



**Travel & Business Expense Reimbursement Policy**  
**Administrative Policy F1.1**  
**June 19, 2008**

**Revised, August 2009**  
**Revised, January 2010**  
**Revised, July 2010**  
**Revised, January 2011**  
**Revised, September 2011**

**Policy Statement**

This policy defines the circumstances under which a faculty or staff member can be reimbursed for travel and business expenses incurred on behalf of Vermont College of Fine Arts (VCFA). Reimbursement requests from VCFA personnel, on the Travel and Business Expense Report (TBER), will be honored when properly documented and the expenditures are in accordance with the guidelines included in the following policy. Please note that there are instances where reimbursement policies differ for Faculty (part-time employees) and Staff (full-time employees).

**Expenses**

The College will reimburse full-time employees for expenditures made while conducting College business, though in some cases prior approval is needed. The College will reimburse full-time employees for the costs of events involving faculty, staff, students or guests of the College of which a substantial purpose of the event is business entertainment. Certain social activities such as employee appreciation, holiday gatherings and other similar events may be reimbursable expenses. Certain gifts may also be reimbursed. The following conditions must be met in order for reimbursement to occur:

- If the event involved external parties, the parties must have an actual or potential business relationship to VCFA
- The event must provide some documented benefit to the College

**Roles and Responsibilities**

There are four primary roles involved in any request for travel and business expense reimbursement. They include the employee requesting reimbursement, the employee's supervisor who must approve the request, the CFO who must provide supplemental approval and the Accounts Payable (A/P) processor.

The employee is responsible for obtaining and submitting original receipts for each expense and describing the business purpose of the expense. If original receipts are misplaced, the Missing

Receipts Worksheet must accompany the TBER request. The employee is responsible for completing and signing the Travel and Business Expense Report.

The employee's supervisor should sign all completed TBERs and submit them to the CFO for final approval. By signing the TBER the supervisor and CFO are indicating that they understand the nature of each expenditure, the business purpose of the request for reimbursement and that they approve the reimbursement on behalf of the College.

Accounts Payable will process all approved expense reports and prepare and issue the payment to the employee. The A/P Coordinator will assist employees with policy and procedure questions. Under no circumstances may an individual approve his or her own report or that of a person to whom he or she reports.

### **Compliance Matters**

The IRS and Federal regulations require certain standards to be met when documenting, recording and submitting reimbursable expenses. These include segregating "unallowable" or excessive expenses which will not be reimbursed by using Federal funds. These include expenditures for entertainment, flowers or gifts or excessive costs, such as first or business class travel and lodging/meals above VCFA thresholds. *These terms do not mean that the expenses are not reimbursable rather that they must be charged by A/P to an unallowable code for reporting purposes.*

**TBERs should be submitted within 30 days of expense or travel activities, and we additionally ask employees to be mindful of the College's June 30<sup>th</sup> fiscal year end, as all expenses for that year should be reported prior to year end to ensure that the expense is appropriately captured in the College's financial statements.**

The business purpose of an expense must be specific enough that a third-party reviewer can understand it.

The receipts submitted must identify the date of purchase, the vendor name, itemized list and unit price of purchased items and the total amount paid. If an original receipt is unavailable a copy of the employee's credit or debit card statement identifying the date, location and amount of the expenses may be submitted along with a memo describing the purchase and identifying the amount of any expense to be segregated. A receipt in a foreign language is acceptable with the US Dollar conversion amount noted on the receipt. Proof of Payment is expected for all expenses requested for reimbursement. This information is usually included on the original receipt. If it is not indicated on the receipt, a debit or credit card statement may be provided.

### **Tax Exempt Status**

The College is a tax-exempt organization and individuals should request that tax not be collected. Unfortunately, the travel industry (e.g., airlines, rail, hotel, car rental, etc.) frequently will not recognize this status and insist that taxes be paid. In these instances, the employee will be reimbursed for the taxes paid. If the supplier requests a tax-exemption certificate it can be obtained by the Controller.

### **Meals**

The College reimburses full-time employees for meals required as part of their ordinary course of business travel. Business meals are reimbursed on the basis of the time of day a traveler is required to travel. Reimbursement is based upon submission of receipts and not a per-diem amount.

Travel time	Maximum amount reimbursed
6:00am to 9:00am	\$ 10.00
11:00am to 1:00pm	\$15.00
5:00pm to 8:00pm	\$30.00

If traveling all day and VCFA is not providing catered meals, any meal may be reimbursed up to \$45.00 if the other two meals are not claimed. Gratuities in excess of 15 percent of a bill are non-reimbursable. VCFA does not reimburse for alcoholic beverages unless employee is purchasing alcohol for VCFA sponsored events.

The College will pay for approved, necessary and reasonable business meal expenditures that are hosted by and paid for by a full-time VCFA employee and include guests, Trustees, business colleagues, donors and prospective employees. Examples include fundraising, recruitment and recognition of a speaker or guest artist. These may occur locally or during out of town travel.

The original restaurant or cash register receipts for business meals must be obtained and submitted with the employee's expense report. The receipt must include:

- the date and location
- the meal items purchased
- the total amount of the meal
- proof of payment

A list of attendees, the relationship to the College for each and the business purpose of the meal must also be clearly documented. The College will not reimburse transportation, lodging and meal expenses for a traveler's spouse, significant other or dependant.

### **Entertainment Expenses**

The College prefers that entertainment expenses be purchased through an approved purchasing mechanism or vendor and that the activity is invoiced to the College. Alternatively, the College will pay for approved, necessary and reasonable entertainment expenses if such activity was directly related to College business and was conducted for the benefit of individuals outside the College who are present. Business entertainment includes events that are taken with guests, Trustees, business colleagues, donors, students, employees and prospective employees that are directly related to a College business purpose. These types of entertainment expenses may not be charged to a sponsored research grant.

Employee entertainment events celebrate an employee(s) and are subject to budgetary constraints. Departmental funds may be expended for food, drinks, decorations, or other entertainment, depending on the nature of the event. These types of expenses may include:

- promotion
- welcoming a new hire
- leaving the College
- years of service/retirement
- graduation

- publication
- event or performance opening
- recognition of a business achievement, departmental goal, honor or thank you

Celebrations of personal events (e.g., weddings, baby showers, birthdays) should be funded by employee contributions.

The original receipts/invoices for events must include:

- the date and location
- the items purchased
- the total amount of the expense
- proof of payment

A list of attendees, the relationship to the College for each and the business purpose of the event must also be clearly documented.

## **Gifts**

In general, the College will not approve gifts given to employees using College funds unless they are for:

- Business Performance
- Years of Service (If 5 years or greater)

Departments and recipients should bear in mind that even when a gift given to an employee is allowed under VCFA policy it may be considered taxable income, and be reported on the employee's annual Form W-2. Should a department decide to approve expenses of this nature departments may consider:

- Fair and consistent application among employees
- Budgetary Constraints
- "Front Page Test" – will it seem appropriate to others that the College, a non-profit organization, pay for this event?

The College will generally only pay for gifts up to \$100. Exceptions must be in writing from the CFO or President. Non-cash gifts of \$100 or less are reimbursable and non-taxable. Non-cash gifts with a fair market value above the "de minimus" benefit threshold of \$100 are considered taxable by the IRS and reported on an employee's annual Form W-2. Gift certificates are considered cash equivalents and are always taxable by the IRS.

Gifts or cash to non-employees may only be given where there is a valid business purpose, such as business development, recognition of an individual's efforts in support of the University, etc. These gifts should be in keeping with the College's mission and be pre-approved by the CFO.

The original receipts for gifts must include:

- the date
- the items purchased
- the total amount of the expense
- proof of payment
- Employee's name, home address and SSN for reporting to payroll for gifts with value in excess of \$100

- If not to an employee, the Recipient's name, home address and SSN for Form 1099 reporting

## **Relocation and Moving Expenses**

Reimbursement for the relocation expenses of newly recruited personnel must be pre-authorized by the CFO or President and must be provided along with receipts and the TBER for reimbursement. The employee should be aware of any tax implications. Only qualified moving expense reimbursements are non-taxable to the employee. Non-taxable, "qualified" moving expenses (as long as the new location is more than 50 miles away from the old location per IRS regulations) include:

- Packing of furniture and personal belongings
- Moving of furniture and personal belongings
- Insurance and in-transit storage for periods of up to 30 days from move date
- Travel and lodging costs, excluding meal costs, associated with one trip to move to the new residence by the employee and members of the employee's household

Taxable moving expenses include:

- Pre-move house hunting, including travel, meals and lodging once an offer has been accepted
- Meals and lodging while occupying temporary quarters
- In-transit storage charges beyond 30 days
- Personal needs such as driver's license and auto insurance
- Real estate fees incurred when leaving the former residence or acquiring new residence

The original receipts/invoices must include:

- the date
- the items or services purchased
- the total amount of the purchase
- proof of payment

## **Emergency Purchases of Supplies/Equipment**

The College requires that employees use the designated purchasing path to purchase supplies and equipment. A full-time employee may occasionally have to incur expenses for an emergency purchase of supplies or equipment when VCFA purchasing mechanisms are not available. The employee will be reimbursed for these expenditures under \$500. Expenditures greater than \$500 should be exceptionally rare and require a cover note from the CFO or President.

## **Faculty Supplies and non-travel expenses**

With prior approval from the appropriate Program Director, faculty may be reimbursed up to \$50 per semester to cover essential faculty expenses.

## **Contributions or Donations**

VCFA will not reimburse employees for contributions or donations made to another organization.

## **Payments for Services**

In order to ensure compliance with IRS guidelines, the College will not reimburse an employee for a payment made to an individual (including students) who provided service to the College. These payments are required to be processed through Payroll or in the case of a consultant through A/P.

## **Local Transportation**

For the business-related use of a personal vehicle, full-time employees will be reimbursed at a rate based on the IRS approved highway mileage guides (**.55 per mile as of July, 2011**). Programs have the right to reimburse at a lower rate for part-time employees. Mileage reimbursement covers fuel, maintenance/repairs, insurance, transportation and operating costs so these will not be reimbursed separately. The employee will not be reimbursed for the cost of vehicle purchase or lease. In the addition to the mileage allowance, tolls and necessary parking charges may be reimbursed.

The College does not assume liability for damage to personal automobiles used on College business and does not assume liability for deductibles or any other uninsured loss to the vehicle. Expenses for vehicle repairs are not reimbursable. Under no circumstances will the College pay parking fines and moving violations.

For local business transportation, full-time employees will be reimbursed for bus, subway or other mass transportation, shuttle, taxi fares or private car service plus reasonable tips.

The College does not reimburse for commuting or parking costs from home to place of work.

For Private Vehicle: Full-time employee should keep a record of their use of their private vehicle for business travel. The written record should include:

- the dates and points of departure and arrival
- business purpose of the trip
- total mileage
- calculation of reimbursement (mileage \* mileage rate)

For other forms of ground transportation: Full-time employee should obtain a receipt from the driver or transportation company. The original receipts for fares must include:

- the dates and points of departure and arrival
- passengers names
- the total amount of the fare
- proof of payment

## **Out of town Transportation**

VCFA faculty staff and students occasionally travel out of town on behalf of the College. The College reimburses these travelers for necessary and reasonable business expenses incurred while traveling provided that prior approval for travel expenses is obtained from the Academic Dean in the case of faculty travel and the CFO in the case of Staff travel. Reimbursable expenses must conform to federal and state law and the restrictions places upon federal funds and sponsored research.

If air travel is involved employees must complete and file with VCFA's Travel Office (Milne Travel) a Traveler Profile. Air travel will be booked/issued by Milne Travel based upon receipt of documentation approving travel, usually email approval from Program Director or Senior College Executive. While Milne Travel can accommodate immediate needs, the best travel rates are available when booked/issued 30 days prior to the travel date. Travel requested with less than 30-day advance notification requires written approval from the Chief Financial Officer. See Appendix for details on Milne arrangement and procedures.

If Milne travel arrangements cannot be made for some reason, the following guidelines should be used.

- Economy/coach airline tickets should be purchased aboard a regularly scheduled commercial carrier.
- In general, reservations made 14 days or more in advance of the trip secure the lowest fares.
- Government sponsored grants require the traveler to fly on a US owned airline (Fly America Act).
- The College will reimburse for baggage fees for one (1) bag

The College expects that air, rail and bus travel for out-of-town business trips will be at the lowest available fare and in coach or economy class. If the traveler elects to fly in business or first class they will be reimbursed only for an amount equivalent to coach airfare. The cost of coach airfare on the same airline should be obtained at the time of purchase and submitted with other receipts.

The original passenger ticket/receipt, boarding pass, e-ticket or website statement/confirmation, or itinerary issued by a travel agent must include:

- the dates and points of departure and arrival
- the travel "class"
- the total amount of the fare
- proof of payment

A traveler can be reimbursed in advance of a flight for an airline ticket. To seek reimbursement prior to travel, the traveler must purchase the ticket at least 14 days prior to an approved trip and submit proof of payment, a copy of the ticket or itinerary, along with the valid business reason.

The College may choose to reimburse individuals other than employees, faculty and students for business travel, including prospective employment interviewees, lecturers, guest speakers and other official visitors and consultants. These individuals must be informed of the College's travel policies in advance of their travel. These expenses must be supported by documentation, as they are subject to Form 1099 reporting if not supported. The TBER worksheet has a box for "employee" or "independent contractor". One of these must be selected.

Authorization to rent a car should be obtained prior to business trip. Rental cars should be used only when less expensive comparable transportation is unavailable. Reimbursement will be for compact or intermediate/mid-size classes. All authorized drivers must be listed on the car rental contract at the time of the rental. Gas purchases will be reimbursed but mileage will not. VCFA insurance covers rental vehicles on official college business: travelers should not submit/accept individual vendor insurance; Car must be paid for through VCFA's business travel account.

VCFA's auto policy covers:

- "employees as insured" – for VCFA vehicles if listed as approved drivers
- "hired car liability" - limit \$1,000,000
- "hired car physical damage" - limit \$50,000 - subject to a \$500 deductible.

Using a rented auto does not remove the deductible burden. If someone else causes an accident/loss/damage to you while driving a rented auto on VCFA business our insurance will

pursue the other driver's insurance for all expenses. When renting a car you are personally responsible and liable to abide by all rental conditions including "other drivers."

Miscellaneous travel expenses:

In the course of travel a traveler might incur additional expenses eligible for reimbursement. These include:

- business office expenses (copy, postage, etc.)
- business related phone calls
- currency conversion, ATM and Traveler's Checks fees
- Internet access
- Laundry or cleaning expenses on trips lasting over five (5) days.

Non-reimbursable expenses include:

- Airline or VIP club membership dues or one-day admission fees
- Airphone usage
- Babysitting
- Hairdressers, clothing or toiletry items
- Excess baggage fees
- Frequent Flyer Miles
- Loss or theft of airline tickets or traveler's checks
- Lost baggage
- Magazines, newspapers
- Medical expenses
- Expenses related to vacation or personal days taken before, during or after a business trip
- Mini-bar alcoholic refreshments
- Movies
- "No Show" charges for hotel or car service
- Shoe shines
- Saunas, massages, spa visits
- Pet care
- Personal entertainment

#### *Residency-related transportation expenses*

For travel to and from residencies, Faculty will be reimbursed up to \$50 for travel to and from their home to their local airport. Faculty will not be reimbursed for meals during residency-related travel. Also, mileage reimbursement (for those driving during residency) may not exceed what would be the normal price of an airline ticket or \$500, whichever applies.

### **Lodging**

VCFA will reimburse travelers for the cost of their rooms and any applicable taxes and fees when traveling on approved VCFA business. The cost of a hotel stay in the US should not exceed \$225 per night. If the full-time employee is attending a conference and the per-night stay at the hotel is greater than \$225 per night, it will be reimbursed provided the conference flyer identifying the location of the conference and the offered hotel accommodations is attached to the receipts and TBER. Tips for housekeeping are considered personal and are non-reimbursable.

In rare cases a traveler may be required to obtain a room whose costs exceed the guidelines. In these instances, the traveler must first obtain the approval of the Chief Financial Officer in writing.

Travelers who stay in a private residence with relatives or friends while traveling on business may be reimbursed for reasonable expenses incurred extending appreciation to hosts for their hospitality. This may include a small gift to the host or payment for meals, and should not exceed \$100. Prior written approval from the Chief Financial Officer is required.

Depending on the length of stay, it may be economical for the traveler to stay in a rental accommodation. Written approval from the CFO is required before such arrangements are made.

The traveler must submit an original itemized hotel bill that must include:

- the dates of departure and arrival
- the detailed charges
- the total amount of the lodging
- proof of payment

### **Meeting or Conference Fees**

Meeting or Conference fees will be reimbursed by the College provided prior approval is obtained from the Academic Dean for faculty travel and from the CFO for Staff travel. It is preferable that the College is billed directly for these expenses. However, if a traveler pays the fees directly they will be reimbursed, provided the dates and location of the conferences and proof of payment are provided. A traveler can be reimbursed in advance for the conference fees paid. The traveler must submit proof of payment and a copy of the conference flyer or registration, along with a valid business reason.

### **Payment by American Express Credit or Debit Card**

The American Express Credit and debit cards provide full-time employees with a method of paying for College-approved business expenses when traditional purchasing avenues are not available. To obtain a credit or debit card, please contact the CFO. Access to the American Express Credit or Debit card will be extremely limited at the discretion of the President.. Original receipts must be submitted to Accounts Payable after purchases are made in order for bills to be paid in a timely manner.

### **Professional Development**

VCFA recognizes the importance of life-long learning professional development. Funds from VCFA pooled accounts are made available for this important purpose when possible. The following applies:

- All expenditures related to professional development must be approved by the employee's supervisor and be budgeted for the Department or Program.
- For faculty, reimbursement up to \$1,000 may be requested if presenting at a conference; up to \$750 if attending a conference. Original receipts must be submitted along with the conference brochure.
- Staff and administrative requests are approved on an individual basis based upon departmental processes and budgetary availability.
- Final authorization is subject to approval based upon budget availability by the Chief Financial Officer.

## Appendix: Milne Travel

**Milne Travel** is a full service leisure and corporate travel management company. VCFA has contracted with Milne to provide travel service for Staff, Faculty and Guests. VCFA Travelers are encouraged to find out more about Milne services by going to [www.milnetravel.com](http://www.milnetravel.com). Business Travel Services for travelers available via Milne website include:

- Travel Request Forms
- View Itinerary Online
- Weather Updates
- Online Flight Check In
- Flight Alerts / Notifications
- Airport Security Line Updates
- Maps and Driving Directions
- Business Travel Newsletter
- Passport and Visa Help
- State Department Travel Warnings
- Airport Guides

And more...go to <http://www.milnetravel.com/BTS/btshome.htm>

### Traveler Profiles

All VCFA Travelers are required to fill out and submit a Traveler Profile to [profiles@milnetravel.com](mailto:profiles@milnetravel.com) as soon as possible. This will greatly speed up the reservation process each time you contact Milne. Please be sure to indicate which MFA Program that you belong to or your Manager's Name in the "cost center" field on the form. This will allow Milne to request the proper approval to complete your travel and issue airline tickets.

### Contact Information

During normal working hours (Monday thru Friday 8am to 5pm) travelers should either call or email VCFA's designated travel specialist.

**Carole Chadwick, CTC** ([carole.chadwick@milnetravel.com](mailto:carole.chadwick@milnetravel.com))

**Phone: (802) 479-0541 ext. 103**

Milne Travel American Express

325 N. Main Street

Barre, VT 05641

**After hours** or in times of emergency, travelers can contact Milne's Emergency Travel Service.

From North America – (888) 876-4213

From other destinations - (303) 876-4190

**After Hours is a pay-per-call service** and should only be used for URGENT reservations or changes to reservations during off hours (when Carole is not available) as there is a \$20.00 surcharge. Travelers may be charged back for this service by VCFA if excessive use is determined.

### Procedures

The procedure for booking travel will be as follows:

- Traveler will contact Milne Travel via phone or email to initiate a booking.
- Once the itinerary is prepared, Milne Travel will email it to the appropriate Program Director or Manager for approval
- The Program Director or Manager will email approval back to Milne Travel.
- Upon receipt of approval, Milne Travel will confirm reservation and issue tickets

Travelers, Managers and Program Directors should be aware that no fares are guaranteed until actually ticketed. In most cases, but not all, we will have until 5:00 pm the next day to issue the ticket at the secured rate.

### **Unused Tickets**

If for some reason, travelers are not able to travel as planned, they should contact Milne Travel immediately and before departure so that we can cancel, void or refund the ticket. Non-refundable tickets that are not cancelled prior to scheduled departure are subject to a total loss of value by the airlines.