

William & Mary Foundation			
Topic	Expense and Travel Reimbursement Policy	Page 1 of 5	
Responsible Committee	Budget and Finance Committee		
Amendment	Budget & Finance Committee	Review Date:	May 7, 2020
	Board of Trustees	Review Date:	May 7, 2020
Originally Adopted	April 2, 2009	Amended	May 20, 2016

EXPENSE AND TRAVEL REIMBURSEMENT POLICY

General

The William & Mary Foundation (the "Foundation") travel and expense reimbursement policy details rules which guide the type of expense and documentation required in order to obtain reimbursement for travel or other expenses incurred in conducting Foundation or College of William & Mary (the "University") business supported by Foundation funds.

Usual and reasonable expenses related to travel, meetings and entertainment conducted on behalf of or in connection with executing the mission of the Foundation or the University will be reimbursed if they are deemed to be reasonable, appropriately documented, properly authorized and within the guidelines of these policies, other applicable policies, and the Foundation Code of Ethics. Primary responsibility for ensuring the reasonableness of amounts reimbursed resides with the authorized approver.

Generally, the Foundation does not reimburse expenses of members of the Board of Trustees of the Foundation but will provide verification of expenses incurred by Trustees to attend Foundation meetings and conduct business of the Foundation. A Trustee may request a Volunteer Non-Reimbursed Expenses Charitable Tax Deductible Form. After the completed, signed form is submitted by the Trustee, it is signed by the Chief Executive Officer of the Foundation and forwarded to Gift Accounting. The original form and a receipt issued by Gift Accounting are returned to the Trustee for his or her tax records.

Meals or travel expenses for spouses, family members or other companions will be reimbursed only if a valid business purpose is detailed in the reimbursement request. Such reimbursements may be forwarded to the University's Payroll Office for review, as the IRS generally considers such reimbursements to be taxable income to the individual.

Expenses reimbursed directly by the Foundation must follow this policy. If the expense is reimbursed initially by the University, and then the University is reimbursed with Foundation funds, University policies will be observed.

Expenses must be prudent and stand the test of public scrutiny. The requirements of this policy have been designed to comply with the Internal Revenue Service accountable plan rules. Under the accountable plan rules, an individual may be reimbursed for certain travel expenses without incurring any tax liability if the following conditions are satisfied:

- Reimbursements must be for business expenses that are paid or incurred by the individual in connection with his or her services as an employee of the University or official representative or staff of the Foundation.

- Travelers must substantiate the amount, date, use and business purpose of each expense within a reasonable time after incurring the expense (generally within 60 days after the expense was paid or incurred).
- Any reimbursement made in error must be returned to the Foundation within a reasonable period of time (generally within 120 days after the expense was paid or incurred).

Original itemized receipts should always be provided with reimbursement requests to substantiate the amount and nature of the expense. If itemized receipts are not available, an exception may be granted if other documentation is provided that is deemed to sufficiently meet the requirements of an accountable plan. Such exceptions are expected to be infrequent and require the signature of the Controller, the Assistant Treasurer, or the Chief Financial Officer and Treasurer of the Foundation. Expenses of less than \$25 are not required to have a receipt, but receipts that are available should always be provided. If receipts for expenses less than \$25 are not provided, a written explanation including amount, date, party paid, nature of expense and business purpose must accompany the request for reimbursement.

In some circumstances due to the inherent nature of a situation receipts may not be available. If an individual was unable to obtain a receipt, a written explanation including the amount, date, party paid, nature of expense, business purpose and other available documentation substantiating the amount must accompany the request for reimbursement. Note that this is applicable ONLY if the receipt was UNAVAILABLE, not if the receipt was just not retained. If travel is planned to a country where it is anticipated that few receipts will be available, the traveler should consider the possibility of funding the trip through University funds using the per diem rates. If needed, Foundation funds could be used to reimburse the University for the costs.

If another organization requires the original, such as when funding for the expense is coming from both the University and Foundation monies, a duplicate will be accepted, but an explanation must be provided. If, due to unusual circumstances, the original receipts are not available, copies may be provided. The copies must be legible and the reason the originals are not available must be noted on the copy. The copy must also include certification that reimbursement for the expense has not previously been requested.

Reimbursement requests must be signed by an authorized approver who has authority over the fund being charged, and may not be the individual seeking reimbursement. Travel reimbursement requests must be signed by the spender's direct supervisor. Travel reimbursement requests of a Vice President of the University may be signed by another vice president. Travel reimbursement requests of the president of the University may be signed by a Vice President or the Chief of Staff. Travel reimbursement requests of a Foundation officer may be signed by another Foundation officer. Supervisors may delegate authority to approve travel reimbursements by providing such delegation in writing to the Foundation. Such delegation may not provide for approval of an individual's expenses by a subordinate of that individual. Expenses for employee travel reimbursement should be submitted using the travel reimbursement form, and other business expenses should be submitted using the check request form. Reimbursements for travel for outside parties may be submitted using the Foundation check request form, supported by required documentation of the nature, amount and purpose of the expenses.

Personal expenses (e.g. personal entertainment, sightseeing, non-business-related subsistence and lodging and other expenses of a personal nature) are the responsibility of the individual, and will not be paid by the Foundation.

By signing a reimbursement request, the individual being reimbursed and the approving official are certifying that the expenses are reasonable, valid, and in compliance with any donor restrictions on use of funds used to pay the expense.

Misstatements, errors or items that are clearly not in compliance with this policy will be deducted from reimbursement. If reimbursement is made and subsequently it is determined that there are misstatements, errors or items that are not in compliance with this policy, the individual must promptly refund the amount in question to the Foundation.

Payments by individuals to vendors, employees or students for services rendered will not be reimbursed. To ensure proper reporting to the IRS, such expenses must be either paid directly to the vendor by the Foundation or processed through University Payroll or Financial Aid, depending on the circumstances. The Foundation will also transfer funds to the University for any such costs paid by the University in accordance with applicable University policies in the form of vendor payments, payroll, or through the University's issued credit cards for procuring goods and services. Payments to non-resident aliens must be processed through the University's Accounts Payable Office. Requests for payments to vendors must include invoice or other documentation from the vendor supporting the amount and purpose of the payment. The request must include clear business purpose and, if to be paid from funds with a donor restriction, how the payment complies with donor restrictions.

Travel – Employees and Non-employees

General

Individuals traveling locally or overnight should incur only those expenses that are reasonable and necessary to ensure their safety and productivity while causing minimal personal inconvenience. The Foundation reimburses actual expenses only, and not per diem. Generally, travel and lodging expenses will not be reimbursed until after travel has occurred. In extraordinary circumstances, travel expenses may be reimbursed in advance with the approval of a Vice President of the University or a Foundation officer. However, if actual expenses are less than the amount reimbursed for any reason (cancellation or other change) then the excess must be reimbursed to the Foundation.

Use of Personal Vehicle

Individuals who use their personal vehicle for business travel will be reimbursed at the IRS standard business mileage rate in effect on the date of travel. Reimbursement requests must include date, origin, destination, business purpose and total miles traveled in order to be eligible for reimbursement. The mileage rate covers all operating costs, including depreciation, repairs, gasoline, insurance, towage and other similar expenditures, so these expenses will not be separately reimbursed.

Use of Rental Vehicles

Cost of rental cars will only be reimbursed for the time that the individual was using the car for Foundation or University business. Payment requests must include the dates used for business and the specific business purpose.

Air and Train Travel

When traveling by air or train, the individual should make every effort to minimize the cost, such as booking at least 14 days in advance, using e-tickets rather than paper tickets, using coach accommodations etc. Flight cancellation insurance will be reimbursable if approved by the person authorized to approve expenditures for a specific fund.

First class travel will only be reimbursed if such travel was approved in advance by a Vice President or the Provost of the University or a Foundation officer. Such travel is appropriate only in unusual circumstances, and will not be reimbursed in full unless a business related justification is included in the request and is approved by the administrator responsible for the fund used to support the expense. **Charter flights or use of private aircraft** will only be paid with Foundation funds if prior approval is obtained from the Chief Financial Officer and Treasurer or the Chair of the Board of Trustees of the Foundation. For both first class and charter travel, if the cost is more than a commercial flight, the business justification should include the reason that commercial travel could not be utilized, for example there were no commercial flights available within the time-frame needed for the business purpose of the travel, security of traveler, etc. If appropriate substantiation cannot be provided, the Foundation will only reimburse up to the cost of a commercial flight.

For international travel, reimbursements will also be made for the cost of acquiring passports, visas, required inoculation, immunization and other reasonable costs.

Lodging

Lodging may be reimbursed when an individual is traveling overnight on official business. Itemized bills must be submitted with a reimbursement request to support the appropriateness of the charges. If expenses such as meals are charged to the hotel room, documentation requirements outlined in other sections of this policy will apply.

Other Travel Expenses

Reasonable expenses incurred for telephone, fax or internet connectivity for business communications while traveling are reimbursable. Detailed bills must be submitted with the expense report. If such expenses are charged to a hotel room and separately listed on a hotel bill, this will constitute adequate documentation.

In situations where tips are considered customary (porters, taxi drivers, wait staff, etc.) tips will be reimbursed.

Expenses that are strictly personal in nature incurred during business travel will be the sole responsibility of the individual and will not be reimbursed by the Foundation.

Advances

The Foundation does not make travel advances. If a travel advance is needed, the individual should take advantage of the University's travel advance program.

Business Meals and Entertainment

Meals taken with donors, paid consultants, visiting professors/lecturers and vendors must directly precede, include or follow a substantial business discussion or event in order to be reimbursable to the individual hosting the occasion. Meals and entertainment that have the specific purpose of cultivation of potential or current donors are considered matters of business and are eligible for reimbursement.

The following information must be included with expense reports in order for these costs to be reimbursed and to meet IRS regulations:

- Occupations or other information (such as names, titles, or other designations) that show the business relationship, and the number of individuals attending
- Name and location of the establishment where the event took place

- Original receipt (Itemized receipts should always be retained if available. See General section for more information)
- Date and nature of expense (if this is not clear from receipt, this must be documented separately)
- Specific business purpose

The Foundation will only pay for social club dues if such expense is deemed to be necessary to the individual's job duties, such as for entertaining donors. Such expense must be approved in advance as necessary by the Chair, or Chief Financial Officer and Treasurer of the Foundation. Substantiation is required to document business vs. personal use of the club membership. The allocated cost related to personal use of the club membership will be forwarded to the University's Payroll Office for review, as the IRS generally considers such amounts to be taxable income to the individual.

Other Expenses

Reasonable expenses incurred by an individual in carrying out his or her job duties will be reimbursed if properly approved and documented with original receipts.

The Foundation does not provide tax indemnification. The Foundation may gross up payments to individuals for related taxes when approved by the authorized approver and properly reported for income tax purposes.

The Foundation does not maintain discretionary spending accounts from which expenses are not accountable to the Foundation under an accountable plan.

The Foundation will only provide a housing allowance or residence for personal use if approved by a Vice President or the Provost of the University or a Foundation officer. Such amounts will be reported to payroll or on a Form 1099 as required by law.

The Foundation will not pay for the use of all or a part of an individual's residence for any purpose of the organization.

The Foundation will not pay for services for the personal benefit of an individual (such as maid, chauffeur, chef, personal use of rental cars, etc.) unless approved by a Vice President or the Provost of the University or a Foundation officer. Such amounts will be reported to payroll or on a Form 1099 as required by law.

Non-reimbursable expenses include such items as traffic fines or tickets, personal use items, entertainment and recreation, medical costs, hotel movie rentals, political contributions or any other expense that is not directly related to carrying out the mission of the Foundation. The above list is not all-inclusive. Individuals should use prudent judgment when requesting reimbursement.