

Wofford College
Travel and Expense Reimbursement Policy
Effective 4/1/14, Amended 6/1/15

INTRODUCTION

The policies set forth herein are applicable to the expenses, such as travel and other legitimate business-related expenses, incurred by all College faculty and staff, as well as its Board of Trustees and all others acting on behalf of, or as a guest of, Wofford College. The policies are applicable regardless as to the source of funds.

The travel and general expense reimbursement policies exist primarily for three reasons:

1. To ensure that the College is in compliance with federal regulations instituted by the Internal Revenue Service (IRS). The IRS requires the following:
 - a. Expenses must have a business connection
 - b. There must be adequate accounting by the employee to the employer for the expenses, substantiating the amount, time, use and business purpose of the expenses incurred
 - c. Excess cash advances or reimbursements must be returned within a reasonable period of time (no later than 30 days following the last expense incurred)
2. Expenses are reasonable and do not conflict with the College's not-for-profit tax status (no lavish or extravagant expenses)
3. To ensure that the College's budget dollars are spent as effectively as possible.

Failure to comply with these requirements may result in a payroll deduction for expenses incurred but not properly accounted for according to IRS/College policy.

These policies and procedures are in general terms to allow reasonable discretion for the members of the College community. However, individual departments may implement more restrictive policies and procedures, to which departmental personnel should adhere.

APPROVALS

Essential to the reimbursement of expenses incurred by employees, travel and otherwise, is the approval process. Expense Reports should be signed by the employee and should also contain a signature of approval by the appropriate authority. As each College department has a different structure, the appropriate authority is defined as the department head structure. The employee's required approver is the person who is the next highest level with budget authority. For faculty expenses that are not paid from the departmental budget (e.g. travel), Expense Reports must also be approved by the Office of the Provost.

Under no circumstances should an employee approve his or her own Expense Report. Furthermore, in no situation should a peer or subordinate approve another employee's Expense Report. For the

President's direct reports only, Expense Reports may be approved by another direct report to the President.

The approver's signature indicates that the reviewer has examined the Expense Report in detail, verified the validity of the expenditures in accordance with the College policy, attests to the accuracy of the form and is in full agreement with the amount expended and/or due to the employee.

Trustees should submit reimbursement requests to the Senior Vice President for Administration and Secretary to the Board of Trustees for review and approval.

PETTY CASH

The Business Office maintains a limited amount of petty cash available for employee purchases. Petty cash is intended only for small, ad hoc purchases, generally of less than \$100. All petty cash purchases should be substantiated by the delivery of receipts to the Business Office within 7-10 days of any withdrawal of petty cash. For purchases that need to be made in greater amounts or over a more prolonged period of time, Cash Advances should be used. In the event an employee fails to deliver receipts for petty cash purchases in a timely fashion, the ability to access petty cash for future transactions may be curtailed.

CASH ADVANCES

Cash advances may be approved for College personnel on a case-by-case basis. Requests for advances must be completed and submitted to the Business Office at least 5 business days prior to the planned trip. Requests must be approved by department head/supervisor, as described in "Approvals" above. Requests must specify the nature of the travel, its business purpose and the date(s) of the travel. No employee is permitted to have more than one cash advance outstanding at any given time. No other employee expense reimbursements will be processed until any outstanding advances have been resolved. All expenses incurred and paid with cash advances must adhere to this Policy as to their nature and amounts.

Receipts, other supporting documentation and any excess cash must be submitted to the Business Office within 30 days of the date the expense was incurred. Late receipts will be considered between 31 and 60 days after the expense was incurred, but must be reviewed and approved by both a department head (or equivalent) and the relevant VP (or higher) over the individual's department. Employee advances that are not substantiated within 60 days of the last date of travel will be subject to deduction from the employee's next paycheck.

RECEIPTS/MISSING RECEIPTS

Original documents must be submitted as support for all expenses. A receipt is defined as a verifiable written acknowledgement that a specified remittance article or delivery has been made. The receipt must support the propriety of the transaction and contain the following information:

1. Vendor name

2. Detailed listing of goods purchased, including item description, quantity and price
3. Transaction date
4. Total dollar amount of purchase.

Photocopies of invoices, credit card statements, receipts or restaurant stubs are not acceptable unless the original document was lost and the photocopy is signed with a full explanation of the circumstances. If a copy of the receipt is not attainable, a Missing Receipt Form must be completed and attached to the Expense Report. The Missing Receipt Form should be completed by the employee seeking reimbursement and be signed by both the employee and the authorized approver with a complete explanation of the expense incurred. In all cases, receipts must be submitted for reimbursement by the College within 30 days of the date the expense was incurred. Late receipts will be considered for reimbursement between 31 and 60 days after the expense was incurred, but must be reviewed and approved by both a department head (or equivalent) and the relevant VP (or higher) over the individual's department. No expenses will be reimbursed where a request for reimbursement is made more than 60 days after the expense was incurred.

NON-REIMBURSABLE EXPENSES

It is the College's policy to reimburse employees for all reasonable and necessary business expenses. Expenses specifically non-reimbursable are those which:

- Lack required documentation
- Demonstrate no clear College business purpose (no personal supplies)
- Are unreasonable as to amount
- Are not actually incurred
- Are incremental expenses associated with spouse/family travel unrelated to business
- Are personal expenses such as: personal services and entertainment, parking tickets, traffic violations, or personal vehicle repairs
- Are fees associated with credit card or travel rewards programs. Basic annual membership fees are reimbursable.
- Are any lodging expense that is not supported by an itemized bill.

Alcoholic beverages and personal membership fees are generally not reimbursable expenses. See discussion of alcoholic beverage expenses later in this policy. Professional membership fees are reimbursable.

TRAVEL-SPECIFIC POLICY AND PROCEDURES

When traveling, employees of the College are required to select the most cost-effective means of transportation and lodging, weighing the factors of safety, convenience and price differences. Travel policies are designed to fit the College's mission and culture as a not-for-profit institution. In general, College personnel should travel using good judgment, making responsible choices.

TRAVEL EXPENSE REIMBURSEMENT

Employees of the College who spend their own funds for legitimate business-related travel expenses are entitled to a prompt reimbursement for those expenditures. Claims for reimbursement should be made on an Expense Report and submitted to Accounts Payable. Original itemized receipts must be attached to the Expense Report that is submitted for reimbursement, regardless of dollar amount. Guidelines for receipts follow those outlined for general expense reimbursement. In addition, documentation for all business meals transactions must include names of attendees and business purpose to comply with IRS regulations. If there are a large number of attendees, listing of the type of group is acceptable.

All reimbursements are paid to employees through direct deposit. If Accounts Payable is required to return a report which does not have adequate support or proper approval, the reimbursement process may be delayed.

International Travel

Reimbursable international expenses include expenditures incurred for travel, personal meals, business meals and entertainment, lodging, passport fees, airport taxes, exchange rate fees and other items necessary for the conduct of College business.

Expense reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts and their conversions. Out-of-Pocket expenses must be converted to the currency rates that were in effect when travel took place.

The Web currency converter can be found at <http://www.oanda.com/convert/classic>.

Air Travel

Airline transportation should be used for long-distance travel, except when suitable arrangements cannot be made and/or there is a substantial cost savings for alternative transportation. When the most efficient means of transportation is air travel, reimbursement will generally be limited to coach fare. An employee may upgrade his or her travel class by personally assuming the incremental cost.

Certain airlines have special service clubs in many of the larger airports. Membership in a traveler club may be purchased at the personal expense of the traveler and is not a reimbursable expenditure by the College.

Whenever practical, the most economical mode of transportation should be used to and from hotels and terminals (air and rail). These expenses (including reasonable gratuities) will be reimbursed. Many

hotels provide complimentary shuttle service to and from airports. The traveler should inquire about this service when making hotel reservations.

The cost of long-term airport parking at the home airport should be compared to the cost of a round-trip taxi from the employee's home and the lowest alternative should be selected. These costs are reimbursable.

Spousal/Friend Travel

Spouses, family members or friends may accompany College employees on business trips. However, any additional costs incurred because of these additional travelers are non-reimbursable.

When personal travel is combined with College business travel, the College will not assume any additional costs associated with the personal portion of the trip. Unless they are an integral part of a larger College business charge, these expenses are not to be paid by the College. The business purpose of the spouse's expenses must be stated on the appropriate expense report. Any additional expenses should be paid directly by the employee.

Personal Automobile

The use of an employee's personal automobile for business travel is allowed for trips less than 150 miles round trip. The employee will be reimbursed at the College's effective rate. This reimbursement rate is designed to cover gas, oil and fixed costs such as insurance and general depreciation. When traveling, the departure and termination point for determining the actual mileage will be the lesser of the mileage from the College campus or from the traveler's home. Tolls and parking fees are reimbursable. Should an employee's car become damaged while on College business, the employee is fully responsible for repair costs as well as the deductible.

Lodging

The College will pay actual room costs, as supported by a detailed hotel bill, for each day that lodging away from home is required for business purposes. Travelers are expected to utilize economical accommodations. The traveler can stay at the hotel where a meeting, convention or conference is being held, even if it is not the most economical option available. Employees are expected to stay in standard rate rooms. The IRS publishes guidelines for appropriate lodging expenses online, which employees should consider in assessing the reasonableness of hotel costs when traveling. The guidelines can be accessed at: <http://www.gsa.gov/perdiem>.

Reimbursement must be documented by an original itemized hotel bill and receipt, and is limited to room and tax. Since hotel reservations are usually guaranteed in order to ensure lodging for late arrivals, employees are required to cancel reservations in a timely manner in order to prevent "no show" charges.

In certain instances, employees may choose to book travel using a travel site (e.g. Travelocity, Orbitz, etc.), packaging flight, hotel and car rental expenses in a single combined fee, in order to reduce costs to

the College. In these instances, employees should request itemized receipts for each individual element of the travel reservation from the service provider. In some cases, airlines or hotels may not be willing or able to provide such receipts. In that case, employees must submit a written explanation for why itemized receipts were not available and affirm, in writing, that expenses incurred were limited to only those expenses deemed reimbursable in accordance with this policy.

Meals

Reasonable expenses incurred for business meals while on business travel will be reimbursed. Reimbursement will be made for actual costs (including gratuities) up to a maximum of the IRS per diem rate per day. IRS per diem rates, which vary by location, are accessible at <http://www.gsa.gov/perdiem>. Daily meal expenses in excess of the published rates will not be reimbursed by the College.

Receipts are required for all meals, regardless of dollar amount. The IRS requires specific details for business meal expenses. These details must be provided within the Expense Report in order to obtain reimbursement from the College:

- Amount
- Date
- Name and location of establishment
- Business purpose
- Names, titles and business relationships of all persons attending. If there are a large number of attendees, listing of the type of group is acceptable
- Itemized receipts are required for *all* meal expenses
- ***Receipts must be totaled to include gratuity***

No meal reimbursement will be granted in instances in which meals are covered by conference or registration fees, or any other instance in which the employee does not pay for the meal.

The College, following IRS regulations, does not reimburse personal meal expenses for travel of 12 hours or less within the same calendar day. However, a bona fide business meal may be reimbursed. For travel periods of more than 12 hours per calendar day, expenses may be claimed for actual meals purchased during travel, up to a maximum of 75% of the daily IRS per diem rate for the location visited.

Tips and Gratuities

Tips are reimbursable for services associated with business travel including food services and porters. As a general rule, travelers should not tip more than 15% - 20% of the bill. Tips paid for meals should be documented on receipt. No receipt is required for small miscellaneous tips paid to housekeeping,

bellhop, etc. where receipts are not attainable. Tips should be of a reasonable amount. The traveler should fully document any unusual gratuities.

Car Rental/College Vehicles

The use of a rental car or college vehicle, when available, is required for all trips greater than 150 miles round trip. The Business Office has a contract in place with a national vendor. Contact the Business Office (ext. 4233) to reserve a rental car or a College vehicle, if available.

When traveling in groups, sharing of cars is encouraged to reduce costs. Use of a mid-size, 4-door vehicle or smaller is encouraged. Fuel costs will be reimbursed based upon actual fuel purchased, not mileage.

The College's insurance policy covers the individual as well as the automobile when a vehicle is rented for business purposes. As such, College employees should not accept additional insurance coverage offered by car insurance companies.

Conferences/Seminars

When traveling to attend a conference that requires an overnight stay, travelers may stay at the conference hotel, even though it may not be the most economical option available. If a meal is included in the conference fee, but the traveler chooses to eat elsewhere, the additional expense will not be reimbursed. Only meals not provided in the conference fee will be reimbursed.

Telephone and Internet Charges

The College will reimburse charges for long-distance calls made while on business travel provided that a telephone bill substantiates the phone calls. The IRS requires documentation of the business purpose for all reimbursed phone calls. Internet charges while traveling will be reimbursed if appropriate business purpose is documented.

Alcoholic Beverages

Alcoholic beverages are generally not reimbursable expenses. Federal regulations prohibit the College from reimbursing any expenditure for alcoholic beverages with federal funds. The employee's department head must approve reimbursement for alcoholic beverages from nonfederal funds.

COST SAVINGS CONSIDERATIONS

When planning business travel itineraries, it is asked that employees consider the following cost-saving strategies:

- Consider the necessity of attending all conferences and seminars.

Only those conferences and seminars that are critical to the success of the College should be attended. Lower cost alternatives should always be evaluated. Also, consider sending fewer attendees when possible.

- Make reservations in advance.

Deeply discounted fares have strict advance purchase requirements of 30, 21, 14 or 7 days in addition to the Saturday night stay over requirement. Other fares that do not require a Saturday night stay will still offer substantial discounts for booking 7 or more days in advance. Most advance-purchase airfares also carry substantial penalties for change or cancellation.

- Be flexible in selection of airlines and times of travel.

One airline may have a promotional fare not offered by competing carriers. One airline offering single-stop or change-of-plane service may offer substantially lower fares to compete with a carrier flying nonstop. Time of day and day of the week may also influence airfares.

- Look for special promotional fares.

When consulting a College-approved travel agency, identify yourself as being flexible and willing to explore special fares and promotional opportunities on alternate dates and times if you are in fact flexible.

- Use frequent flyer awards and coupons.

These awards can be used to reduce airfares. However, the College, in general, agrees that frequent flyer points accumulated by employees traveling on College business belong to the individual, not the College. The traveler, in turn, has a responsibility to the College never to elect more expensive travel alternatives in order to accrue frequent flyer mileage credit.

GENERAL EXPENSE REIMBURSEMENT – NON TRAVEL

Employees of the College who spend their own funds for legitimate business-related expenses are entitled to a prompt reimbursement for those expenditures. Claims for reimbursement should be made on an Expense Report and submitted to the Business Office with proper approval. Original itemized receipts for business expenses incurred must be attached to the Expense Report, regardless of the dollar amount. All reimbursements are paid to employees through direct deposit.

OTHER POLICIES

PURCHASES OF SUPPLIES AND EQUIPMENT

The College has contracts in place with certain vendors that provide the College with savings. Examples of these contracts include cellular phones, office supplies, computers, copiers and printers and furniture. Purchases of supplies and equipment outside of these contracts should be avoided. The College reserves the right not to reimburse employees for purchases made outside of the contracts that cost the College more than would have been paid under the contracts.

COLLEGE CREDIT CARDS

All policies above related to reimbursable expenses apply to expenses charged to the College Credit Cards, including approvals. Each expense charged on the Credit Card must be supported by a receipt and the account coding for each expense must be identified. Original receipts must be provided to the Business Office within 5 business days of receipt of the bill from the credit card company.

Notwithstanding the policies described in “Spousal/Friend Travel” above, College Credit Cards may not be used for personal expenses of any kind. College credit cards may not be used by anyone other than the cardholder. If an employee needs to incur large expenses, cash advances may be requested from the Business Office. See “Cash Advances” above for further details.

MOVING EXPENSES

In some cases, the College will agree to reimburse employees for relocation expenses incurred in connection with their employment at the College. Reimbursement for these expenses is subject to strict IRS guidelines, to which the College and the employee must adhere. The College’s moving expenses reimbursement operates under an “accountable plan” method described in IRS regulations. In general, moving expenses that were reimbursed by the College are considered taxable income to the employee unless:

- The move was completed within one year of accepting a new position at the College that requires relocation
- The employee’s previous primary residence and previous place of employment were both more than 50 miles from the College
- The expenses are reasonable expenses for moving household goods and personal effects (including transit costs and temporary storage expenses while in-transit, but excluding long-term storage costs or pre-move house-hunting expenses) and transportation (including lodging, but not meals) to the new place of residence.

Detailed examples of deductible and nondeductible expenses under accountable plans, and more detailed rules for determining whether a move meets the first two criteria above, are available in IRS Publication 521 at <http://www.irs.gov/publications/p521/>.

PROFESSIONAL FEES/MEMBERSHIPS

The College will reimburse expenses for professional society memberships and professional certifications that are deemed beneficial to the conduct of the College’s operations. The College will also reimburse employees for training and other required professional development costs to maintain these memberships/certifications. Reimbursement for these expenses should be approved in accordance with this Policy. Department heads/supervisors have sole discretion in determining whether a professional society or certification meets the criteria for reimbursement.

ADDENDUM APPLICABLE TO FEDERAL FUNDS

The College's Travel and Expense Reimbursement Policy is intended to be broad and allow for a certain amount of discretion in its application by the department heads. To the extent that expenses incurred are to be reimbursed from federal funds, however, more restrictive policies may apply. The policies outlined below apply specifically to expenses incurred that will be reimbursed from federal funds and should be considered in addition to the College's general travel and expenses policies when incurring such expenses.

ALCOHOL

Purchases of alcohol may never be reimbursed from federal funds. Where meal expenses are being reimbursed, an itemized receipt must be provided with the Expense Report to substantiate that alcohol was not purchased during the meal or was paid for separately.

ENTERTAINMENT

Costs of entertainment, including amusement, diversion and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals lodging, rentals, transportation and gratuities) may not be reimbursed from federal funds.

MEMBERSHIPS AND SUBSCRIPTIONS

Memberships in business, technical and professional organizations and subscriptions to business, technical and professional publications may be reimbursed from federal funds. In no circumstances, however, will memberships in social, civic or community organizations be reimbursable from federal funds, even if similar memberships are permitted to be reimbursed from College funds.

RELOCATION COSTS

In the event that relocation costs incurred and reimbursed in accordance with the Travel and Expense Reimbursement Policy are paid from federal funds, such relocation costs must be repaid by the individual receiving the benefit in the event that they leave the College's employment within 12 months of the date of hire. All such relocation expenses reimbursed from federal funds must be promptly returned to the federal funding agency in this circumstance.

INTERNATIONAL TRAVEL

Federal regulations have specific rules and regulations governing international travel, especially international air travel. In the event that an employee will be traveling internationally and expects the travel to be reimbursed from federal funds, the employee must contact the Business Office prior to booking any travel. The Business Office will assist the employee in complying with relevant federal regulations, including the requirement to travel on US Flag Carriers.