

# TRAVEL & EXPENSE REIMBURSEMENT —

## 3.1.405

Policy Number: 3.1.405

Date: 2/6/12

Reviewed: 2014, 7/2019

Revised: 2014, 7/2019 BOT Approved

1. 1 STATEMENT OF PURPOSE AND RESPONSIBILITIES:
  2. This document establishes policies governing the reimbursement of travel, entertainment and other business expenses incurred during the conduct of MTSA business, as well as the issuance and use of credit cards. The purpose of this policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, (c) procedures are followed to be IRS compliant, and (d) a uniform and consistent approach is provided for the timely reimbursement of authorized expenses incurred by MTSA employees. It is the policy of MTSA to reimburse employees for ordinary, necessary, and reasonable expenses when directly related (see 1.2) to the transaction of MTSA business.
  3. Directly related means:
    - There is the expectation of deriving some current or future benefit for MTSA
    - There is a clear business purpose for entertainment
    - The employee is actively engaged in a business meeting or activity necessary to the performance of the employee's job duties.
  4. Employees are expected to exercise prudent business judgment regarding expenses covered by this policy.
  5. Requests for exceptions to this policy or reimbursement for expenses that are not in compliance with this policy should document extenuating circumstances and must be approved by the President or a member of President's Council and the Vice President of Finance and Administration.
  6. MTSA employees are responsible for complying with this policy. Employees submitting expenses that are not in compliance with this policy risk having delayed, partial, or forfeited reimbursement.
2. 1 DOCUMENTATION
  2. Requests for reimbursement of business expenses and requests for payment of credit card transactions must be submitted on the "Employee Business Expense Report Form." The Expense Report shall be submitted no later than four (4) weeks after incurring the expense.
  3. While original receipts are recommended for all expenses submitted for reimbursement, duplicates or copies may be used on an occasional basis. The request for reimbursement of an expense for which there is no receipt (taxi, shuttle, tolls, etc.) must be accompanied by a written explanation of the event which led to the employee not being able to produce a receipt. It is generally understood that there will not be a receipt given for tips.
  4. MTSA strives to comply with IRS regulations, which require that all business expenses be substantiated with adequate and properly submitted documentation.

This substantiation must include information relating to:

    1. the amount of the expenditure
    2. the time and place of the expenditure
    3. the business purpose of the expenditure
    4. the names and the business relationships of individuals (if six or less) other than yourself for whom the expenditures were made. If there are more than six in attendance, show the number of individuals for whom the expenditures were made.

### 3. 1 APPROVALS

2. Expense reimbursement forms, together with required documentation, must be submitted to the Vice President for Finance and Administration for review and approval.
3. In the absence of the Vice President of Finance and Administration, approval from the President or his designee is required.

### 4. REIMBURSABLE EXPENSES

2. The following are reimbursable expenses, assuming they are in compliance with Section 1.0 of this policy (not an all-inclusive list):
  - Hotel or motel and related tips (see Section 7.3)
  - Travel expenses including airfare (see Section 7.3), train fare, bus, taxi, and related tips
  - Meals (see Section 7.3), including tips between 15-20%
  - Reasonable laundry and/or dry cleaning expenses during trips in excess of five (5) days
  - Car rental (see Section 7.2)
  - Personal mileage (at the annually approved rate)
  - Tolls
  - Conference and convention fees
  - Business entertainment expenses
  - Travel expenses for a spouse or friend if it can be shown that the person's presence was both essential and directly related to the effective accomplishment of company business. In these limited instances, the employee must obtain written approval IN ADVANCE from the President or a member of the President's Council and the Vice President for Finance and Administration.
  - Parking
3. The following is a list of non-reimbursable expenses under this policy (not all- inclusive):
  - Baby-sitter costs
  - Airline club dues
  - Barber/Hairstylist/Traffic fines
  - Tips in excess of 20% and tips in addition to the pre-applied gratuity
  - In-flight movies
  - Hotel room movies and other forms of personal entertainment
  - Alcohol and/or tobacco products
  - Reimbursement for personal miles in excess of the cost of airfare or in excess of the cost of a car rental with accompanying expenses
  - First class airfare
4. No policy can anticipate every situation that might give rise to legitimate business expenses. Reasonable and necessary expenses, which are not listed in section 4.1, may be incurred. Each employee and supervisor must use his/her best professional judgment in determining if an unlisted expense is reimbursable under Section 1.0 of this policy.
5. Personal vehicle: Employees who utilize personal cars for business travel will be reimbursed at the per mile rate established annually by the IRS. Miles submitted for reimbursement should be net of any normal commuting miles. The expenses related to gasoline consumed by personal vehicles are the responsibility of the employee.

### 5. 1 CREDIT CARDS

2. Credit cards issued in the name of MTSA will be provided to those employees whose jobs require a sufficient amount of travel, entertainment, or purchases on the School's behalf. Credit cards represent an extension of credit to MTSA and, accordingly, may only be issued through the Business Office. Cards issued in the name of MTSA are a privilege for convenience and must not be used for personal expenses. See Credit Card Purchases policy (#3.1.406) for further information.
3. Employees are expected to process credit card statement and present them to the Business Office no later than fifteen (15) MTSA business days after receipt of the statement.

4. For employees who have a temporary need for a credit card, a loaner card may be available through the Business Office. As with all credit cards issued in the name of MTSA, loaner cards shall not be used for personal expenses.
6. 1 SALES TAX
    2. As a not-for-profit organization, MTSA is exempt from certain sales taxes and it is the employee's responsibility to be familiar with this exemption. It is the employee's responsibility to indicate to the vendor that MTSA is a tax-exempt organization. A Tax Exempt Certificate will be issued to vendors as needed.
    3. Use of the certificate to avoid sales tax on personal transactions is strictly forbidden.
  7. 1 PROCEDURES
    2. **Cash Advances:** Since credit cards can be utilized for most expenses, it is unusual for a cash advance to be necessary. MTSA recognizes that some incidental expenses cannot be paid by credit card (i.e. tolls, tips, and taxis). Requests for cash advances (\$100 limit) must be submitted to the Business Office a minimum of two (2) business days prior to any known or expected expense. Generally, no subsequent advance will be made available if the accounting for a previous cash advance has not been completed.
    3. **Parking Tickets and Moving Violations:** The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets. In the situation of a rented car, if the driver is unverifiable, the person to whom the vehicle has been rented or signed out will be held responsible.
    4. **Instructions for Making Travel Arrangements:** Whenever possible, employees should purchase all airline tickets and secure car rentals through the use of the MTSA credit card.

## AIR TRAVEL:

All employees are expected to travel coach class. Personal frequent flyer credits may be used to upgrade travel class. However, no reimbursement will be made and no contribution recorded on behalf of the employee for the business use of personal frequent flyer credits. Employees traveling on behalf of MTSA may retain frequent flyer miles and compensation for denied boarding for their personal use if there are no additional costs to MTSA because of the event (overnight stay expense, ticket change fees, etc.)

**Unused Tickets/Cancellations:** Unused airline ticket coupons are to be applied to the next MTSA business trip if applicable.

**Delays/Layovers:** If you are unable to make a connecting flight because the first flight has been delayed for any number of reasons including mechanical failure, weather, etc., the burden of responsibility in this case rests on the carrier whose flight has been delayed. Most carriers will book you on to your final destination on the next available flight even if it is not their airline; however, this is not a written regulation. If a mealtime and/or overnight stay is involved, they should provide vouchers for dinner and hotel room as compensation. This action is not a written regulation. Employees should seek to obtain as many services as possible through the carrier and are urged to inquire about these services should an event such as this occur. MTSA will cover those expenses not covered by the airline, if ordinary, necessary and reasonable.

## LODGING:

Prudent judgment should be used when selecting a hotel. A single room in a moderately priced business class hotel or motel is the standard for MTSA.

If two persons, one of whom is not on MTSA business (spouse, friend), occupy a double room, only the single rate may be charge to the School. Always ask for corporate, conference, or educational discount.

## OUT-OF-TOWN MEALS:

Employees traveling on behalf of MTSA are reimbursed for the actual cost of meals. There will be no reimbursement for meals paid for or provided by others. While reimbursement is for actual cost, employees should be prudent in meal expenditures. While traveling, the reasonable cost of snacks is allowed.

## CAR RENTALS:

1. All ground transportation should be booked through the most moderately priced agency for the particular situation.
2. It is expected that reservations will be made for a compact or mid-size vehicle, depending on the type of travel.
3. When more than one employee will be using the vehicle, a full-size vehicle may be more appropriate.
4. The additional cost of full-size, premium, luxury, or four-wheel vehicles will be charged to the individual renting the vehicle.

Upon consultation with MTSA's auto insurance broker, the purchasing of additional coverage for Loss Damage Waiver (LDW) is recommended. It is also recommended that additional coverage be purchased when traveling internationally. An insurance package, including proof of insurance, contact information, etc., is available from the office of the Vice President of Finance and Administration. This package should be taken on international trips requiring automobile rental.

Employees are expected to refuel rental cars prior to returning them to the rental agency in order to avoid the car rental agency's excessive price for gasoline. The prepaid gas option should not be used.

5. **Method of Reimbursement:** All reimbursements will be made by check issued by the Business Office. In order for reimbursement of expenses to be made, a properly completed Employee Business Expense Report Form must be submitted.
8. **POLICY EXCEPTIONS:**  
Generally, any exception to this policy must have the prior written approval of the President or a member of President's Council and the Vice President of Finance and Administration. Requests for exceptions should document extenuating circumstances or proposed overall savings to MTSA. At certain times, under unusual circumstances, exception may be made after the fact.