



BEREA COLLEGE

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

Revised September 20th, 2022

POLICY STATEMENT

Employees of Berea College may charge against appropriate College accounts normal and reasonable travel and travel-related expenses incurred for a College business purpose. Business meals not involving travel and certain other business expenses will be reimbursed subject to the conditions contained in the policy. Faculty and staff traveling on College business shall use the most economical standard transportation available and lodging shall be the most economical that is consistent with the College's best interest and the traveler's safety. Travel shall be by the most economical routes and lodging facilities that provide discounts or special commercial or educational institution rates shall be used where feasible. Expenses added by taking alternate routes or types of transportation and lodging shall be assumed by the individual.

PURPOSE

The intent of the policy is to ensure that individuals traveling on Berea College business neither gain nor lose personal funds as a result of that travel. It is necessary that clear and unambiguous reimbursement and expenditure guidelines be in place before funds are committed or expenses incurred. It is also critical that all employees traveling on College business understand the compliance requirements established by the Internal Revenue Service and other oversight agencies (e.g., federal grants).

TO WHOM THIS POLICY APPLIES

- Faculty and staff seeking reimbursement from the College for any type of business expense, regardless of whether travel was involved;
- Individuals traveling on Berea College business, regardless of the source of funds;
- Individuals who make travel arrangements for themselves or for others;
- Individuals who review, approve, process or record travel documentation; and
- Individuals with budgetary oversight.

RESPONSIBILITY

The Administrative Committee Members or Associate Vice Presidents are responsible for assuring that within their administrative units:

- Budgeted funds are available to meet travel commitments.
- All meal reimbursement requests, regardless of amount, are accompanied by a detailed receipt.
- All non-meal travel related expenditures greater than fifteen dollars are supported by a detailed receipt.
- The potential benefits of the trip justify its time and expense after considering less costly alternatives.

Caution: Individual departments or federal grant programs may have more restrictive policies and procedures regarding travel, but in no case will any unit be less restrictive than this policy. It is the responsibility of the traveling employee to ascertain the restrictions under which his/her travel is covered.

FACULTY AND STAFF REQUESTS FOR REIMBURSEMENT OF EXPENSES NOT CLASSIFIED AS BUSINESS MEALS OR TRAVEL

When faculty and staff use personal funds as payment for business expenses of the College that are not associated with business meals or travel (e.g., an item to be used in the classroom), requests for reimbursement must be submitted on a Non-Travel Report in Chrome River. Such purchases must be pre-approved and should only be made under very limited circumstances when a vendor cannot be paid via a purchasing card or a check request.

TRAVEL AUTHORIZATION

A. OBTAINING AUTHORIZATION

Before making any travel commitments, an employee should be aware of his/her department's and/or federal grant program's travel policies, as they may be more restrictive than those contained herein. Available funding must be identified and appropriate departmental approval to travel should be obtained. No one may authorize an exception to these policies and procedures for his/her own travel. Any exception to the standard policy must be authorized in writing by the traveler's supervisor and approved by the Administrative Committee Member or Associate Vice President.

B. SPOUSE/COMPANION/FAMILY TRAVEL

College payment of spouse/companion/family travel expenses is disallowed. Exceptions to this policy must be authorized by the Administrative Committee Member or Associate Vice President in advance of the travel commitment.

C. COMBINING COLLEGE BUSINESS TRAVEL WITH OTHER TRAVEL

The College will only reimburse the business portion of a trip when that trip is combined with personal vacation travel.

If you travel to a destination and engage in both business and personal activities, traveling expenses to and from such destination are reimbursable only if the trip is primarily business. If the trip is primarily personal in nature, the traveling expenses to and from the destination are not reimbursable even though you engage in business activities while at the destination.

Whether a trip is primarily business or is primarily personal depends on the facts and circumstances in each case. The amount of time spent on personal activities compared to the amount of time spent on business activities is a very important factor in determining whether the trip is primarily personal.

THE 51%/49% TRANSPORTATION RULE: When you travel within the 50 United States and spend more days (51% or more of your days on business than you spend on personal), 100% of the cost of the transportation is reimbursable. However, if the purpose of the trip is not primarily for business (less than 51% of your days on business), no transportation expenses are reimbursable.

If you are traveling outside of the United States and include personal days in addition to business days, some or all of the transportation expenses may not be reimbursable. Please refer to IRS Publication 463 and 26 CFR 1.274-4 for more information regarding foreign travel expenses. If you have any additional questions regarding international travel, please contact the Finance Office.

TRANSPORTATION EXPENSES & BUSINESS DAY EXPENSES

Expenses “on-the-road” are divided into two categories—transportation expenses and business day expenses. 1) Transportation expenses are airfare, vehicle expenses, etc. to transport yourself to an out-of-town business destination; 2) Business day expenses are expenses at the destination such as eating and hotel rooms. Business expenses such food and lodging incurred in carrying out College business are reimbursable even if the trip does not include enough business days to make it a business trip.

SPECIAL ISSUES IN FIGURING BUSINESS DAYS

WEEKEND, HOLIDAYS, AND STANDBY DAYS: These days count as business days when they fall in-between business days during a business trip where it would not be practical to return home from your business destination over the weekend because of time required or expense involved. If your trip is primarily business and you conduct business on Friday and the next Monday, the weekend in between will count as business days as long as it was not practical for you to return home.

SPECIAL CONSIDERATION FOR SATURDAY NIGHT TRAVEL: Because airlines often offer large discounts if your flight days span Saturday night, if you can save money (expenses) by staying over Saturday night you can count the stay-over days as business days.

TRAVEL DAYS: Travel days count as business days, provided your point-to-point transit time plus business activity time for the day exceeds four hours. Generally, no more than one day each

way will count as business travel unless there is a documented business purpose extending past that timeframe.

D. FEDERAL GRANT PROGRAM TRAVEL

The award document should be consulted to determine any travel restrictions.

BOOKING TRAVEL RESERVATIONS

Travel reservations, including airfare, rental vehicles, lodging, rail, etc., should be booked through Corporate Travel Management's (CTM) portal in Concur. The link to the CTM portal can be found on the Office of the Vice President for Finance website, <https://www.berea.edu/vpf/office-of-accounting/purchasing-cards-and-travel-expenses/>, at the bottom of the page. Berea College employees may also access the portal through MyBerea by selecting "My Accounts." A link to the portal will be found under "Other Accounts."

CTM offers competitive and negotiated rates on all travel reservations made through Concur. While setting up their Concur profile, employees will have the opportunity to link any personal travel rewards programs so individual employees may continue accumulating miles and points. Employees may use these travel rewards for personal travel.

CTM will provide a printable copy of the employee's travel itinerary and invoices. Employees will also have 24/7 customer service access with a CTM travel agent.

REPORTING OF TRAVEL EXPENSES

All travel and travel-related expenses must be reported on a Travel Report in Chrome River. The Report shall include all expenses relating to travel, regardless of the payment method.

In order to satisfy substantiation requirements, all requests for reimbursement must include an explanation of the business purpose for the expense and original receipt copies detailing the time, date and place expenses were incurred, amount of the expense, and, if applicable, names of those attending. Receipts must include the detail of what was purchased and not a total only. When charged to a federal grant, the explanation should include the relationship of the travel expense to the project.

A request for payment or reimbursement of official business meals or entertainment expenses must include the following: (1) date expenses incurred, (2) names of individuals (or identify the group if listing all names is not practical), and (3) business purpose. Upon completion of travel, the Travel Report must be submitted within a reasonable period of time, generally within 60 days after the expenses were paid or incurred, to the Finance Office for settlement. The Report must be submitted by the traveler and approved by the traveler's supervisor.

AIR TRAVEL

A. RESERVATIONS AND CLASS OF SERVICE

Berea College covers only the cost of coach class tickets. Unless it is impossible to do so, advanced-purchase-discount tickets should be purchased. In each case, every effort must be made to obtain the lowest fare possible. A Berea College purchasing card should be used to purchase airline tickets whenever possible. Reimbursement for an airline flight charged to a personal credit card will be processed as a travel advance if the reimbursement request precedes the actual dates of travel.

All airfare reservations should be made through CTM and Concur. If a flight is cancelled and the airline issues an unused ticket voucher, that unused ticket will be found on the employee's Concur profile and will be readily available to use on a later date.

B. GROUND TRANSPORTATION TO AND FROM AIRPORTS/STATIONS

The most economical mode of transportation to and from airports/stations should be used. Share ground transportation whenever possible and make use of public transportation if available.

ENTERPRISE CARSHARE

The College has a partnership with Enterprise CarShare, to serve in place of the former Motor Pool fleet. It is recommended to use CarShare whenever possible. However, due to unlimited mileage for traditional rentals, rentals may be more cost effective for your department for longer trips and when CarShare vehicles are not available.

CarShare vehicles are in the parking lot location at 232 Scaffold Cane Road (formerly the Motor Pool lot). The CarShare vehicles are accessible 24/7/365 for College business use – these vehicles are not available for personal use. In order to access the vehicles, employees or students who plan to use a CarShare vehicle for business use will need to register for an account before being able to make a reservation; please contact Public Safety to register.

Administrative Committee Members or Associate Vice Presidents are responsible for ensuring that departmental procedures are in place to obtain the proper approvals, as well as, utilize the most cost and time effective mode of transportation.

RENTAL VEHICLES

The use of rental cars is authorized when their use is more time or cost-effective than airline travel, or when other modes of transportation are not available. Berea College is a member of the Educational & Institutional Cooperative Service, Inc. The Cooperative provides discounts on Enterprise car rentals and should be utilized when renting vehicles for College business. Employees renting a vehicle from Enterprise should secure the reservation as early as possible. Enterprise rental reservations should be made through

CTM and Concur. This does not mean that another vendor may not be used, but the College will only cover the lesser of the actual or the Cooperative's rate. Please note that many rental companies will not allow individuals under the age of 26 to operate a 12-passenger van.

When traveling by air, a car may be rented when the destination is reached if doing so would be less expensive than the combined business purpose cost of taxis and/or buses used during one's stay.

At all times, individuals should rent the most economical class size of car practical, taking into consideration the number and size of people traveling. Any upgrades or enhancements are personal expenditures and will not be reimbursed by the College. When possible, exceptions should be pre-approved and documented prior to the date of travel. Additionally, Administrative Committee Members or Associate Vice Presidents are responsible for ensuring that departmental procedures are in place to obtain the proper approvals, as well as, utilize the most cost and time effective mode of transportation.

When renting a car for business using a College purchasing card the employee should decline insurance coverage at the time of the rental agreement completion because the rental is covered under the College's auto policy.

Berea College is exempt from Kentucky state sales tax and has been issued certification number F198. The College has also been granted exemption from sales and use tax in other states. See <http://www.berea.edu/vpf/office-of-purchasing/> for a current list. The appropriate tax-exempt certificate should always be presented when renting a vehicle.

PERSONAL VEHICLES

When travel by private automobile is chosen over commercial transportation in order to save time, to transport equipment, or to reduce costs when a number of people are traveling together to the same destination, reimbursement to the driver is made on the basis of miles traveled. The mileage submitted for reimbursement must be documented. The mileage rate is published on the Travel Report available by logging into Chrome River or the rate may be obtained by contacting the Finance Office.

When travel by private automobile is for the convenience of the traveler, reimbursement is not to exceed the current mileage reimbursement rate X 300 miles per round-trip. Exceptions to the 300 miles per round-trip limit must have a documented business purpose. When possible, exceptions should be pre-approved and documented prior to the date of travel. Additionally, the Administrative Committee Members or Associate Vice Presidents are responsible for ensuring that departmental procedures are in place to obtain the proper approvals, as well as, utilize the most cost and time effective mode of transportation.

The Berea College mileage rate covers all operating costs of the vehicle (including gasoline, oil, maintenance, depreciation, and insurance); therefore, no other vehicle expense reimbursements will be made. However, tolls and fees such as ferry, bridge, tunnel, road and parking charges will be reimbursed if duly noted. Under no circumstances will fees for any kind of traffic/parking violation be reimbursed.

If an employee has a temporary assignment away from campus, reimbursement will be made for mileage between the campus and the assignment location or home and the assignment location, whichever is less. Travel between a person's home and the College campus is considered a personal commuting expense and is not reimbursed.

When an employee travels on official business for Berea College and is reimbursed according to these travel regulations, the College's liability coverage is therefore secondary to any insurance coverage provided by the employee.

LODGING

A. GUIDELINES

Generally, the College does not pay lodging expenses for an overnight stay within fifty (50) miles of the claimant's official workstation or home. Berea College is exempt from Kentucky state sales tax and has been issued certification number F198. The College has also been granted exemption from sales and use tax in other states. See <http://www.berea.edu/vpf/office-of-purchasing/> for a current list. The appropriate tax exempt certificate should always be presented when checking into a hotel.

B. MAKING HOTEL RESERVATIONS

Travelers should select modestly priced accommodations. For seminars, meetings or other group activity, reimbursement will be for no more than the mid-range rate for single occupancy at the host hotel.

C. CANCELLATION PROCEDURES

It is the responsibility of the traveler to cancel any room reservation he/she will not be using. A record of the cancellation number should be kept, in case of billing disputes

Caution: If an employee fails to cancel a reservation in a timely fashion, he/she may be held responsible for any cancellation fees. A written explanation for any failure to cancel must be filed.

COMPUTER ACCESS COSTS

Reimbursement for charges for computer access while on business may be approved when there is a specific business purpose.

MEALS

A. PERSONAL MEALS WHEN TRAVELING ON COLLEGE BUSINESS

All meals are to be reported on a Travel Report regardless of the business nature of the expense.

The College will not reimburse for breakfast or lunch unless an employee's authorized work requires an overnight stay. Reimbursement for dinner does not require an overnight stay but the employee must be out-of-town on official College business until 8 p.m. or later.

When lodging is required, reasonable meal expenses (excluding alcohol) are reimbursed at actual cost, including gratuities, based on the corresponding travel times. Fiscal prudence and common sense should be used. Expenditures determined to be "lavish" will not be reimbursed.

Berea College reserves the right to judge reasonableness of meal costs based on the area traveled.

B. BUSINESS MEALS

All meals to be reimbursed must be reported on a Travel Report, regardless of the business nature of the expense. Those meals purchased with Purchasing Cards, that are travel related, should also be included on a Travel Report

Business meals (defined as dining expenses of two or more individuals while conducting College business subject to the specific requirements below) will be reimbursed when supported by an approved expense report. Detailed restaurant receipts (as opposed to stub-receipts) must be submitted and accompanied by an expense report that includes: date, name of the establishment, nature of business conducted, and names and business affiliations of all present individuals (or identify the group if listing all names is not practical). Fiscal prudence and common sense should be used. Expenditures deemed to be "lavish" will not be reimbursed.

In general, employees should not use budget funds to pay for the meal expenses of other Berea College employees. In a typical business meal situation there will be at least one person present who is not a College employee. It is possible for a College employee to entertain other College employees over a meal and it be considered eligible for reimbursement as a business expense. To be considered business, the meal in question must be considered to be an ordinary and necessary business expense directly related to or associated with the active conduct of College business. Whether these requirements are met in a setting where only College employees are present requires judgment based on the facts and circumstances of each case.

Meals and refreshments incidental to a business meeting that involves substantive business discussions and include only primarily College employees may be provided if, for reasons of continuity, the meeting extends through the traditional meal time period. Such business meals should be infrequent and should generally be served at the meeting site.

A meal taken with individual colleagues at the same work location generally will not be reimbursed by the College unless the business purpose of the meal could not be conducted during working hours. The College may reimburse the cost of meals for employees from the same work location if a working meal is an integral part of a scheduled meeting. The meeting should take place over an extended period of time and the agenda should include a working meal to satisfy the requirement that the meal is part of the business function. Other than planned meetings and events, when two

or more employees choose to dine together and they are the only ones in attendance, the College will not pay for the meal.

In general, the cost of meals will not be reimbursed if the meal is already provided and paid for as part of conference/seminar registration fees.

The College may provide meals or light refreshments in support of the College's educational program such as: (1) meals for athletic teams, (2) meals or light refreshments provided in connection with a class or other academic-based activity, (3) meals or light refreshments in connection with student orientation programs, commencement, (4) meals or light refreshments provided in connection with student government meeting, association meeting or other student meeting, or (5) meals or light refreshments may be reimbursed for meeting between students and faculty or administrators.

Documentation requesting payment/reimbursement of business meals/meetings must include all of the following: (1) identification of the persons or group being entertained (if eight or less individuals are being entertained, the names of all persons attending must be shown along with the number of persons attending), (2) itemized bill (credit card receipt only is not sufficient); and (3) detailed statement of the business purpose.

The Administrative Committee Members or Associate Vice Presidents are responsible for ensuring departmental procedures are in place for review and consideration of the appropriateness for all business meal and meeting expenditures.

ENTERTAINMENT EXPENSES

Business entertainment expenses must be documented to meet requirements of the federal tax code and prudent business practices. To meet these standards the expenses must be documented to show (1) identification of the persons or group being entertained (if eight or less individuals are being entertained, the names of all persons attending must be shown along with the number of persons attending), (2) a statement as to the reason for such business entertainment, and (3) the place of entertainment.

Entertainment expenses including meals and receptions must have documentation. Without the appropriate documentation, the expense will not be reimbursed. Documentation of reimbursable entertainment expenses must include original detailed receipts, names of the persons entertained, their relation to the College, dates and business topics discussed, or the business purpose for the entertainment.

In general, alcoholic beverages will not be reimbursed. The College will cover the costs for alcohol served at Boone Tavern for business related meals/meetings if the meals/meetings include at least one individual who is not a Berea College employee. Normally, if alcohol is ordered with a meal/meeting, those charges should not amount to more than 30 percent of the total charge.

Additionally, use of College funds for the purchase of alcoholic beverages or reimbursement for such purchases also includes business meals/meetings with a donor(s).

The purchase of alcoholic beverages for any other events is not permitted. Any exceptions must have prior approval from the Administrative Committee Member or Associate Vice President.

Meals/food can be provided for students if served during a meeting held during a traditional meal hour. Meals and refreshments provided while entertaining students at one's personal residence will be reimbursed according to the regulations and limitations of the Bingham Entertainment Fund. The fund is administered by the Office of the Academic Affairs.

A. FEDERAL GRANT PROGRAM EXCLUSIONS

Entertainment expenses, however represented, are not allowable to most federal grant program agreements. If a group meal is charged to a federal grant, the benefit to the grant must be included in the explanation and the entertainment must be specifically authorized by the terms of the grant.

Grant funded employees should note that federal grant regulations specifically disallow reimbursement for alcohol.

PAYMENTS TO THIRD PARTIES

All payments to third parties (e.g. servers, musicians, guest speakers) for services should be processed on a Check Request Form (<https://www.berea.edu/vpf/office-accounts-payable/>) and comply with IRS form W-9 (www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3) requirements.

MISCELLANEOUS TRAVEL EXPENSES

A. ALLOWED MISCELLANEOUS TRAVEL EXPENSES (A SAMPLE)

- Overnight delivery/postage
- Faxes
- Gasoline for rental cars
- Phone calls relating to official College business
- Taxi fares
- Baggage fares
- Gratuities
- Toll and parking charges

Caution: This list is intended to be representative, not comprehensive.

B. DISALLOWED MISCELLANEOUS TRAVEL EXPENSES (A SAMPLE)

- Commuting between home and campus
- Conference and convention meals if already included in registration fees
- Gifts to friends or relatives in lieu of meals and lodging

- Hotel “no show” charges, airline, hotel or car rental cancellation fees
- Life or travel accident insurance premiums
- Travel protection plan or flight insurance
- Parking tickets and traffic violations
- Personal care items
- Personal entertainment such as hotel room services, newspapers, magazines, movies, health club facilities, etc.
- Prescriptions & over the counter drugs
- Repairs or towing of personal vehicles
- Valet services and /or laundry charges
- Expenses submitted for reimbursement more than 6 months after the expenses were incurred
- Airline club membership dues
- Car washes
- Clothing
- Credit card delinquency fees
- In-flight telephone charges
- In-flight or in-house movies
- Lost baggage
- Mini-bar refreshments
- Personal phone calls
- Expense relating to personal side trips

Caution: This list is intended to be representative, not comprehensive.

APPENDIX

A. REIMBURSEMENT RATES

Please see travel report for current mileage rates.

B. GUIDELINES FOR TIPS AND GRATUITIES

Tipping a porter, bellhop, chamber person, waiter or valet should be based on the quality of service rendered. The College will reimburse reasonable gratuities. The following are suggested guidelines:

- Airport porters: \$1/bag
- Hotel bellhop: \$1/bag
- Housekeeping staff: \$3/night
- Restaurant wait staff: 15%
- Taxi drivers: 15%

Please check local customs for appropriate tipping when traveling abroad. Some hotels and restaurants include a gratuity in the price, in which case a tip is not necessary.

RELATED DOCUMENTS

Purchasing Policy	http://www.berea.edu/vpf/office-of-purchasing/
Use of College Funds Policy	http://www.berea.edu/vpf/policies-and-procedures/
Purchasing Card Policy	https://www.berea.edu/vpf/office-of-accounting/purchasing-cards-and-travel-expenses/
Check Request Form	https://www.berea.edu/vpf/office-accounts-payable/
W-9 Form	www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3
Chrome River & CTM Login Website	https://www.berea.edu/vpf/office-of-accounting/purchasing-cards-and-travel-expenses/