

## **Financial Policies and Procedures for Reimbursement**

In order to provide clear and easily accessible account of university-related financial policies, the Office of the Dean of the Faculty is providing a list of Brown policies concerning those expenses about which we have received the most questions: travel, lodging, meals, gifts, office equipment, and computers. We list in bullet form the Controllers' policies on travel, lodging, and gifts, as well as a set of related FAQs. Second, we have also provided a list of FAQs to help faculty sort through questions that arise frequently, in the hope that the answers will clarify Brown financial policies and procedures on issues of concern to faculty regarding department expenses and reimbursements, with the aim of offering a general overview for faculty seeking information and decreasing the number of requests for reimbursements that the Controllers' office must send back for want of proper documentation. We have sought to provide clear and concise responses to a variety of questions on a number of subjects, including a short section on policies regarding emeritus faculty. This summary does not supersede University policy.

If there are topics that are not addressed here please consult the Controller's Office website. For further questions, please contact the Office of the Dean of the Faculty (32313) or the Controller's Office (32716).

### **Transportation**

#### *Air Travel*

Air Travel has become increasingly expensive and burdensome. As a consequence, employees should consider alternatives – e.g. conference calls, train travel - whenever possible.

Brown's policy is that travelers fly coach class within the U.S. and seek the best prices available given time and route constraints. Business class is permissible only when (1) the destination is four or more time zones away, or more than eight hours direct flight time; (2) the funding department has adequate budget resources; and (3) it is clear that this form of travel is for a valid University purpose and would be the best use of the funds available. First class travel is not permitted unless an exception is approved in advance by the President, Provost, or Executive Vice President for Finance & Administration. The cost of an upgrade in class is not reimbursable by the University.

Airport or airline club membership fees are not reimbursable by the University.

#### *Trains*

Brown's policy is for travelers to use the lowest cost fare which provides for reserved seating. First-class train travel is not reimbursable. Business class travel is permissible when the fare is lower than the normal coach class airfare.

#### *Automobiles*

Brown travelers and guests have a number of options available under the current policy, which includes reimbursement for use of personal auto, automobile rental, public transportation, and taxi and private auto services. Employees should use the option which balances lowest cost to the University with convenience and scheduling.

Please note that luxury limousine services are not reimbursable.

### *Hotel Accommodations*

Travelers requiring overnight accommodations should seek non-luxury/moderately priced hotels. Specific guidelines are provided on the Controllers web site at:

[http://www.brown.edu/Administration/Controllers\\_Office/travel/annual.html](http://www.brown.edu/Administration/Controllers_Office/travel/annual.html)

### *Travel Meals and Business Meals*

Travel meals are those taken by the individual employee while travelling on University business. Business meals are meals taken with visitors, colleagues, donors, etc., during which specific business discussions take place. Such meals may take place locally or while traveling on University business. Employees will be reimbursed based upon reasonable actual costs within the Travel/Business Expense Guidelines.

- The following per person guidelines apply for both travel meals and business meals and include amounts for taxes and gratuities. The amounts are updated as of September 1, 2008:

- o Breakfast \$ 20.00
- o Lunch \$ 25.00
- o Dinner \$ 45.00

Meals paid for by the University should fall within these guidelines. It is recognized that there may be circumstances, especially involving entertainment of a distinguished visitor to the University or at a dinner meeting during travel when the cost of dinner may exceed this limit. Good judgment should be used in these cases. Alcoholic beverages are not reimbursable when part of a travel meal expense.

- Meals taken between two or more University employees during which routine business issues are discussed are generally not reimbursable from any University funding source. We encourage all employees to use their judgment as to when such meals are non routine and therefore could be reimbursable by the University. Whenever possible, those meals should be held at the Faculty Club.

### *Gifts*

University departments may incur an expense, in the form of a gift, on behalf of an employee or an employee's immediate family, for the following events:

- Recognition of a long-term employee leaving a department or retiring from the University. A general guideline is \$10.00 for every year of service. Such gifts should not exceed \$400, the maximum non-taxable limit established by the IRS, for gifts of recognition to long-term employees.
- Illness of an employee or student, requiring hospitalization (including for childbirth).
- The death of an employee or an employee's immediate family member. Memorial gifts made on behalf of an employee may include flowers or a donation to a charitable organization. In such cases Brown University should be acknowledged as the sender, e.g., "from all your friends and colleagues at (University department)." In the case of a donation to a charity, the notation should indicate the donation is from the University department. A recommended limit for this gift is \$50.00.
- Gifts in recognition of employee work-related achievement or years of service are allowable as provided through official recognition programs authorized by the Human Resources Department.
- Holiday gifts for faculty, staff, students and volunteers are **unallowable**.
- Gifts to honor an individual for personal reasons other than those indicated above (e.g. birthday, wedding, baby shower, housewarming, promotion, etc.) may not be charged to University accounts. Personal contributions among colleagues should be the method of providing such gifts.

## Documentation

### *Business Purpose*

- All requests for employee reimbursement must include, in a sentence or two, an explanation as to the University business purpose for the expense. This is a critical part of the payment process, as the IRS uses this information to determine if the reimbursement is taxable to the individual. Lack of a clear business purpose will result in the request being returned and/or denied.

### *Receipts*

- Receipts are required for all business meals and entertainment expenses.
- Receipts are required for any individual travel expense in excess of \$50.00. For air travel the original passenger receipts or e-ticket receipts are required. A detailed hotel bill is required for reimbursement of lodging expenses.
- In those situations where receipts have been lost or misplaced, a Missing Receipt Affidavit Form is required and should be attached to the report. This form should be used on an exception basis only.

### *Signature Responsibility*

- It is the responsibility of the individual being reimbursed to provide an accurate and truthful representation of allowable expenses to be paid by the University. Proper receipts and documentation, including allocations between personal and business activities (if applicable) must be clearly identified on the request. Personal expenses are not reimbursable.
- It is the responsibility of the approver (signatory) to review the expenses, ensure that the information contained on the report is properly documented and supported by attached receipts, in compliance with University policies, and to ensure that the expenses are for University business purposes. This individual cannot be a subordinate, and is typically in the position of department head or higher in the organization.
- It is the responsibility of the departmental approver to ensure that the expenses follow University policies for allowable costs, and that the proper authorizations have been made. In case of expenses paid from sponsored projects, proper review must be made by the Office of Sponsored Projects.
- The Controller's Office has the responsibility for ensuring that the report complies with the IRS regulations. They may, in their judgment, request additional information or clarification of any expense item.

## ***Travel, Meal, and Hospitality FAQs***

*What if I travel to a country where credit card payment is difficult and I must pay for travel and other expenses in cash? How can I document my expenses and may they be reimbursed?*

If you are forced by circumstances to pay in cash, keep a log of payments and any documentation that verifies you have visited a particular site. If possible, write an informal contract (for example, using a receipt book) in which you declare that you have paid someone a specific amount for a service. If no log and no such documentation can be provided, Brown cannot reimburse your expenses.

*What does one do if receipts are lost or discarded?*

For receipts over \$50, you must fill out a missing receipt affidavit with proof of credit card payment. Try to minimize cash payments and if they are necessary, keep a log of expenses and payments.

*May I purchase alcohol and be reimbursed by my Brown account?*

You may purchase alcoholic beverages in the context of a meal and at reasonable cost. No charges for alcohol alone are permitted. You may not charge alcohol to grants.

*What forms of ticket documentation for air travel are accepted for reimbursement? For example, are on-line booking confirmations acceptable?*

Proof of payment is required, though boarding passes are not. An on-line confirmations are acceptable if it specifically shows paid fare. This usually appears on the second or third page of the confirmation.

*What if one wishes to give a gift to someone who is not an employee of Brown or a student of Brown University?*

You cannot, unless the person in question is a recipient of "lodging hospitality."

*What are the consequences for exceeding the limits as established?*

There will either be a delay in processing your request, a payment adjustment, or no reimbursement at all.

### ***FAQs Regarding Other University Policies and Faculty Funds***

*Does the university set monetary limits on business-related long distance phone calls, postage, and related supplies?*

Departments set rates according to budget constraints, and faculty should be informed by the Chair or Department Manager what those limits are and if they have exceeded them. It is the purview of the Chair to set monetary limits on phone and postage in accord with a department's operational budget.

*Can I charge my home internet service to my Brown research account?*

Home internet cable bills may be reimbursed when used for university business. The reimbursement is based on the percent time the home internet is used for business purposes. Thus, if you use the service at home for 50 hours a week, of which 30 hours are devoted to Brown-related business, you may be reimbursed for 3/5ths of your internet bill, or for 60% of the total sum. Home internet service bills cannot be charged to grants.

*What is the policy regarding the purchase of a computer with Brown research or departmental funds?*

You should try to buy necessary computer equipment with a Brown purchasing card. If you buy the computer with a credit card, you must include a letter to the Controller in your request for reimbursement in which you declare that the equipment belongs to Brown. If you wish to be reimbursed, you must include the original receipt. Requests that do not include the original receipt will be denied.

Moreover, the disposal policy must be adhered to for all old equipment, including office furniture and equipment. This policy is elaborated on the Purchasing Department's website.

<http://www.brown.edu/Administration/Purchasing/policies/disposition.html>

*Can I pay for home office furniture using Brown funds?*

IRS regulations prohibit the use of university funds for the purchase of home office furniture.

*Can I charge course-related as well as research related travel to my Brown account (e.g. field trips to museums, trips to libraries for course materials?)*

Yes, as long as the trip has a legitimate business purpose. Include a rationale for the trip as well as documentation in your request for reimbursement.

*Are there any financial policies I should be aware of pertaining to the hiring of graduate and undergraduate research assistants?*

Any expenses should be for legitimate Brown business purposes and should be documented.

*May I pay wages, honoraria, or travel for others with personal funds?*

**Under no circumstances may a faculty member pay wages, honoraria, or travel expenses of others and request reimbursement from Brown.** If you feel a person has a legitimate reason to travel with you, you must use Garber Travel to make arrangements. The only exceptions are provided for those faculty members traveling in a foreign country who need immediate assistance (e.g. language translation). You must pay for those services and report expenses in your request for travel reimbursement. Retroactive requests for personal reimbursement for someone else's travel are not allowable.

*Are there different policies applicable only to Visiting Faculty or short-term postdoctoral fellows and postdoctoral research associates or are Brown's financial policies with regard to reimbursement the same for everyone?*

Policies for individuals employed by Brown (receiving wages) are uniform. Policies for individuals who are not employed but are receiving "stipends" may vary. Contact the Controller's Office with any questions related to this topic.

*Do the rules apply equally to endowment funds, grants, and gift funds in the control of my unit?*

Yes. All policies apply equally to all types of funding.

*I hold a Brown AmEx card. How does the billing process work?*

The Brown AmEx card program allows someone to hold an AmEx card with no annual fee and to use it as a regular credit card. Business expenses charged to the AmEx card will be reimbursed via the usual process: you must submit receipts for legitimate expenses in the form of a travel or other reimbursement form.

*Policies Regarding Emeriti*

The Handbook for Academic Administration offers guidelines concerning retired faculty (HAA, 18.4):

Certain privileges for emeritus faculty as well as certain activities in which they may wish to participate are at the discretion and under the control of individual departments and divisions. There is at present no standard or consistent body of policy governing these matters; each department makes its own rules. Nevertheless each department is required to establish written guidelines governing the policy of the department affecting retired faculty.

Guidelines developed by the department should deal with matters under departmental control such as: office and laboratory space; counseling students; teaching; departmental governance; and service on committees. It is not necessary that emeritus faculty be permitted to share in all these matters, but it is important that they be clearly informed regarding the degree to which the department permits or invites their participation.

Department chairs should keep themselves informed of the status and welfare of emeritus faculty and their surviving spouses or partners, and notify the Provost of any particular circumstances where intervention or assistance by the University's administration might be desirable.

General guidelines regarding the use of computers and space are also listed in the Handbook (18.4.1), but remain within the discretion of the department Chair.

We encourage departments to create and update their own guidelines for retired faculty according to the handbook and the faculty rules.