TRAVEL AND ENTERTAINMENT EXPENSES

POLICY

This policy establishes procedures for the reporting and accounting of travel, entertainment and other business expenditures, and complies with federal and state tax requirements. This policy applies to all employees or representatives of the college who may incur business related expenses while conducting business on behalf of the college. Such approved expenses are encouraged to be charged to the college purchasing card issued to the employee or out-of-pocket expenses shall be reimbursed once they are itemized on an Employee Expense Report (EER) as detailed further below.

First-line administrators are responsible for communicating these guidelines to their employees and for establishing internal control standards to ensure employees comply with this policy. Failure to adhere to the requirements of this policy may result in severe disciplinary action, up to and including termination.

It is the policy of Sherman College (herein known as the "college") to be responsible for travel, entertainment and other business expenses that are reasonable and appropriate as defined within the guidelines of this policy. Such expenses are (1) paid to vendors directly using a college purchasing card (PCard) in the name of the authorized employee or (2) reimbursed to employees for all reasonable and appropriate out-of-pocket expenses incurred when conducting college business.

Cardholders are responsible for all charges made on their PCard. This responsibility includes ensuring these expenses are approved and obtaining the required supporting documentation. Once the transaction is complete, the cardholder is responsible for accurately coding transactions, identifying department and account numbers, and for uploading the supporting documentation. The Staff Accountant ensures the needed supporting documentation is uploaded and meets the documentation requirements.

Out-of-pocket expenses shall be reimbursed once they are itemized on an EER and approved by the employee's supervisor. It is the responsibility of the immediate supervisor to ensure that EERs are properly completed, are supported by receipts, and are reasonable, considering the location and the circumstances.

Employees are expected to exercise the same discretion and good judgment, as would a prudent person traveling at his/her own expense. The college shall not reimburse employees for excessive or unreasonable expenses.

Expense reports for out-of-town travel should be submitted within one week of returning from the trip.

TRAVEL AND ENTERTAINMENT EXPENSES

Meals and Entertainment
Reasonable and appropriate expenses for meals shall be for actual expenses incurred. Reasonable meal expenses shall be allowable to employees either traveling out-of-town or conducting authorized college business in town. "Reasonable" meal expenses should be approximately no more than $75 per person/per day (depending on location), including gratuities. Alcohol and other nonfood items may not be charged towards the daily food allowance and shall not be reimbursed.

Special consideration may have to be given for extended travel stays and/or travel in major metropolitan areas. A detailed receipt (credit card receipts are not acceptable) must be obtained for all meals. Gratuities or tips on meals should be reasonable and should not exceed 20 percent of the meal cost.

Business related meals and entertainment expenses (actual and reasonable) incurred while meeting with college prospects, business partners or suppliers, are acceptable, provided they have been approved by the employee's first-line administrator prior to the function, there is a specific, legitimate business reason and the expenses are within the current budget.

Meal costs for social occasions, such as employee birthdays or casual lunches and dinners, are not classified as business meals or entertainment expenses and shall not be reimbursed.

Commercial Travel
All air travel arrangements should be made as far in advance as possible to take advantage of lower advance purchase fares. All authorized business travel shall be in "coach/economy" class. Additional fees, such as premium seat fees (aisle seat, emergency row seat, extra leg room, etc.) are not reimbursable, in the absence of extenuating circumstances.

Employees may receive frequent flyer benefits, overbooking incentives, and denied boarding compensation if it does not interfere with college business. However, participation in these programs must not influence flight selection, which would result in increased cost to the college beyond the lowest available airfare. Employees shall reimburse the college for any monies received as a result of downgrading tickets prior to departure.

Employees shall not book a higher cost airline to accrue personal frequent flyer mileage.

All business-related airline tickets issued shall be charged to the employee's college PCard or, if preferred by the employee, to the employee’s personal credit card. Employees who expect to travel regularly should request a college PCard through the business office; the request requires department head approval. The employee must include the airline ticket "coupon," which identifies the traveler, the flights and the amount of the ticket, as the airline receipt, when providing PCard documentation or submitting the EER.

TRAVEL AND ENTERTAINMENT EXPENSES

Personal Travel
Combining business and personal trips is allowed, providing the employee has a legitimate business purpose. The employee shall be responsible for any extra expenses incurred, over and above those necessary for the business portion of the trip.

The college shall not reimburse the employee for spouse/significant other travel expenses without prior written approval from the president. Under current federal tax rules, such amounts, if reimbursed, may be considered compensation to the employee. Any tax incurred as a result of spouse/significant other travel is the responsibility of the employee.

All personal travel expenses shall be paid directly by the employee or charged to personal credit cards.

Hotels/Lodging
All employees should exercise good judgment when selecting hotel accommodation. Comfort, safety, and meeting the employees' minimum business needs should be the main considerations. In major cities, moderately priced hotels should meet these requirements. Small cities/towns may be considerably lower. When traveling to certain locations, such as New York, Los Angeles, Chicago, etc., slightly higher rates are expected, but luxury accommodation is not acceptable.

All hotel reservations should be guaranteed on a college PCard or, if preferred by the employee, on the employee's personal credit card. If the hotel reservation cannot be honored, employees shall cancel the reservation according to the hotel cancellation policy.

Laundry/Dry Cleaning
Reasonable charges for laundry and/or dry cleaning incurred while traveling out-of-town for more than three (3) consecutive days, shall generally be allowed. Laundry and/or dry cleaning charges incurred after returning home shall not be reimbursed.

Ground Transportation (Taxis/Limos, etc.)
Employees should use the safest and most practical public transportation, i.e., trains, buses, shuttles, taxis and airport vans when available. The most economical forms of transportation, i.e., bus, shuttle, hotel courtesy car, or taxi, should be considered in preference to renting a car. Employees with a common destination should share a transportation method. Receipts are required to be considered allowable. Gratuities or tips related to transportation should be reasonable and should not exceed 20 percent of the transportation cost.

When a rental car is necessary, compact or intermediate class cars should be rented. Additional insurance offered by the rental agency should be DECLINED. Vehicle rental insurance is part of the college's general insurance package.

Rental cars shall be refueled prior to their return to the rental agency. Rental agency refueling charges can be as much as three times the normal price of gasoline. Rental agency refueling charges shall be allowable only on an emergency basis.

Use of Personal Cars
Expenses for use of personal vehicles for college business will not be reimbursed if a college vehicle is available for use. Exceptions may be made in some instances where it is more efficient to allow the employee to use their personal vehicle; however, the employee must have this pre-approved by the executive vice president or the president (See Policy 3079).

When applicable, the college shall reimburse employees for the use of personal vehicles for approved college business. Rate per mile shall be reimbursed in accordance with current Internal Revenue Service guidelines. Employees must specify the destination and the business purpose for the travel. If mileage relates to out-of-town travel where other expenses apply, the mileage should be reported on the weekly EER. However, normal local mileage should be reported monthly on the Monthly Mileage Report.

The college shall not provide, nor make available, insurance to an employee using a personal car for college business. The employee is responsible for providing adequate insurance.

Parking and Tolls
Reimbursement for parking and tolls shall be supported by receipts. If an exact change tollbooth is used, it shall be indicated on the EER.

College Purchasing Cards
Sherman College provides college PCards to certain employees who, based on job requirements, have an appropriate business need for a PCard upon approval by the first line administrator and the executive vice president. PCards are college-liability credit cards issued in the names of authorized employees. Only approved direct college business expenses may be charged to the PCard; personal purchases are strictly prohibited. All PCard transactions must be supported by a detailed business purpose and by a receipt or other proof of purchase documentation. Improper use of the PCard, including use of PCard for personal purchases, may result in disciplinary action up to and including termination of employment.

TRAVEL AND ENTERTAINMENT EXPENSES

Non-Reimbursable Expenses
The following expenses are examples of travel and entertainment expenses, which generally shall not be allowed by the college. This list is not all-inclusive.

- Alcoholic beverages
- Annual fees for personal credit cards
- Magazines, newspapers, books and other personal items
- Airline first class upgrades
- Prescription medicines (however, the employee's medical plan may cover)
- Toiletries
- Parking or traffic violations and other fines or penalties
- Airline telephone/media charges
- Baby-sitting
- Clothing
- In-room movies or entertainment
- Excess baggage charges
- Optional travel or baggage insurance
- Car washes except for college vehicles
- Pet care
- Souvenirs/personal gifts
- Normal transportation to/from the College
- Spouse/significant other travel expenses

Employee Expense Report and Monthly Mileage Report templates are available via the college Business Office or college website.

Also see:

Policy 3079 – College Vehicles