



COLBY COLLEGE TRAVEL REIMBURSEMENT AND OTHER EXPENSE POLICIES HANDBOOK

Office of Financial Services

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Colby College Travel Reimbursement and Other Expense Policies

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PURPOSE

The purpose of the Colby College Travel Reimbursement and Other Expense Policies is to provide faculty, staff and other employees and contractors with specific guidelines covering College travel, entertainment and other business expenses as well as the documentation required to substantiate requests for reimbursement or payment of those expenses.

It is not possible to anticipate all the situations that individual travelers may encounter in conducting College business and, therefore, these policies have been designed to provide some flexibility in addressing unique circumstances that may require occasional exceptions. As a general guideline, it is expected that travelers will interpret these policies in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to the College. Accordingly, the primary responsibility for adherence to these policies rests with the individual and their supervising department.

Travelers should also bear in mind that government agencies and other interested parties may view certain expenditures as being either excessive or inappropriate in the context of a regulatory audit, an IRS audit or other similar review of College activities. Thus, moderation and discretion should guide travelers' decisions to incur expenses on the College's behalf.

GENERAL POLICIES

- ◆ The College will only reimburse expenses incurred in connection with College business that are properly documented by the employee or other visitor (e.g. guest lecturer).
- ◆ The College will not reimburse expenses that are inherently personal in nature such as clothing, personal recreation or entertainment, etc. Reimbursable expenses must have an appropriate business purpose.
- ◆ Assuming a reasonable level of safety, comfort and convenience for the traveler, every effort should be made to keep College expenses to a minimum. Departmental policies will govern how authorization to travel is granted and individual departments may elect to impose additional controls over travel expenditures beyond those required by this policy.

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- ◆ In general, reimbursements will be made on the basis of actual and reasonable expenses incurred for transportation, meals, lodging and other necessary business expenses.
- ◆ The College will not reimburse the travel expenses of spouses (or others such as children) who accompany faculty or staff on College business, except in unusual circumstances which require the spouse's (or other's) presence (i.e. there is a clear business purpose). All exceptions must be approved, in advance, by the President or the appropriate Vice President or Dean. Reimbursement of expenses for other individuals or dependents that accompany a traveler will be considered personal expenses and will be included on the employee's IRS Form W-2. This is a limited exception for certain extended travel situations and must receive prior approval by the President or the appropriate Vice President or Dean.
- ◆ Prior to processing a Travel and Entertainment Expense Voucher for payment, the Accounts Payable office will routinely review the submitted documents for accuracy and completeness. If the information submitted is not in adherence with these policies, the payment will not be made until all required documentation has been received. Any incomplete or inadequately supported vouchers will be returned to the employee with an explanation of the deficiency.

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REPORTING REQUIREMENTS

Regulations issued by the Internal Revenue Service and various other governmental agencies require that the College maintain a policy under which employees must account for all advances, allowances and other reimbursement of expenses. This accounting must include:

- ◆ Sufficient information to establish the business purpose of the travel, entertainment or other expenditure;
- ◆ An adequate record of each expenditure including the amount, date and place;
- ◆ Substantiation of the expenditure with original receipts. This **must** include receipts for all lodging expenses (original, detailed check out receipt - regardless of amount) and for all other expenses of \$75 or more to comply with IRS regulations. Departments may elect to require receipts below the \$75 threshold;
- ◆ The return of any unused cash advances within 30 days of completing the trip.

Employees must keep a record of and substantiate their travel and entertainment expenses by submitting an expense report via Workday (Workday Task: Create Expense Report), along with all required documentation/receipts, within **30** days of completing their travel (College policy). Travel advances will only be issued within **30** days of the trip and must be cleared via expense report within 30 days of completion of travel as mentioned previously.

While the College's policy requires submission within 30 days of the completion of travel, the IRS policy is **60** days. Employees who fail to meet the IRS deadline will be considered to have been reimbursed under a non-accountable plan and any reimbursements made will be considered taxable income distributed by way of the next applicable payroll and included on the employee's IRS Form W-2.

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SPECIFIC EXPENSE POLICIES

TRANSPORTATION AND INSURANCE

TRAVEL ARRANGEMENTS

The College has an agreement with Direct Travel in Portland, Maine www.colby.edu/travelservices/ for more information.

Direct Travel will assist Colby travelers in obtaining the most cost effective and convenient travel itinerary for their business trip. Business travelers are encouraged to book all travel arrangements for transportation, hotel reservations and vehicle rentals through Direct Travel or Concur (Direct Travel's online travel partner). All travel arrangements should be made well in advance of the trip to obtain the lowest rates. Before committing to a deeply discounted ticket carrying a substantial penalty for cancellation or change, individuals should be certain that they can adhere to the planned itinerary.

"Trip cancellation insurance" may be reimbursable to protect College resources against unforeseen circumstances. Please check with the Office of Financial Services in advance of your booking if you plan to purchase this insurance.

The College will not accept direct billings for travel from any travel agency other than Direct Travel. Direct payment of travel costs for hotels, airlines and car rentals may be made by the College in special situations where advance deposits are required for transportation or lodging obtained at group rates.

If you would like a username and password for Concur, the online booking tool, please contact Stephanie LeBlanc at x4125 or stephanie.leblanc@colby.edu.

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AIR TRANSPORTATION

Class

The class of air travel chosen is expected to be the least costly consistent with a reasonable level of comfort and convenience for the traveler. In most cases, this dictates that coach class should be used.

Airline

Air transportation is restricted to regularly scheduled commercial airlines. Air charter or air taxi services licensed by the U.S. Government, or corporate aircraft of major recognized corporations may not be used except in unusual circumstances. This requires the approval of the President or appropriate Vice President. Such aircraft's seating capacity cannot be in excess of 15. All charters must be reported to the Will Saxe, Director of Risk Management at least 15 days in advance of departure to permit compliance with reporting requirements of the College's insurance policy. All contracts for chartered air service must be reviewed and approved by Will Saxe, Director of Risk Management in advance.

Frequent Flyer Plans and Other Incentives

It is the College's policy that travelers may personally retain the rewards for frequent flyer plans or other bonuses that may accrue from business travel. In no case, however, may the traveler choose a reservation at a higher cost in order to accumulate additional plan credits. The College will not purchase frequent flyer miles from travelers or reimburse them for tickets purchased with frequent flyer miles. Any membership fees to join frequent flyer clubs are generally considered personal expenses and will not be reimbursed by the College unless it is clear that all accumulated miles will be used for College business purposes. This requires advance approval of the President or appropriate Vice President or Dean.

Ground Transportation and Parking

If traveling by car from home to an airport at the start or end of a trip, the traveler will be reimbursed for miles in excess of the traveler's normal commute to the office. If travel to an airport from home is necessary on a non-workday, reimbursement will be made for the entire distance. Parking at the airport will be reimbursed, but travelers are urged to use long-term, lower cost parking lots when

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available. If taking public transportation (cab/Uber/bus) to and from the airport would result in a lower cost (due to the high cost of parking in most cities and airports), the traveler is strongly encouraged to take advantage of these savings. Where travel will require that a vehicle be left in airport parking for an extended period, please contact Limousine Services LLC, Maine Limousine Service or Moonlight Limo regarding transportation to and from the airport. Significant savings may be possible by avoiding parking in the airport lot for an extended period.

Once at the destination, travelers are reminded that hotel shuttles may be available free of charge or for a nominal fee.

Early Departure or Late Return

Additional costs incurred for early departure or late return (e.g. Saturday night stay-over) are not reimbursable unless the savings in airfare is equal or greater than the total costs for lodging, meals, parking fees, etc. incurred during the additional days of travel. All additional costs must be weighed against the savings in airfare, including the inherent cost of being away from the College for a longer period of time.

Lost Items

Insurance recovery is available for lost luggage to holders of JP Morgan Chase Corporate Visa up to a maximum of \$1,250 for carry-on and checked luggage, when a travel ticket is purchased on the Corporate Visa for any "common carrier" (ie: airline, Amtrak, bus, etc), excluding rental cars. If special equipment is accompanying the traveler or other special circumstances warrant, travelers may wish to obtain additional coverage from the airlines for lost baggage. Reimbursement of this additional coverage is subject to departmental approval. Recovery for such personal losses may be available through the individual's homeowner policy.

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AUTOMOBILE TRAVEL

Personal Automobiles

As a general rule, the use of personal vehicles for College travel is discouraged because no reimbursement will be made for the cost of repairs to these vehicles, regardless of whether those costs result from business travel or whether they result from acts of the traveler or another individual. Furthermore, it is the obligation of the owner of a personal vehicle being used for College business to carry adequate insurance, in accordance with the laws of the state of Maine, for their protection and the protection of any passengers.

When the use of a personal vehicle is necessary, reimbursement for its use will be made at the current year's IRS rate, which can be found on the IRS website. Workday is updated to reflect the current IRS mileage rate for expense reports only. The College will reimburse for mileage or gas, but not for both. The mileage reimbursement is based on the number of miles driven on College business and does not include reimbursement for commuting from and to the employee's home. For instance, any day of travel that an employee would typically be commuting to Colby for a regular work day, the employee must deduct their regular commute mileage from the total miles driven. (Reference Air Transportation-Ground Transportation and Parking for mileage restrictions). Additional reimbursement may be requested for tolls and parking fees. The College will not reimburse employees for parking tickets, fines for moving violations, for vehicle towing charges, auto repairs and maintenance or for mileage when using a rental car.

Rental Cars – MUST BE A COLBY APPROVED DRIVER (Contact Director of Environment, Health, and Safety in the Human Resources Office to become a Colby Approved Driver)

The College has negotiated special discounted corporate rates with Enterprise and National Rental Car for College business travel.

The College is insured against collision damage to rental vehicles resulting from accidents occurring while employees are traveling on College business. Because of this coverage, the College recommends that travelers waive the "loss-damage coverage." With regard to the Collision Damage Waiver (CDW):

- ◆ Domestic car rental: **DO NOT ACCEPT CDW**
- ◆ Foreign car rental: **ACCEPT CDW**

If a traveler uses a personal credit card when renting a car for business travel and the credit card provides auto insurance coverage, that insurance will be considered the primary coverage in the event of an accident. If a vehicle is rented for both business and personal use, it will be up to the traveler to ensure adequate insurance is maintained for the personal use component of the trip. The College's insurance

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coverage will not extend to the personal use.

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Any accident involving a rental vehicle must be reported to both the car rental agency and to the Will Saxe, Director of Risk Management at x4632 for handling of claims and coordination of coverage.

Taxis and Shuttle Service

Local taxi fares and shuttles to and from airports and railroad stations are reimbursable (including a reasonable tip) to the extent that such service is not included in the air or rail fare.

FOREIGN/SABBATICAL TRAVEL

All general policies pertaining to domestic travel apply equally to foreign travel. Actual costs are reimbursable, to the extent reasonable and necessary, provided adequate documentation is submitted with the travel reimbursement request.

If an individual's travel assignment is expected to last longer than 12 months expenses for meals, lodging and other living expenses can not be considered non-taxable business expenses. The IRS assumes that the traveler has moved his/her tax home to a new place of employment and treats the meals, lodging and other living expenses as personal expenses. Reimbursements of personal expenses will be reported as additional compensation subject to tax withholding. This is true for all expenses incurred during the entire period, not just those incurred after the 12 month period. In these circumstances, the department should contact the College Controller well in advance of the trip for more specific information and instructions.

Faculty should review the Office of the Provost and Dean of Faculty sabbatical leave application documents for more information please view the Faculty handbook at: www.colby.edu/provost/

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LODGING

General

Except when hotel arrangements have been obtained by the sponsor of a conference or other such event, arrangements for lodging should be made through Direct Travel or Concur. Direct Travel has negotiated corporate discounts at certain hotels in many major cities. Unless lower rates are available elsewhere, travelers should take advantage of the corporate discounts whenever availability and location permit. Travelers are urged to request and take advantage of any educational discounts offered by the hotel.

- ◆ **Note:** Employees **must** submit an itemized hotel bill (regardless of amount – usually obtained at check out) for settlement of their travel expenses.

Cancellations

Except under extenuating circumstances, the College will not reimburse expenses due to a traveler's failure to cancel guaranteed room reservations. Guaranteed room reservations made through Direct Travel require the use of a personal credit card or a College Corporate Visa at the time of booking.

Gratuities for Hosts

In cases where a traveler stays with colleagues, family or friends in lieu of a hotel, the traveler may request reimbursement for gratuity expenses of a reasonable value (for example, flowers or a meal) offered to the hosts. These gratuities would be in place of meals and/or lodging for the accommodations provided by an acquaintance of the traveler. Explanation of such items should be submitted with the travel settlement.

MEALS AND ENTERTAINMENT

GENERAL

The College will reimburse travelers for the reasonable cost of their own meals incurred during the time they are away from home (as distinguished from entertainment expenses or local business meals, see below). Only the actual costs for meals are reimbursed.

While it is not encouraged, it is understood that a limited amount of alcohol in connection with a traveler's meal is reimbursable. Alcohol consumed outside normal meal times will not be reimbursed unless it qualifies as an entertainment expense (see Other Business Meals). Also, reimbursement of alcohol is prohibited under government grants and for students.

When the traveler is claiming reimbursement for meals purchased for non-Colby personnel, these meals should be considered "Business Meals" rather than "Travel Meals". Sufficient detail must be provided concerning the name of the other diners and the business purpose for hosting the meal, as outlined in the guidelines on business meals below.

BUSINESS MEALS AND MEETINGS

Employee-Only Business Meals

In cases where College employees meet over a meal when they are not traveling, the cost of the meal is considered a non-reimbursable personal expense unless 1) the primary purpose of the meeting is to conduct business, and 2) there is a clear and compelling reason to meet outside the office over a meal. Generally, these requirements are met when it is not possible for one or more employees to meet during other working hours (e.g. when travel plans conflict with other meeting times), and the purpose of the meeting is to conduct business in accordance with a formal agenda. IRS regulations do not allow for the reimbursement of meal charges incurred by employees who are not traveling away from home (i.e. their travel does not include an overnight stay) unless the above criteria are met and there is a clear benefit to the College.

It is permissible to incur expenses chargeable to the College for meals provided as part of a local conference, seminar, workshop, presentation or other similar group

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meeting involving employees when it extends through the usual mealtime(s). Such meals must be reasonable in relation to the nature and purpose of the meeting.

Occasional Employee Banquets and Functions

On occasion – generally, annual or semi-annual – functions for employees are considered reimbursable business expenses when the expenditure is intended to serve as a token of appreciation that primarily promotes employee relations, or that recognizes individual or group achievements, such as holiday parties, employee banquets, retirement parties, etc.

Other Business Meals

Expenses for dining involving non-College personnel are reimbursable when the purpose of the meeting is to conduct College business and when it is necessary or desirable to have the meeting in conjunction with, or during, a meal. Expenses for such meals should be kept to a reasonable level. The typical business meal might involve interviews with prospective employees, discussions with vendors, consultants, or other persons with whom the College does business, or meetings of organizations and groups at which agenda items pertinent to College business are covered. Inclusion of spouses or other individuals who are not directly involved in conducting College business or the consumption of alcohol are general indications that the occasion is not a business meal, but an entertainment function (see Business Entertainment below).

An example of a non-business meal would be the situation where two College employees decide to go to a local restaurant for lunch and among other things, they discuss business. The cost of the lunch is a personal expense even though business was discussed. Only if it was necessary to meet to address specific issues and they were not able to arrange a meeting in the office would the expense be reimbursable.

BUSINESS ENTERTAINMENT

Meals and functions are considered entertainment if they are intended to provide hospitality to non-College individuals which, although partially social in nature, are deemed necessary and customary in advancing the College's business interests.

Some examples of business entertainment include:

- ◆ Receptions for College guests and visitors;
- ◆ Alumni reunions or similar alumni functions;

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- ◆ Entertaining donors or prospective donors;
- ◆ Welcome receptions for parent and students

Entertainment expenses should be reasonable in relation to the nature of the function and the resulting business benefit expected to be derived from the expenditure. A description (either a list of names or identification of the hosted group) and the total number in attendance at an entertainment function must be indicated on the reimbursement request along with the business purpose of the entertainment. It is critical that the Travel and Entertainment Expense Voucher clearly document the business purpose of the entertainment.

COLBY DINING CARDS

Colby dining service locations will only accept Colby dining cards for department meal charges. Charges by any other means (signed slips, email, etc.) will no longer be accepted. This change will enable the College to more effectively manage this program. Please contact Bill Pottle (wupottle@colby.edu x4130) if you are in need of new or additional dining cards.

Please note that any meals charged to departments by Colby employees are considered to be taxable income to the employee unless a clear and documented business purpose exists for the meal. This might include interviews with prospective employees, discussions with vendors, consultants, or other persons with whom the College does business or meetings or organizations and groups at which agenda items pertinent to College business are covered. This does not include meals where two College employees meet for lunch and among other things, they discuss business. It is the responsibility of each department to maintain appropriate documentation of the business purpose for all department meal charges. Each department with a dining card could have their documentation audited.

Please contact Megan Foisy at megan.foisy@colby.edu if you have any questions about the above policies.

MISCELLANEOUS TRAVEL COSTS

Other reimbursable expenses may include (but are not limited to): tips, business telephone calls, etc. All such expenses must be itemized and documented in accordance with this policy. The following are additional examples of miscellaneous reimbursable travel expenses:

- ◆ Limited laundry and dry cleaning charges for trips of more than 5 days
- ◆ Expenses associated with baggage handling and storage, including excess baggage charges and tips
- ◆ Phone calls home of a reasonable amount

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- ◆ Airline Club membership dues for travelers who fly over 50,000 miles per year where such membership will enable the traveler to increase his/her productivity. Reimbursement of these dues requires approval of the President, appropriate Vice President or Dean and is limited to one airline club per individual.
- ◆ Fees for currency exchange
- ◆ Visa – College Business Only

PERSONAL AND NON-COLLEGE (TRAVEL) EXPENSES

GENERAL

The College will **not** reimburse travelers for expenses which are inherently personal in nature.

PERSONAL BUSINESS CONDUCTED DURING PERIOD OF TRAVEL

Expenses of a strictly personal nature, as well as any incremental travel costs incurred to conduct personal business during the course of a College business trip, are the responsibility of the traveler. Incremental travel costs are those expenses that would not have been incurred on the business portion of the trip, except for the fact that the traveler conducted personal business at some time during the trip. For example, gas and mileage charges for out-of-the-way travel to visit friends or relatives are personal expenses. Such incremental expenses must be identified and deducted from the travel expense settlement (or not be included).

Personal expenses to College accounts despite the intention of the traveler or a third party to later reimburse the College for these charges is not allowed. It is important not to use the College accounting records as a conduit for personal expenses; this situation can be difficult to explain and document during an audit or other independent review and can be subject to termination of employment.

ACCOMPANYING SPOUSES AND OTHER COMPANION TRAVELERS

Expenses incurred for any accompanying spouse/companion traveler are generally considered personal in nature except on those occasions when the attendance of a spouse/companion traveler is necessary at an event which furthers the business interests of the College. In these cases, the travel is to be authorized, in advance and in writing, by the President or the appropriate Vice President or Dean. The written approval must be submitted with the Travel and Entertainment Expense Voucher and must document the business purpose served by the spouse's/companion attendance at the meeting or function.

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Current IRS regulations require that amounts paid by an employer for spousal/companion travel expenses be included in the employee's taxable income and reported on IRS Form W-2 unless the spouse's presence on the trip serves a bona fide business purpose. Departments should consult with the Office of Financial Services prior to making commitments to reimburse for spousal/companion travel as the reimbursement may be taxable to the employee. Expenses incurred for other individuals or dependents (such as children) that accompany a traveler will be included on the employees IRS Form W-2.

ILLUSTRATIVE EXAMPLES OF NON-REIMBURSABLE PERSONAL EXPENSES

The following is a list of personal expenses (in addition to those that have been identified in other sections of this document) that are not eligible for reimbursement as College business expenses. Note: some of these items may be appropriate as entertainment expenses. Please see section on "Business Entertainment" for a discussion of reimbursable business entertainment expenses.

- ◆ Amenities such as movies, Minibar/in-room bars, saunas, massages, etc.
- ◆ Child care costs, babysitting, or house sitting costs
- ◆ Any personal clothing or accessories
- ◆ Laundry for trips less than 5 days
- ◆ Grooming expenses such as haircuts, toiletries, etc.
- ◆ Prescriptions, over-the-counter medication, or other medical expenses
- ◆ Fees for boarding pets or other animal care
- ◆ Magazines, books, newspapers, or other personal reading material
- ◆ Outlays for personal recreation or entertainment such as green fees, sightseeing fares, theater tickets, entry fees, lift tickets, etc.
- ◆ Expenses related to non-College activities or personal time off taken before, during, or after a business trip
- ◆ Loss of cash advances, airline tickets, or personal funds or property
- ◆ Airline travel insurance costs
 - "Trip cancellation insurance" may be reimbursable to protect College resources against unforeseen circumstances. Please check with the Office of Financial Services in advance of your booking if you plan to purchase this insurance."*
- ◆ Incremental costs for first or business class airline tickets
- ◆ Incremental airline ticket costs to obtain frequent flyer benefits
- ◆ Frequent flyer credits or tickets
- ◆ Fines for automobile or parking violations
- ◆ Charges for failure to cancel hotel reservations in a timely manner
- ◆ Credit card interest or delinquency fees
- ◆ Fees for personal credit cards
- ◆ Passports or Passport Renewal

POLITICAL ACTIVITY AND CONTRIBUTIONS

It is Colby College's policy that no College funds may be used to make any political contribution of any kind to any candidate or political party. This prohibition covers not only direct contributions but also indirect assistance or support of candidates or political parties through the purchase of tickets to special dinners or other fund-raising events, and the furnishing of any other goods, services, or equipment to political parties or committees. Political contributions or activities by individuals on their own behalf are, of course, permissible.

OTHER EXPENSES

PROFESSIONAL DEVELOPMENT

Expenses incurred in attending professional development programs may be reimbursable. Department policies determine who may attend such programs at College expense. These policies should ensure that the content of the program is of a substantive nature that directly relates to the employee's job responsibilities and that limited budgets for such activities are equitably allocated.

Travel costs and fees associated with continuing education credits, required to maintain a professional certification, are reimbursable **only** if the certification is directly related to the employee's current position.

Travel to programs outside the country requires advance approval from the President or the appropriate Vice President or Dean.

MEMBERSHIPS, DUES AND SUBSCRIPTIONS

The College's affiliation with an organization or group is based upon the business benefit to be derived from such affiliation. In the case of certain civic, community, and educational organizations that serve a broader purpose and constituency, the College typically joins as an institutional member and generally designates employee representatives. Institutional memberships often provide certain benefits to the College at large such as newsletters and magazines that are routinely sent to a specified number of individual employees.

Fees for individual memberships in business associations as well as fees for magazine, newspaper, or newsletter subscriptions may be reimbursable. Departmental policies establish whether these costs will be borne by the College. Individual memberships or professional associations or other costs incurred to

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maintain professional certifications or licenses that are directly related to the employee's current position and have a clear business benefit to the College are reimbursable.

RELOCATION OF NEW EMPLOYEES

General

The Office of Human Resources or the Office of the Provost and Dean of Faculty should be contacted prior to making any commitments, during the hiring process, to pay a new employee's moving costs. The College has certain guidelines regarding the expected College contribution towards relocation expenses and the Office of Human Resources or the Dean of Faculty's Office will provide departments with any needed assistance coordinating these arrangements. Generally, appointment letters will include a specific description of relocation expenses that will be reimbursed by the College. Please see the Reimbursed Moving Expense form at the end of this policy.

What Will Be Reported On The New Employees IRS Form W-2 For Tax Purposes?

Certain types of moving expenses paid or reimbursed by the College must be treated as additional compensation to the employee, subject to both income and employment tax withholding. If the expenses paid by the College qualify as deductible moving expenses (i.e. **qualified moving expenses under the Internal Revenue Code**) and are supported by original receipts or other appropriate documentation, the payments are not reported on the employee's IRS Form W-2. In summary,

Qualified Non-Taxable Moving Expenses – not subject to tax withholding or reporting on IRS Form W-2, if supported by adequate documentation. In general, moving expenses should be incurred within one year of commencing employment in order to be considered non-taxable and the distance-time test must be met as well.

- ◆ The cost of moving household goods and personal property to the new primary residence; and
- ◆ The cost of traveling, excluding meals, to the new primary residence for the employee, spouse and other dependents. Such costs would include airfare, cost of driving a personal automobile (actual out-of-pocket costs for gas and oil), and lodging costs en route from the old primary residence (but not meals).

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Taxable Moving Expenses – subject to tax withholding/reporting on IRS Form W-2:

- ◆ The cost of traveling, after obtaining employment, to the new place of work for the purpose of searching for a new residence (i.e. house-hunting trips);
- ◆ Expenses of selling, purchasing, or leasing the old or new residence;
- ◆ Cost of meals en route to the new residence; and
- ◆ Cost of travel for spouses and/or dependents other than during the move to a new residence.

It is extremely important that all relocation expenses be coordinated through the Office of Human Resources or the Office of the Provost and Dean of Faculty's Office to ensure that College policy is followed and that all necessary IRS reporting is completed.

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INDEPENDENT CONTRACTORS

Domestic Contractors

Independent contractors provide various services to the College (i.e. for example, speakers, performers, consultants, etc). These services are provided in a non-employee capacity and the independent contractor is typically providing these services, for profit, to other clients.

A standard Independent Contractor Memorandum Agreement must be obtained for all contractor services. Contracts under \$4,999 require approval by the Controller. Contracts over \$5,000, and all contracts where the Colby standard agreement is not used, require approval by Will Saxe, Director of Risk Management. A copy of the Independent Contractor Memorandum Agreement is attached as an exhibit and can also be found at: www.colby.edu/financialservices/administrative/accounts-payable/payments-and-reimbursements/

It is critical that the contractor complete the entire standard agreement including the W-9 section. If the standard agreement is not complete (including tax identification number), the contractor payment will be subject to backup withholding in accordance with the prevailing IRS rate. Independent Contractor payments will only be made as direct payments to the contractor. The employee **should not** pay these directly as they will not be reimbursed.

If services are to be provided by a current Colby employee or student, all amounts will be paid through payroll subject to income and employment tax withholdings. Classification of current Colby College employees as independent contractors is not permitted. All College policies regarding reimbursement of expenses apply equally to independent contractors.

If the contractor is not a U.S. citizen, please see instructions below.

Foreign Contractors

Payments to non-U.S. citizens involve a myriad of issues regarding U.S. Citizenship and Immigration Services (USCIS) regulations governing payment authorization as well as IRS rules surrounding taxation. It is critical that any department contemplating the engagement of a non-U.S. citizen, contact the Office of Financial Services at the time the visit is initially planned. Preferably, this will be at least 2 months prior to the arrival of the independent contractor.

In general, USCIS regulations require that a foreign visitor enter the United States on a J-1 visa in order to be eligible to receive an honorarium or other payment for services rendered. In certain cases, however, visitors on B-1/B-2 visas (and certain

Colby College Travel Reimbursement and Other Expense Policies

Visa Waiver classifications) are permitted to receive honorarium payments. In order for a foreign visitor under a B-1/B-2 visa to be eligible for an honorarium payment, they must meet the following requirements:

- ◆ The foreign visitor must enter the United States under a B-1/B-2 visa (or Visa Waiver) to perform academic activities lasting no longer than 9 days at any single institution and where the foreign visitor has not accepted such payment or expenses from more than 5 institutions in the previous 6 month period.

Also, honorarium payments to foreign visitors are generally subject to a 30% income tax withholding. This tax withholding may be reduced or eliminated if a U.S. tax treaty with the visitor's country of tax residence exists and is activated. The Office of Financial Services will assist in determining if tax treaty benefits are available and in filing all the appropriate IRS forms to activate the treaty. This process requires that the foreign visitor provide certain information about their visa status, tax residence, prior visits to the United States and other information. As stated above, please contact the Office of Financial Services as soon as you start making plans for a foreign visitor. The Office of Financial Services will guide you through the process and ensure that all applicable regulations are met and available treaty benefits are received.

CELL PHONE POLICY

The College provides cell phones to employees with a demonstrated business need. All requests for cell phones must be approved by the department supervisor.

Please visit: www.colby.edu/its/cell-service/ for more information.

GIFT CARD POLICY (Gifts to Employees)

Colby supports employees in a variety of ways, such as the staff gathering, the holiday dinner dance, lobster bakes, ice cream socials, cooking classes, departmental functions, events committee outings, and many other ways.

The College can also recognize and reward employees beyond normal salary and benefit programs for outstanding performance. These awards are only for **extraordinary achievements** which far exceed assigned responsibilities.

In accordance with IRS guidelines, Colby must report the value of any gift card an employee receives above \$25 on an employee's IRS W-2 form. An Employee Gift Form (available at www.colby.edu/financial_services/) must be completed and approved by a senior staff member before the gift card can be issued. The form must accompany any request for reimbursement, and a copy must be submitted to Payroll for any gift card over \$25.

PAYMENTS AND REIMBURSEMENT OF EXPENSES

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Travel and Entertainment J.P. Morgan Chase Credit Card Program

GENERAL

The College has an agreement with J.P. Morgan Chase to provide credit cards to faculty and staff who **regularly** incur reimbursable travel and entertainment expenses while on College business in excess of \$5,000. Travelers who have been issued a Corporate Visa should use it for airfare, hotel, restaurant, rental car, or other travel and entertainment expenses. Travelers have the option to use any other personal credit card to pay for travel and entertainment expenses. Please note that if another credit card is used, other than the JP Morgan Chase Visa, the College will not reimburse any fees associated with that card.

The J.P. Morgan Chase Visa is to be used for travel and entertainment expenses incurred in connection with official Colby business. The corporate card **should not** be used for personal expenses, the purchase of goods, services or other items not associated with business travel and entertainment. Departments wishing to purchase goods and services with a credit card should contact Stephanie LeBlanc, Purchasing Analyst, about the College's Visa Purchasing Card Program. Stephanie may be reached by phone at x4125 or by email at stephanie.leblanc@colby.edu. Misuse of the Visa card could lead to termination of employment.

TERMINATION OF PARTICIPATION

The College and J.P. Morgan Chase have the right to cancel any corporate card in accordance with the delinquency provisions of the contract or other credit card abuses. Employees must immediately return the corporate card to the College's program administrator upon notice of cancellation.

Faculty and staff who are issued a corporate card are required to promptly notify and return the card to the Office of Human Resources upon termination of employment or if it is deemed that the card is no longer needed.

Colby College Travel Reimbursement and Other Expense Policies

CASH ADVANCES

GENERAL

The College will provide cash advances up to \$250 for faculty and staff traveling on authorized business to cover reasonable miscellaneous costs, such as taxi fares, tips, and other expenses which cannot readily be charged to a credit card. Cash advances in excess of \$250 require the submission of a detailed approved budget supporting the need for the advance and must be approved by the appropriate department supervisor. (Cash Advance Vouchers can be found on the Financial Services/AFS website). This form must be completed for all travel advance requests, though the budget section is only required for \$250 or more. The use of a credit card greatly reduces or eliminates the need for most travel advances. Cash advances should not be used to cover personal expenses or any activity that is the sole responsibility of the traveler. The size of the advance must be a reasonable estimate of the amount of cash necessary to conduct College business, bearing in mind that the bulk of a traveler's expenses may be charged to a corporate card or, if desired, to a personal credit card.

Each cash advance is the personal obligation of the traveler until discharged by completion and submission of a properly supported Travel and Entertainment Expense Voucher. Thus, the traveler is responsible for any lost or stolen cash advances. Employees are responsible for the proper record keeping of expenses incurred while traveling and for settling any unused advance owed to the College. Unused cash advances and supporting documentation must be returned to the College within 30 days of returning from a trip.

PROCEDURES FOR OBTAINING A CASH ADVANCE

Requests for cash advances must be submitted to Accounts Payable. All requests made must include appropriate departmental approval for the advance. Payment of advances will be made to employees by ACH (electronic payment) only. The ACH process means that the advance will be electronically deposited to a bank account designated by the employee. **Note:** If the amount of the travel advance is \$75 or less, cash may be obtained from the Office of Financial Services cashier. All advance requests must include the dates of expected travel and the business purpose of the travel.

Advances will generally not be provided earlier than 30 days before the planned departure date of the trip. Electronic deposits will occur twice a week (Monday & Wednesday), with funds being credited at your bank within 2 business days.

Colby College Travel Reimbursement and Other Expense Policies

CASH ADVANCE SETTLEMENT

Travel and Entertainment Expense Vouchers with attached receipts must be properly authorized and submitted to the Accounts Payable Office for settlement of cash advances. Once the Travel and Entertainment Expense Voucher is submitted, approved, and processed, the College will reimburse the traveler for expenses that exceed cash advances (by ACH deposit). Reimbursement requests of \$75 or less may be obtained in cash from the Office of Financial Services cashier. If cash advances are greater than the expenses incurred, the traveler must return the remaining balance (by personal check or cash) within 30 days of returning from the trip. Cash advances may not be carried over to future trips.

UNSETTLED CASH ADVANCES (INCLUDING PAYROLL REPORTING)

Travelers who have not submitted an accounting of their cash advances within 30 days of completing their trip will be notified that the settlement is overdue. The Supervisor will also be notified of any outstanding advances. If the advance is not settled 15 days henceforth, the individual will then receive a notification that the amount has been forwarded to the Payroll Department for appropriate payroll reporting and tax withholding. Without adequate documentation to substantiate the business expenses covered by the cash advance (i.e. settling the advance), the College is required by IRS regulations to report these payments as taxable income to the employee.

TRAVEL SETTLEMENTS AND REPORTING OF EXPENSES

GENERAL

The primary responsibility for review and approval of expense reimbursements and compliance with all provisions of this policy rests with departments and supervisors who are authorizing travel and business expenditures.

Because travel and entertainment expenditures are subject to audit by our independent auditors, the IRS or another governmental agency, thorough documentation and accounting for expenses is essential. The College must have all of the documentation required to substantiate payments made in accordance with this policy.

If the expenses to be reimbursed are related to business travel or entertainment, the employee will complete a Travel and Entertainment Expense Voucher. This form can be found on the Financial Services/AFS website.

REQUIRED DOCUMENTATION AND RECEIPTS

Travelers are required to submit **original, itemized** receipts to substantiate their travel expenses. As with any College payment, original documentation is necessary to verify expenditures and eliminate the possibility of duplicate payments. When reviewing travel vouchers, Accounts Payable will expect that, at a minimum, any single expenditure of \$75 or more will be accompanied by an original receipt. In addition, all lodging expenses must be supported by receipts, regardless of amount. Lodging receipts are required to show the individual charges (e.g. room, meals, phone, tax, other charges, etc.). If, in rare cases, original receipts are not available, an explanation must be submitted with the travel voucher prior to processing. For those small items where receipts are not required, travelers must still record the actual amounts of the charges, clearly itemize these expenses on the Travel and Entertainment Expense Voucher, and include the business purpose of the expenditure. Any voucher forms that are not properly completed and approved will be returned unprocessed to the employee with an explanation of the deficiency.

Bills or cash register tapes that support credit card charges are considered original receipts and should be submitted with the Travel and Entertainment Expense Voucher. Photocopies of credit card charge slips or billing statements are not sufficient documentation, nor are tear off stubs for meals. If no other form of receipt can be obtained, the original credit card slip will be accepted. In the case of airfare, travelers should submit the passenger copy of their ticket if possible. Travel itineraries do not constitute receipts for reimbursement purposes. If the traveler purchases their airline ticket in advance, in order to receive the lowest airfare, the

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College will reimburse the traveler for this cost before the trip is taken. The traveler may submit a copy of the ticket itinerary and request reimbursement. A copy of the passenger ticket receipt or boarding pass should be submitted with the final Travel and Entertainment Expense Voucher.

ITEMIZING EXPENSES

Expenses should be entered on the applicable lines of the Travel and Entertainment Expense Voucher that best describe the type of expenses incurred. Amounts reported under "Miscellaneous Expenses" should be itemized (on a separate page, if necessary) and supported by original receipts where required. Department heads and others authorized to approve expense vouchers have primary responsibility for enforcing these travel and entertainment expense reimbursement policies. In doing so, they must be satisfied that the expense vouchers have been properly completed and that the expenses are appropriate, reasonable, and sufficiently described and documented.

Expenses that have been prepaid or previously reimbursed by the College (i.e. airfare, conference registration fees, etc.) may be reported on the Travel and Entertainment Expense Voucher, but must be deducted in arriving at the amount due to the employee or to be returned to the College. Any other prepaid item listed on the voucher should be clearly indicated. This will assist Accounts Payable in reviewing the form and ensure that an excess (or duplicate) reimbursement does not occur.

SIGNATURE AUTHORITY

Travel and Entertainment Expense Vouchers must be signed by the traveler before submission. Approval of the form must follow existing departmental policies and be signed by the appropriate budget manager for the account(s) being charged.

Travel and Entertainment Expense Voucher

Form Completion Instructions

Item Number

1. Name of person requesting reimbursement.
2. Indicate campus department.
3. Explain the business purpose and dates of the trip(s) (e.g. 2/16/18-2/19/18 – Meeting in Boston, MA for the AICPA annual conference). If more than one purpose is involved, please note each purpose by date range (e.g. 2/10/18-2/12/18 – Fundraising trip to Los Angeles to meet with prospects and existing donors. 2/13/18 – 2/15/18 – National Association of Gift Officers Conference in Boston, MA.).
4. Explain the business purpose of any entertainment expenses (this is almost always meals). This needs to include the name of the guest(s), nature of the meeting and its relationship to Colby's business interests (e.g. Dinner in Boston, MA. with Jane Doe, potential donor, to discuss capital gift).
5. If necessary, include any additional comments that will further explain the business nature of the expenses.
6. In the expense matrix, include each type of expense. Preferably, this is done on a day by day basis. If completed in total only, all receipts must be within the date ranges listed in the business purpose sections. Attach receipts for lodging expenses (regardless of amount) and only for other expenses listed of \$75 or more. Also, hotel receipts are required to show the individual charges (e.g. room, meals, phone, tax, other charges, etc.).
7. Complete the account distribution showing the full account number(s) to be charged.
8. Calculate the amount due for reimbursement (or amount to be returned to Colby if a cash advance was given). Note that any travel advances received and any items listed on the form that were prepaid by the College (such as conference fees) should be shown as separate deductions in arriving at the amount due to the employee. If prepaid items are listed on the form, please clearly note which items are prepaid. This will assist Accounts Payable in its review of the form and ensure that an excess reimbursement does not occur.

Colby College Travel Reimbursement and Other Expense Policies

9. Employee signature is required before submission of form to Accounts Payable. Approval signature must follow existing departmental review and approval policies.

If any unused cash advances remain, they must be returned within 30 working days of completing a trip. Unused cash advances may not be carried over to future trips.

The completed Travel and Entertainment Voucher must be submitted to Accounts Payable within 30 days of completing the trip.

The process schedule for the weekly submission of payment requests is as follows:

* The due date for vendor invoices/reimbursements to be paid by **check** is Tuesday at 12:00 noon. Requests received by this time will be processed on Thursday and the check(s) will be available for pick-up after 3:00pm on Thursday. Requests received after 12:00 noon on Tuesday will be processed the following week.

*ACH Reimbursements to faculty and staff are processed twice a week. If your completed and properly documented request is received in Accounts Payable by 4:30pm Friday, an electronic deposit will be initiated to your designated bank account on Monday. If your completed and properly documented request is received in Accounts Payable by 4:30pm Tuesday, an electronic deposit will be initiated to your designated bank account on Wednesday. All requests that miss the deadline will be processed on the next payment date. You will receive an e-mail notification that your electronic deposit has been initiated.

*Reimbursement requests of \$75 or less may be obtained anytime in cash from the Office of Financial Services cashier.

Please visit www.colby.edu/financialservices/ for more information.

Colby College Travel Reimbursement and Other Expense Policies