

HOPE COLLEGE

TRAVEL AND ENTERTAINMENT EXPENSE POLICY

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TRAVEL AND ENTERTAINMENT POLICY PURPOSE

Purpose

This document provides guidelines and establishes procedures for employees incurring travel and business expenses on the College's behalf.

Objectives:

- Ensure that all employees have a clear and consistent understanding of policies and procedures for travel and business expenses.
- Provide employees incurring travel and/or business expenses with a reasonable level of service at the lowest possible cost.
- Maximize Hope College's ability to control travel and business expenses.
- Conform to Internal Revenue Service requirements regarding accounting for business expenses.

Responsibility

Departments may at their discretion impose greater control than required by this policy but never less.

The employee is responsible for complying with the travel and business expense policy.

The employee's immediate supervisor, dean or departmental chairperson is responsible for the timely and accurate review of expense reports for compliance and for the submission of expense reports for payment.

The College will reimburse employees for all reasonable and necessary expenses while traveling on authorized College business.

Who to Contact on Travel and Business Expense Policy Issues

All questions, concerns or suggestions regarding this policy may be directed to the Office of the Controller.

TRAVEL AUTHORIZATION

Obtaining Travel Authorization

Employees must obtain appropriate written or verbal authorization at least two weeks, if possible, prior to any travel arrangements and before travelling for all College related business travel.

Spouse/Companion Travel

The College will not pay for or reimburse travel and other business expenses incurred by a spouse or other individuals accompanying an employee on business unless the spouse or other individual is representing the College in an official capacity and has prior approval to travel on behalf of the College. Employees are not to charge travel expenses for a spouse or other individuals to a College credit card unless prior approval by the Office of the Controller has been granted.

TRAVEL ARRANGEMENTS

International Travel Advisories

Employees must NOT travel to countries for which the U.S. State Department has issued a travel warning. Information regarding countries for which a travel warning has been issued may be accessed at the U.S. Department of State website at http://travel.state.gov/travel_warning.html.

Class of Service

Travel should be used to accomplish College business objectives in a cost-efficient manner. Expenses charged to the College must be reasonable, necessary, documented and properly authorized. Employees should neither gain nor lose personal funds as a result of College business travel.

Employees are expected to travel coach or economy class and stay and eat in moderately priced establishments.

Airline Frequent Flyer Programs

Employees may retain frequent flyer program benefits. However, participation in these programs must not influence flight selection that would result in incremental cost to the College beyond the lowest available airfare.

Membership fees associated with frequent flyer or airline clubs are considered personal expenses and are not reimbursable nor should they be charged to the College's corporate credit card.

Air Travel Payment Procedures

Air travel costs should be paid using the College corporate credit card.

LODGING

Hotel Selection Guidelines

Employees are expected to use prudent judgement when selecting hotels. Only the single room rate may be charged to the College. If a spouse or other individual accompanies the employee, the charge to the College may only be the single room rate. Tips for hotel staff are reimbursable when confined to reasonable limits as determined by the services required and received.

Hotel Frequent Guest Programs

Many hotels have frequent guest programs that reward travelers with free accommodations in exchange for a given number of paid room nights at the hotel. Benefits from such programs may be retained by employees for personal use. However, participation in these programs must not influence hotel selection which would result in incremental cost to the College.

Membership fees associated with these programs are considered personal expenses and are not reimbursable nor should they be charged to the College's corporate credit card.

Hotel Payment Procedures

Hotel expenses should be paid using the College corporate credit card.

RENTAL CAR

Rental Car Guidelines

Travelers may rent a car at their destination when it is less expensive than other transportation modes such as taxis, airport limousines and airport shuttles or when it is necessary to travel to more than one location in the area of the travel destination.

Rental Car Categories

It is recommended that employees use economy or compact model rental cars when other transportation is not available. Do **not** accept Collision Damage Waiver (CDW) or Personal Accident Insurance (PAI) as these insurance coverages are provided by the College through its vehicle insurance policy and/or the College's corporate credit card (if the rental is paid by corporate credit card).

When picking up a rental car, travelers should check with the rental car agent for any promotional rates, last-minute specials or free upgrades.

At the time of rental, the car should be inspected and any damage found should be noted on the contract before the vehicle is accepted.

Rental Car Club Memberships

Travelers may participate in rental car club membership programs that are free of charge or at their own expense. Membership fees associated with these programs are considered personal expenses and are not reimbursable nor should they be charged to the College's corporate credit card.

Rental Car Accidents

Should a rental car accident occur, travelers should immediately contact:

- the rental car company
- local authorities, as required
- the College Office of Business Services

Rental Car Payment Procedures

Rental car expenses should be paid using the College corporate credit card.

PERSONAL CAR

Personal Car Usage Guidelines

Employees may use their personal vehicle for business purposes if the cost of using one's personal vehicle is less than the cost of other forms of transportation.

Employees will be reimbursed at the rate of \$0.45 per mile or such other rate as the College may from time to time determine. Fuel and other costs of using a personal vehicle are included in the mileage rate and will not be reimbursed and must not be charged to the College.

The College does **not** provide insurance on personal vehicles, even when used for College business. It is the personal responsibility of the vehicle owner to carry adequate insurance coverages for their protection and for the protection of any passengers.

TELEPHONE CALLS WHILE TRAVELING

Business Telephone Calls

The cost of telephone calls made in the conduct of normal College business activities will be reimbursed or may be charged to the College's corporate credit card when listed as a part of a hotel billing.

Personal Telephone Calls

Travelers will be reimbursed for reasonable personal telephone calls while traveling on College business, usually one call per day for travel of more than two consecutive days. In lieu of dollar limits, employees are requested to use reasonable judgement as to the length of calls.

Air-phone Usage

Travelers are strongly discouraged from using air-phones due to the high cost. Use of air-phones should be limited to emergencies or critical business issues.

TRAVEL INSURANCE

Additional Travel Insurance Purchased by Travelers

Expenses for additional travel insurance coverage purchased by employees will not be paid for or reimbursed by the College. The College provides sufficient travel and life insurance for each full-time employee and the cost of additional coverage is the personal responsibility of the employee.

MEALS AND ENTERTAINMENT

Personal Meal Expenses

Personal meals are defined as meal expenses incurred by an employee when dining alone on an out-of-town business trip.

The College will pay for or employees will be reimbursed for actual documented meal expenses (i.e., with proper and original receipts) up to the maximum daily meal allowance. The College considers \$35 per day plus gratuity to be a reasonable maximum in most instances for personal meals. The daily allowance may be allocated as follows:

Breakfast	\$6.00 plus gratuity
Lunch	\$9.00 plus gratuity
Dinner	\$20.00 plus gratuity

Meal expenses in excess of the maximum allowable will not be paid or reimbursed without prior approval.

Business Meal Expenses

Business meals are taken with clients, prospects or associates during which a specific business discussion takes place.

The College will pay or employees will be reimbursed for business meal expenses according to actual and reasonable costs up to the maximum allowed as listed above.

Expenses for meals and entertainment of guests of the College will be paid if the person(s) entertained has a potential or actual business relationship with the College. Attendance of College employees at such events must be reasonable and prudent in number and the cost of meals should conform as closely as possible to the meal allowances detailed above.

Business Meals Taken With Other Employees

The College will pay for business-related meals taken with others when no other time is available for the discussion of College business.

Meal costs for social occasions, such as employee birthdays, secretary's day, etc. are not classified as business meals or entertainment expenses and will not be reimbursed and should not be charged to the College.

Whenever feasible, business-related meals and entertainment expenses should be paid with the College corporate credit card.

Alcoholic Beverages

As a matter of policy, the College does not pay for nor reimburse employees for the purchase of alcoholic beverages. Such purchases are considered personal expenses and must not be charged to the College.

TRAVEL EXPENSE DOCUMENTATION AND IRS REQUIREMENTS

An original receipt must be attached to the expense report for each expense charged to an employee's corporate credit card billing or expense reimbursement request.

In addition, for business meals and entertainment expenses, the following documentation is required by the IRS, and must be recorded on the expense report:

- names of all individuals present.
- location where the meal or event took place
- exact amount and date of the expense
- specific reason for the expense

Corporate credit card billings and expense reimbursement requests will not be paid unless required documentation is attached. Failure to comply with this requirement could result in the addition of the undocumented expense to the responsible employee's annual income reported to the IRS as required by law.

CORPORATE CREDIT CARD

Corporate Card Distribution

Full-time faculty and administrative employees only may apply for a College corporate credit card. Applications for the issuance of a College corporate credit card must be approved by the Vice President for Finance and all corporate credit cards are issued through the Office of Business Services. If an employee is approved to receive a College corporate credit card, that employee agrees to be bound by the terms of the use of that card as described at the time of issuance. Failure to submit an approved credit card statement with proper documentation within 45 days of the date of the billing may result in the suspension of an employee's credit card privileges.

Required Use of Corporate Card

Whenever feasible, travelers must use the College corporate credit card to pay for all business expenses.

Annual fees for College corporate credit cards will be paid by the College.

Personal Use of the College Corporate Credit Card

College corporate credit cards are intended for business use only.

College corporate credit cards may **not** be used for personal expenses.

CASH ADVANCES AND REIMBURSEMENT REQUESTS

Cash Advances

Employees are discouraged from using cash advances to pay for business travel.

If, for special reasons approved by the Office of Business Services, a cash advance is required, it will be issued only within five working days prior to the planned travel or event.

An employee may have only one cash advance outstanding at any given time. Failure to account for a prior advance will result in the denial of all subsequent cash advance requests.

All cash advances must be reconciled with the Office of Business Services within 20 days after the completion of the travel or entertainment event.

Travel Reimbursement Requests

All travel reimbursement requests must be presented for payment to the Business Office within 20 days after the completion of the travel or entertainment event.

EXPENSE REPORTING

Approval/Authorization Process

All requests for payment must be approved by the employee's immediate supervisor and presented at the Office of Business Services for payment. All original receipts and other expense documentation must be attached to the payment request or College corporate credit card billing. When a receipt is not available, a full explanation of the expense and the reason for the missing receipt are required.

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete will be returned to the approver for corrective action and may result in the delay of the reimbursement.

APPENDIX

Important Forms and Documents*

Faculty Travel Authorization and Funding Form

Hope College Travel Payment Request Form

Cash Payment Requisition

* Available at the Office of Business Services, Office of the Provost and on-line at the Office of Business Services Web Page.