HCC TRAVEL AND EMPLOYEE EXPENSE REIMBURSEMENT POLICY GUIDE

College business may require staff/faculty to travel and incur work related expenses. You should be cognizant that you are using College funds; the vast majority is derived from student fees. Holyoke Community College will pay for normal, reasonable and prudent business related expenses that are incurred by individuals traveling on official College business whose purpose is to further the mission of the College. The Commonwealth of Massachusetts is requiring that all employee reimbursements be paid by HR/CMS – payroll. Consequently, there are significant changes to the timing and accounting for employee business/travel expenses. Business and Travel expenses paid directly to vendors by the College will be paid by Banner Accounts Payable. All employee reimbursements will be paid from the state’s Oracle HR/CMS payroll system.

PURPOSE
This policy provides general guidelines for the appropriate and reasonable expenditure of College funds for travel and other work related purposes.

TO WHOM THIS POLICY APPLIES
- Individuals traveling on College business, regardless of the source of funds;
- Individuals with supervisory responsibilities for College budgets;
- Individuals who make College travel or business related arrangements for themselves and/or for others;
- Individuals who initiate, review, approve, process, or record financial transactions on behalf of the College;
- Individuals seeking reimbursement for College Expenses paid with personal funds;
- Departments may implement more restrictive policies and procedures to which departmental personnel should adhere.

RESPONSIBILITY
Supervisors, Divisional Vice Presidents, Sponsored Program Directors, and Cost Center Managers are responsible for assuring that within their administrative units, departments, and grants:
- Budgeted funds are available to meet all travel or business related commitments.
- Proper authorization for travel is obtained before any commitments are made.
- The potential benefits of the trip justify its time and expense after considering more cost effective alternatives (such as teleconferencing).
- All expenditures follow appropriate College policies, regardless of the source of funds.
- Any exceptions should be properly noted, documented and approved by the appropriate Vice President.
- Added restrictions are placed on expenditures paid with federal/state funds or restricted gifts or contracts.
- These restrictions should be taken into account when expenditures are planned.

OVERVIEW
To ensure sound business practices and proper reporting, travel expenses must be in compliance with external regulations, particularly federal cost regulations under the Uniform Guidance 2CFR200, and tax regulations under the Internal Revenue Code [see Appendix B for brief outline of IRS regulations as explained in IRS publication 463(2017)]. This policy has been developed to comply with these regulations.
Travelers are responsible for understanding this policy before planning any travel on behalf of the College. Travel policy training is available through the Business Office.

The traveler must complete and submit appropriate forms in a timely and accurate fashion prior to making any charges using College funds, accompanied by documentation demonstrating that expenditures incurred are reasonable and business related.

Each program, department and division is responsible for designating an appropriate Authorized Approver to approve College travel or other business related expenditures. Generally, this individual is the Dean, Director and/or Department Head. This individual is responsible to verify that:

- Travelers have followed all College travel policies and procedures.
- All expenditures are reasonable and have a legitimate business purpose.
- All expenditures are supported by adequate documentation and are accurately reflected on the Holyoke Community College Travel Expense Report or Employee Business Expense Reimbursement Requests.

This policy is divided into the following major sections:

1. General Travel Guidelines
2. Payment Methods
3. Documentation and Reimbursement Requirements
1. **GENERAL TRAVEL GUIDELINES**

**TRAVEL AUTHORIZATION**

A Request for Travel Pre-Approval Request must be prepared before any commitments are made. Submit the completed form to the traveler’s Authorized Approver for approval at least 20 business days prior to domestic travel and 8 weeks prior to international travel. The President’s travel requires the approval of the Chair or Vice Chair of the Board of Trustees and Vice Presidents are required to submit their requests to the President. The Chair may designate another Board member to authorize the President’s travel. The President may designate another Vice President to authorize another Vice President’s travel. The authorized designees may approve when the traveler’s Authorized Approver is unavailable for a specific period of time.

All travelers and approvers should have knowledge of the Travel Policy. Inquiries and Guidelines for the funding of faculty travel related to professional and scholarly activity should be directed to the Office of the Vice President for Academic and Student Affairs.

**TRANSPORTATION**

When traveling on College business travelers will utilize the most economical mode of transportation necessary for their trip. Only those who have been approved to drive College vehicles are authorized to operate College-owned or leased vehicles.

**AIR TRAVEL**

Holyoke Community College covers the cost of coach class tickets. Any upgrades, enhancements, or additional travel insurance are personal expenditures and will not be paid for by the College. First Class air travel is not an allowable expense. Advanced Purchase discount tickets should be utilized whenever possible and every effort must be made to obtain the lowest fare possible.

**CHARTERED BUS SERVICE**

Chartered Bus Services are to be requested with a Purchase Requisition that upon approval will generate a Purchase Order and reported on Travel Expense Report Form as a college paid expense. Do not use the Contract for Services nor the Travel Request processes.

**COLLEGE FLEET VEHICLES**

College employees may request to use a college vehicle when traveling within drivable distances (up to 200 miles from the College). The traveler must file a Request to Travel Form even if no funds are requested for reimbursement. This is to ensure that the College and the Commonwealth of Massachusetts Insurance will cover any personal liability issues the traveler may incur or expenses that may result from using the vehicle.

Requests for scheduling the cars are made through the College’s Event Management System (EMS) including requests for college vans.
Preference is given for longer distance travel; in case of conflicting demands, the college may require the use of a private vehicle or supply a rental vehicle and will reimburse the driver in accordance with the collective bargaining contract or appropriate personnel policy. The actual gas expense incurred by the traveler will be reimbursed (no mileage allowance) when using a College fleet or rented vehicle.

College policy requires that anyone driving a college vehicle hold a valid driver’s license. A photocopy of a valid driver’s license is required to be on file in the Facilities Department before using any college vehicles.

**PERSONAL VEHICLES**

The use of personal vehicles for approved College travel is not limited by mileage, but alternate travel arrangements should be investigated to reduce costs for round trips exceeding 500 miles. Many rental agencies offer unlimited mileage with favorable daily and weekly rates.

The College reimburses for business related use of personal vehicles based upon the current IRS standard mileage reimbursement rate. Gasoline purchased for a personal vehicle is not reimbursable.

Expenses incurred for personal vehicles for mechanical failure or accidents, including personal automobile insurance deductions, will not be reimbursed. Fines for parking or traffic violations are the responsibility of the traveler and will not be reimbursed.

When using a personal vehicle for college-related business travel, the vehicle’s insurance will be considered primary coverage in the event of an accident. The traveler is responsible for any deductibles under the policy. The College is self-insured and may provide additional coverage only if personal insurance limits are exceeded due to a catastrophic accident where a fatality and/or extremely serious injuries occur while on approved College business related travel.

**LODGING**

The College will pay for single room rate accommodations.

- Educational, conference, or government discounts should be requested when reservations are made.
- Reimbursements will be made for reasonable lodging expenses for each night away from home.
- Detailed receipts from the motel/hotel are required.
  - Movies, Games, Room Service, and Honor Bar expenses and most other personal expenses are not allowable.
  - Internet expenses are allowable if required to conduct College related business.
- It is the responsibility of the traveler to cancel any room reservation that will not be used. A record of the cancellation number should be retained in case of billing disputes. If an employee fails to cancel a reservation in a timely manner, they will be held responsible for any cancellation fees.
- College policy does not allow for using Airbnb or similar services.
While traveling on College business, travelers may stay with colleagues, family, or friends to avoid the expense of staying in a hotel. The College does not have a policy to reimburse the traveler for any cash or non-cash gift for their lodging.

**MEALS**

Meal Allowances: In completing the Travel Expense Report, normal working hours are to be stated for purposes of determining reimbursement for the breakfast and evening meals.

Per Diem Meal Reimbursement Rates:
- Breakfast $8.00
- Lunch (reimbursable on full travel status only) $12.50
- Dinner $20.00

Total reimbursable per day (includes tips) $40.50

Meal allowances per diem are reimbursed as follows:

A. Full travel status: Persons shall be reimbursed for meals when absent from their homes on assignment for more than twenty-four hours.

Full travel status begins/ends:

Applicable Period on the date travel begins and/or ends are entitled to:
- Between 3:00 a.m. to 9:00 a.m. Breakfast
- Between 9:00 a.m. to 3:00 p.m. Lunch
- Between 3:00 p.m. to 9:00 p.m. Supper

B. Same Day Travel: If travel begins or ends at least two (2) hours before/after normal working hours, the applicable meal will be reimbursed. Lunch is not reimbursable on Day Trip status.

Same Day Travel Status Reimbursable Meals:
- Breakfast (reimbursable if travel begins at least two (2) hours before normal working hours, e.g. before 6am) $8.00
- Lunch-not reimbursable on Day Trip status
- Supper (reimbursable if travel ends at least two (2) hours after normal working hours, e.g. after 6pm) $20.00

Total reimbursable per day on Day Trip status $28.00

**INCIDENTAL EXPENSES**

Incidental expenses are defined as fees associated with ground transportation charges, fees and tips given to porters, baggage fees, hotel staff, ground transportation, parking, and toll charges. Incidental Expenses greater than $25 USD must be substantiated by acceptable receipt documentation.
LIQUOR

Federal and State regulations prohibit the College from reimbursing any expenditure for alcoholic beverages.

GRANTS AND CONTRACTS

Travel that is funded by a Federal or State grant or contract, must adhere to all College policies and procedures as well as any additional restrictions required by the grant or contract authority. Questions regarding allowable expenditures should be directed to the Business Office – Grant Administration.

Federal and State Grants may be audited and are subject to external and internal controls. It will be the responsibility of the Grant Manager or designee to see that all expense transactions for Federal and State Grants are signed by the Principal Investigator, have appropriate documentation and approvals, and are in compliance with the College policies and procedures outlined in this document.

It is the responsibility of the Principal Investigator to review and sign all receipts and documentation for Federal or State Grant expenditures. By signing the receipts the Principal Investigator has ensured that the costs charged to the grants are allowable, allocable, and reasonable and meet the requirements of the grant or contract authority.

INTERNATIONAL TRAVEL

Reimbursement requests for International Travel follow the same guidelines as the general Travel Policy.

Expense Reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts and their conversions. Travelers must use the currency rates that were in effect on the date the expense was incurred. Travelers may use the following websites to obtain such rates: www.xe.com, www.oanda.com.

Foreign transactions charged to credit cards are automatically converted to U.S. dollars.
2. **PAYMENT METHODS**

**HCC Paid Direct (Check or EFT)**

Conference registration fees and Transportation arranged by South Hadley Travel can be paid by the College upon request of the traveler. These payments will be considered advances if not accounted for within 60 days of completion of the activity or if the activity is not completed.

**HCC Credit Card**

College credit cards may be used for College business expenses including travel expenses. These payments will be considered advances if not accounted for within 60 days of completion of the activity or if the activity is not completed. Hotel expenses may be pre-authorized on the College’s credit in order to secure a reservation, but, must not be used to pay for stays in advance.

**Personal Funds**

Employees may use personal credit cards, checks, or cash to pay for College approved expenses and will be reimbursed through the state’s payroll system (HR/CMS) upon submitting adequate documentation and accounting.

**Advances – Requires Admin & Fin Approval**

The College will in limited circumstances issue advances directly to employees no more than 30 days prior to the activity related to the advance. The advance must be accounted for within 120 days of completion.

Below are the new account codes for travel and business expense reimbursement:

- B 05-Registration paid by employee
- EE 2-Registration paid by college
- B 01-Out of state travel paid by employee
- B 02-In state travel paid by employee
- E 41-Out of state travel paid by college
- E 42 -In state travel paid by college
- B 10 – Non-travel Business Expense Reimbursement
3. **DOCUMENTATION AND REIMBURSEMENT REQUIREMENTS**

**DOCUMENTATION REQUIREMENTS**

Regardless of the payment method utilized, original detailed receipts and/or supporting documentation for each transaction is required. All itemized receipts should include the date and name of the establishment.

Examples of unacceptable forms of receipts include:

- Copies of credit card statements
- Non-itemized hotel statements (for non-lodging expenses)
- Non-itemized restaurant receipts (for pre-approved business meetings)
- Receipts without form of payment indicated

Documentation is NOT required for meals and incidental expenses less than $25 USD. Incidental expenses include, but are not limited to gratuities, metered parking, public transportation, public pay phones, and other miscellaneous travel expenses that don't normally produce receipts. Toll receipts and statements are obtainable and are required for toll transactions exceeding $5 USD.

**TRAVEL EXPENSE REPORT FORM**

Within 30 business days of completion of travel, all travelers should complete a College Travel Expense Report for each trip. The College has adopted an Accountable Plan pursuant to IRS guidelines that establishes a 60 days reasonable timeframe for submitting expense reports. Reimbursements will be based on an approved expense report.

- All payment methods MUST be listed on the expense report.
- All original receipts requiring reimbursement should be taped or stapled to 8 ½” x 11” sheets of paper or provided electronically.
- Due to exceptional circumstances when original receipts are not available, prepare and sign a memo explaining and certifying the expense.
- Include pre-approved encumbrance Authorization # (e.g. E001234567).
- For International Travel, additional instructions can be found in the International Travel section of this policy.

In order to comply with IRS regulations, Holyoke Community College employees must reconcile College travel expenses on a Travel Expense Report Form within 60 days of completion of travel. In the event that an Approved Travel Expense Report Form is not submitted to the Business Office within 60 days, any college paid expenses may be treated as income to the employee. These funds will be subject to required payroll tax withholding and reported on the employee’s W-2 as taxable earnings. College related travel expenses incurred using personal funds would be ineligible for reimbursement after 120 days.

**REIMBURSEMENT REQUIREMENTS**
Reimbursements for telephone calls made from land line phones while traveling on College business, including those calls to obtain transportation and hotel reservations, communicate with the office, and one personal call per day are allowable. On the Travel Expense Reports, indicate telephone calls made from your hotel room, on the "Other" line and provide appropriate explanations for the calls.

An Authorized Approver must approve requests for reimbursements via a Travel Expense Report. The approver is responsible for ensuring that the transaction(s) are valid and directly related to College business, and must be at least one management level above the person submitting the request. The approver may request further documentation or explanation for expenses that appear to be excessive or unusual in relation to the nature of the travel. If the travel was not pre-approved, the Divisional Vice President must approve the Travel Expense Report and the reason for no pre-approval included in the remarks section.

For examples of Reimbursable and Non-Reimbursable expenses, please see Appendix A.
APPENDIX A

REIMBURSABLE EXPENSES

The following list is presented only as a guide and is not intended to be a complete list of expenses reimbursable by the College:

- Transportation, lodging and meal expenses, including tips.
- One standard airline baggage charge per flight, for the employee’s luggage only.
- Expenses associated with baggage handling, storage, and tips.
- Internet and fax charges.
- Laundry expenses when away for five or more consecutive days.
- Telephone calls from pay phones and hotels, including only those calls necessary to obtain transportation and hotel reservations, reservations, communications with the office, and one personal call per day.

NON-REIMBURSABLE EXPENSES

The following list is presented only as a guide and is not intended to be a complete list of expenses not reimbursable by the College:

- Upgrades – air, hotel or car rental.
- Unused transportation or hotel reservations not properly cancelled.
- Portion of air travel, train travel, auto rental, mileage, hotel costs or meals for personal use.
- Additional insurance such as travel, travel accidental death/dismemberment, trip cancellation, general liability, auto, and collision damage waiver.
- Personal travel rewards and frequent flier programs.
- Personal expenses such as movies, haircuts, reading material, toiletries, medicine, sauna or Spa/massage treatments.
- Personal telephone calls in excess of one per day
- Childcare fees, kennel costs, pet or house-sitting fees.
- Mileage to and from employee’s home and primary office
- Gift cards.
- Expenses incurred by non-College employees or students
- Gasoline expenses when the personal automobile mileage reimbursement rate is claimed.
- Laundry expenses for trips less than five days.
- Traffic fines, court costs, parking violations and auto repairs to personal vehicles.
- Other expenses not directly related to the business purpose of the trip.
APPENDIX B

Summary as explained in IRS Publication 463(2017). Please note Pages 29-32. Page 32 indicates a table of what is reportable income and what is not reportable income:

If you are an employer and you reimburse employee business expenses, how you treat this reimbursement on your employee's Form W-2 depends in part on whether you have an accountable plan. Reimbursements treated as paid under an Accountable Plan, as explained below, are not reported as income.

Holyoke Community College Travel Policy is consistent with IRS requirements for an Accountable Travel Reimbursement Plan.

Accountable Plans

To be an Accountable Plan, reimbursement or allowance arrangement must include all of the following rules:

1. Your expenses must have a business connection - that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
2. You must adequately account to your employer for these expenses within a reasonable period of time.
3. You must return any excess reimbursement or allowance within a reasonable period of time.

An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses that you adequately accounted for to your employer.

Reasonable Period of Time

The definition of reasonable period of time depends on the facts and circumstances of your situation. (Safe Harbor)

- You receive an advance within 30 days of the time you have an expense.
- You adequately account for your expenses within 60 days after they were paid or incurred.
- You return any excess reimbursement within 120 days after the expense was paid or incurred.

If you meet the three rules for accountable plans, your reimbursements should not be included in income in box 1 of your Form W-2. If your expenses equal your reimbursements, you don’t complete Form 2106. You have no deduction since your expenses and reimbursements are equal.

Adequate Accounting

One of the rules for an accountable plan is that you must adequately account to your employer for your expenses. You adequately account by giving your employer a statement of expense, an account book, a diary, or a similar record in which you entered each expense at or near the time you had it, along with documentary evidence (such as receipts) of your travel, mileage, and other employee business expenses.

Returning Excess Reimbursements
Under an accountable plan, you are required to return any excess reimbursement or other expense allowances for your business expenses to the person paying the reimbursement or allowance. Excess reimbursement means any amount for which you didn’t adequately account within a reasonable period of time. For example, if you received a travel advance and you didn’t spend all the money on business-related expenses or you don’t have proof of all your expenses, you have an excess reimbursement.

Non-accountable Plans

A non-accountable plan is a reimbursement or expense allowance arrangement that doesn’t meet one or more of the three rules listed above under Accountable Plan.

In addition, even if your employer has an accountable plan, the following payments will be treated as being paid under a non-accountable plan.

- Excess reimbursements you fail to return to your employer, and
- Reimbursement of nondeductible expenses related to your employer's business.

Reporting your expenses under a non-accountable plan.

Your employer will combine the amount of any reimbursement or other expense allowance paid to you with your wages, salary, or other pay. Your employer will report the total in box 1 of your Form W-2.
Appendix C – Frequently Asked Questions

Where will the reimbursement show on my W-2?
Your reimbursement will not show on your W-2 if your expenses equals your reimbursement, and you submitted your accounting within 60 days from the date your expense activity occurred. If the amount reimbursed exceeds the amount substantiated, the difference will be added to your taxable income. The substantiated amount will show in Box 12 with Code L.

What happens if I get reimbursed by the College or the College pays for my airline ticket and I cancel my trip; and the airline will only give a non-transferrable credit in my name?
The amount of the credit will be added to your income, if not used for a business purpose within the calendar year or within 120 days whichever is earlier, and you remain a college employee. If used for a business purpose after 120 days and added to your income, the college will reimburse the total cost of the ticket, not just the excess over the credited amount.

How long will it take to receive payment after I submit my Travel Expense Report?
You will receive payment within two to four weeks depending on when it is submitted. If you submit by noon on Thursday of a pay week, you will receive it in your next paycheck.

Who should I contact to get more information or to have someone walk me through the process?
Contact the Staff Assistant to the Vice President of Administration and Finance to register for one of the initial training sessions at Extension 2221.

Who will be doing the training sessions?
The training presentations will be conducted by a team from the Business Office.

Who should I speak with to find out how this policy will impact a grant funded activity?
Contact one of the Grant Accountants, or the Grant Manager.

Do I need to complete a Request to Travel if it is at $0 cost?
A Request to Travel is not required for a $0 cost travel; however, best practices, indicate that you should have something in writing from Supervisor authorizing your business trip. Administration and Finance does not require a Request to Travel.

Clarifying Question – during the training in February, it was mentioned that the Business Office will initiate the budget transfers for this fiscal year (BB vs. EE). Do these transfers still need approval by the Cost Center?
Yes, all budget transfers, regardless of who initiates them, must be approved by the Cost Center Director.
Appendix D – Link to Electronic Forms

HCC EMPLOYEE REQUEST FOR TRAVEL Form

Employee Request to Travel
Employee Request to Travel- Docusign Link
Employee Request to Travel Grants- Docusign Link

HCC EMPLOYEE TRAVEL EXPENSE REPORT

Employee Travel Expense Report
Employee Travel Expense Report- Docusign Link
Employee Travel Expense Report Grants- Docusign Link

HCC EMPLOYEE EXPENSE REIMBURSEMENT FORM

Employee Expense Reimbursement Form
Employee Expense Reimbursement Form- Docusign Link
Employee Expense Reimbursement Form Grants- Docusign Link

INSTRUCTIONS:

Please click on the link from above, and then Download into Excel. You must ENABLE EDITING to be able to use the drop down boxes. Then save to your personal drive with a new name and date. Each time a new report should be downloaded to ensure you have the most up-to-date copy.