write to AAA National Headquarters, 1000 AAA drive, Heathrow, FL 32746-5063 or call 407-444-7000. Since this is a matter of personal convenience, the College does not consider this a reimbursable expense.

Insurance

Group Travel:

The College provides a group travel accident insurance at the time of hire for all employees with an FTE of .44 or greater. Employees are covered for \$50,000 for loss of life (varying amounts for total disability and loss of time) while traveling on College business. Students are not covered under this plan.

Personal Property:

Because the College maintains no insurance for loss or damage to personal property during official travel:

- Travelers must seek reimbursement through their own insurance company or directly from the responsible party.
- Traveler should seek reimbursement through Wells Fargo if airfare was purchased with the Purchase Card.
- Traveler will not be reimbursed for personal property insurance premiums.

St. Olaf College, 1520 St. Olaf Avenue, Northfield, MN 55057 | [Contact Us](#) | [Emergency Information](#)