

THE COOPER UNION
POLICIES AND PROCEDURES
TRAVEL/ BUSINESS EXPENSES

I. Statement of Policy

This policy sets general guidelines for acceptable types and levels of reimbursable or chargeable expenses and their documentation, and defines requirements for the reporting of and level of approval required for these employee expenses.

Employees are expected to exercise prudent business judgment regarding expenses covered by this policy and are expected to neither gain nor lose financially. The employee submitting the expense is responsible for the validity of the claim, the adequacy and truthfulness of the documentation and is accountable for the appropriateness and the accuracy of the expense. All employees having the authority to submit and approve such requests must be familiar with the expense reimbursement procedures and are responsible to ensure that expenses submitted comply with this policy. This policy also applies to Contractors and Consultants employed by the College. These policies and procedures apply to reimbursements from all sources of funds.

The terms of a particular grant or contract should be referred to for guidance on allowable expenditures.

Failure to comply with these policies and procedures may result in disciplinary action. Complaints against persons represented by a labor organization will be handled in a manner that is consistent with the applicable collective bargaining unit.

II. Responsibility and Enforcement

Employees who incur travel and entertainment/business expenses are responsible for complying with this policy. Employees are expected to submit expenses in a timely fashion (within 30 business days of the completion of the trip/business event). Employees submitting expenses that are not in compliance with this policy risk delay, partial or forfeited reimbursement. **Cases of abuse will result in disciplinary action up to and including employee termination. Complaints against persons represented by a labor organization will be handled in a manner that is consistent with the applicable collective bargaining unit.**

Department managers are responsible for ensuring that all policies detailed herein have been adhered to before they approve employee expenses.

The Business Office will review expenses for compliance with the College's policy and procedures. Reimbursement of expenses will be made through accounts payable.

III. Employee Expenses

Definitions

Trip Related Expenses: Trip related expenses are those business expenses which meet at least one of the following conditions:

- a) Air travel is involved.
- b) An overnight stay is included.
- c) Travel is over 100 miles distance (one-way) from your work location.

All reasonable business costs associated with such a trip including lodging, airfare, ground transportation, meals, entertainment, meetings and seminar registrations should be listed on the travel/ business expense report.

Other Expenses: Other expenses are business expenses which are not covered by the definition of trip related expenses. They are generally incurred locally and may include approved business meetings, seminars and College sponsored functions, business meals, business entertainment and related group transportation and miscellaneous expenses. In the rare cases when cell phone calls are reimbursed the business purpose of the call and name of caller or person being called must be identified.

Business Meal Expenses: Business meal expenses are defined as reasonable food and beverage expenses incurred by an employee while on College business and should be segregated on the travel/business expense report form if included on a hotel invoice. Employee food and beverage expenses for meals with business guests are considered entertainment costs and must be segregated on the travel/business expense report form if included on a hotel invoice. Entertainment expenses may not be charged to federal grants.

General Requirements: Employees are encouraged to book trip related travel/hotel as early as possible to secure the best possible prices. Both trip related and other expenses should be limited to a reasonable amount and reflect the cost incurred by the employee only. Non-business expenses for travel, entertainment, meals, etc., will not be reimbursed.

Requirements for Specific Expense Categories

Transportation

Air: Coach is the preferred class of transportation for all travel. Federal regulations prohibit the charging of business class or first class air travel to federally sponsored programs and require that a U.S. carrier be used. Traveling employees may retain frequent flier program benefits. Participation in these programs, however, may not result in any incremental cost to the College beyond the lowest available airfare. Any employee may, at their discretion, use their frequent flier mileage to upgrade the lowest available coach fare to a higher class for business travel.

Refunds received for airline class downgrades are the property of the College and must be remitted to the Business Office.

The lowest available direct flight airfare is to be used to maximize savings, consistent with reasonable time scheduling and airport locations. The lowest available airfare will be applied when a flight's departure or arrival time is within two hours before or after the requested departure or arrival time. Specifying other carriers at higher prices, when lower fares are available (when consistent with travel plans), is not permitted.

A trip which includes an overnight stay on Saturday may sometimes be more cost beneficial even when including the added hotel night.

Ground

Personal Car - Employees may use personal cars for business travel when other transportation is unavailable or uneconomical. The use of personal cars for business will be reimbursed at the standard rate prescribed by the IRS. This mileage allowance covers all auto costs (e.g., gasoline/oil, maintenance & repairs, depreciation, insurance) other than parking and tolls. Tolls and reasonable parking charges are reimbursable in addition to the mileage allowance.

IRS regulations clearly state that employees may only be reimbursed for mileage costs in "excess of their normal commute". The cost of an employee's normal commute to his/her regular work location is not reimbursable.

It is the personal responsibility of the vehicle owner to carry adequate insurance coverage for their protection and for the protection of any passengers. Employees will not be reimbursed for any repairs to their personal car even if these costs occur during business travel. Damage to personal automobiles used on College business is considered covered by the employee's private insurance. The College does not assume liability for deductibles or any other loss to the vehicle.

Rail - Rail and auto transportation is also permitted provided it does not exceed the lowest available airfare plus local transportation costs. All rail transportation must be in economy class.

Taxi - The cost of taxis to and from places of business, hotels, airports, or railroad stations in connection with business activities is reimbursable. Employees are encouraged to use public transportation or more economical services (vans, shuttles, etc.) whenever feasible.

Car Rentals - Cars should be rented by employees only when other means of transportation are unavailable, more costly, or impractical. The use of a rented car must be justified as a business need and not as a matter of personal convenience. All rentals should be for intermediate-size cars or smaller unless four or more people are traveling together.

Car Rental Insurance

Domestic coverage - Employees renting cars should accept the rental company's personal property insurance (covers luggage, equipment) and physical damage insurance (collision), including the Loss Damage Waiver when available, but not the liability insurance. The College's auto insurance provides liability coverage.

International coverage- In addition to the personal property coverage and physical damage coverage, employees must also purchase the liability coverage offered by the rental company. Note - The College's policy will not cover autos rented and/or driven in Mexico. Employees must purchase local coverage.

Only an employee may be the driver of a rented vehicle. The College does not permit other licensed drivers to operate rented vehicles.

College trips including Personal Vacation - An employee should rent a car separately for a vacation and for a business trip if it is cost beneficial. Therefore, the employee should rent once for the business portion of the trip, which would be covered by the College's insurance, and then rent the car a second time under the employee's own name for the personal portion of the trip. The College's auto insurance policy only covers business use of the vehicle. No coverage for personal use is provided. Mileage incurred on personal vacation is not reimbursable.

When making decisions for insurance purposes on personal car rentals, employees should confirm with their own automobile, homeowner's, or other personal insurance carriers to determine if any coverage can be extended to include car rental.

General

If an employee combines a personal trip with a College business trip to the same location, the employee will be reimbursed only for the fare to and from the business destination by the most direct available route for the mode and class of transportation actually needed.

If an employee incurs a penalty for cancellation due to a scheduling change, it should be reported on the travel/business expense report.

Lodging

Room Type - A single room with a private bath in a moderately priced business class hotel or motel is the College standard.

Cancellation - All rooms should be guaranteed for late arrival. Employees must cancel the room reservation in compliance with the associated cancellation policy (4:00 p.m. at many facilities) to avoid a no-show charge. Upon cancellation, employees are advised to request and retain a cancellation number as documentation of the transaction.

In the case of foreign travel, VAT tax refunds should be applied for and submitted to the College. Reimbursement rates of exchange will be calculated by the Business Office using the Wall Street Journal as the source.

Business Meals and Entertainment (Domestic Travel, including Canada and Mexico)

Business meals must be directly related to the active conduct of the College's business. Personal meal expenses are those incurred by employees when dining alone on an out-of-town business trip. As a guideline, average daily meal expenses should be moderate and not exceed \$75.00 per day (approximately \$15 for breakfast; \$20 for lunch and \$40 for dinner). Entertainment

expenses must be directly related to the active conduct of the College's business or precede or follow such a bona fide business discussion. Acceptable reasons include occasional meetings with donors, vendors, consultants or educational, industry and community representatives.

Entertainment expenses may not be charged to federally sponsored programs. The terms of a particular grant or contract should be referred to for guidance on allowable expenditures.

Business entertainment of the College's employees **only** is not allowed, except in unusual circumstances when authorized in advance by a Dean. Examples of allowable circumstances include reward/recognition of employees. Employees submitting expenses for business meals or entertainment expenses below the level of Dean should obtain prior approval for the expense, unless specific exception has been given as in the case of persons normally involved in outside business activities.

Business meals and entertainment expenses require a receipt containing the name of the restaurant or service provider - charge card receipts are preferred. Business purpose of entertainment is required. Name and affiliation are also required for attendees for all entertainment expenses. When obtaining such a receipt is impractical (e.g. bill splitting of meal expenses with a group of people from other universities/companies) the reason for no receipt and the details of the function should be noted.

Entertainment expenses and the cost of alcoholic beverages may not be charged to government grants. Federal regulations prohibit "excessive" charges for meal expenses. Therefore, charges to Federal grants or contracts should be within the College's guidelines.

International Travel (other than Canada and Mexico)

Per diem allowances will be allowed for international travel meal and incidental expenses (cabs etc). The per diem amount will be determined based on the U.S. Department of State recommendation. Please provide receipts for hotels and travel (air, rail, etc) reimbursements as you do with domestic travel. Of course, you may claim less than the per diem rate by providing receipts.

If a hotel rate, mode of transportation or registration fee includes meals than the per diem rate will be pro-rated. The federal guidance is breakfast (15%), lunch (25%), dinner (40%), incidentals (20%). Because international travel may bring unusual circumstances (such as long cab rides because of safety issues for example) please contact the Business Office if you have any questions about international travel reimbursements.

Meeting Expenses

Expenses associated with approved business/educational association meetings, educational seminars, College - sponsored charitable and civic functions are reimbursable provided attendance is authorized by the Vice President or Dean either on a specific or regular attendance basis.

Other Reimbursable Expenses

The following are examples of incidental business expenses which are reimbursable:

- a) Gratuities
- b) Parking
- c) Currency conversion fees or traveler's check fees
- d) Sympathy Flowers /gift baskets (employee and immediate family only)

Non-reimbursable Expenses

- Personal entertainment (i.e. sports events, in-room movies)
- Dry Cleaning
- Personal Services (i.e. haircut, massage etc) and personal effects purchases
- Raffle tickets purchased by employees at charitable or civic events.
- Offsite luncheons with other employees unless approved by the responsible Vice President or Dean or above. See Business Meals for exceptions to this policy.
- Parking or traffic tickets/ fines

The College is tax exempt. The College does not reimburse employees for sales tax paid. A tax exempt letter can be obtained from the Business Office.

Expenses Funded by Sponsored Projects

Expenses funded by sponsored projects may be subject to certain restrictions. Employees must comply with the guidelines imposed by the respective funding source. For example, government agencies do not reimburse for sales tax. As such, sales tax may not be charged to sponsored programs. Questions related to allowable reimbursements should be directed to the office responsible for administering the grant.

IV. Cash Advances

Cash advances must be used only for business purposes and are not to be obtained for personal use.

Cash advances should be requested no earlier than 2 weeks before a travel/business event begins and must be settled through the submission of a travel/business expense report no later than 20 business days after the business event has been completed.

Advances should only be obtained for expenses which (1) cannot be paid directly in advance by the College or (2) cannot be charged to a credit card by the employee. Typically, cash advances should be used for expenditures such as meals, taxis, tips. Employees should charge expenditures related to hotel, car rental etc. to a credit card. Reimbursement to the employee through the submission of a travel/business expense report will occur before the payment on the charge card becomes due.

IRS regulations clearly state that employees can only be reimbursed for commuting expenses “in excess of their normal commute”. Individuals can be reimbursed the “excess” of their normal commute at the IRS rate then in effect plus tolls. If the “excess commute” requires other forms of transportation such as rail or cab, receipts must be presented for reimbursement. Petty cash transactions are to be submitted on a petty cash request form.

V. Documentation Requirements

Original receipts are required for expenditures of \$10.00 and above or for the purchase of goods and services of any dollar amount where a receipt can reasonably be expected. Photocopies will be acceptable only with an explanation as to why the original is unavailable.

Where practical, the corporate charge card is the preferred method of payment for expenses. The corporate card may be used for business expenses only. Personal use is not permitted. The corporate card will be paid by the College through the Business Office. The original bill should be attached to the travel/business expense report.

Corporate Credit Cards may be issued to employees upon the approval of the Vice President of Finance.

Employees must provide the following information to be reimbursed for expenditures.

- Names of individuals present, their titles and company name (for vendors, etc.)
- Name and location of where the meal or event took place
- Exact amount and date of the expense
- Specific business reason for the trip, meeting, etc.

Employees must submit the following original documentation along with their expense report form:

- Air/Rail – original passenger boarding pass, invoice/itinerary or charge/credit card receipt or other proof of payment
- Hotel – itemized hotel receipt plus charge/credit card receipt or other proof of payment
- Car Rental – rental car agreement plus charge/credit card receipt or other proof of payment
- Meals/Entertainment – charge/credit card receipt or cash register receipt (no restaurant tear tabs)
- Receipts for all miscellaneous expenses over \$10.00
- Conference agenda

Receipts must include the name of the vendor, location, date and dollar amount. When a receipt is not available, an explanation of the expense and the reason for the missing receipt is required.

VI. Approval Requirements

Both trip and other business expenses require the approval of authorized personnel as follows:

- The highest level person present at a function, event or meal must submit the expense for reimbursement.
- The approver must be the supervisor of the person submitting the expense for reimbursement.
- The approver must be of a higher level than the highest level person included in the expense report.
- The approver may not be a participant in the function, event, meal or trip.
- If an advance was obtained for the event, the same person who approved the advance must also approve the travel/ expense report form.
- Charges to sponsored projects must be approved by the appropriate office.

Approval certifies compliance with College policy and funding agency regulations. Approval also certifies that funding is available and that the proper org/project is charged for the expenses.

APPROVED

DECEMBER 8, 2010



LAWRENCE CACCIATORE
SECRETARY TO THE BOARD OF TRUSTEES