



Princeton Theological Seminary
BUSINESS EXPENSE REIMBURSEMENT POLICY*

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Princeton Theological Seminary – Business Expense Reimbursement Policy

A. Introduction

This policy is implemented with the objective of exercising proper stewardship over Seminary funds in a consistent manner for all those who incur expenses on its behalf.

Princeton Theological Seminary's (PTS) standard is to reimburse all faculty, staff and students for **proper and reasonable** expenses incurred by them while engaged in Seminary business. This policy statement establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with Seminary accounting policies and applicable Internal Revenue Service rules and regulations. This policy pertains to all travel and business expenses for all unrestricted and restricted Seminary funds.

Under no circumstances will PTS standards be amended or applied in a manner that would make the standards less restrictive for the expenditure of funds provided by grants.

The administration of expense account standards is the responsibility of the Business Office. The Accounts Payable function, reporting to the Accounting Manager, will review travel and business expense reports for proper supporting documentation, required approvals, mathematical accuracy, appropriate account coding and adherence to policy prior to issuing reimbursement checks.

Adequate expense documentation and justification is the individual's responsibility. Accounts Payable, as a matter of routine, will correct minor errors and amend reimbursements accordingly.

Material misstatements, significant errors and clear violations of Seminary policy will be reviewed by the Administration and appropriate remedies, which could include non-payment and/or disciplinary action, will be taken.

Information on the availability of any discount programs in which the Seminary participates is available on the PTS internal web.

Employees are encouraged to compare prices on several Internet travel sites to obtain the most economical rates for transportation and lodging costs (refer to Attachment A for some examples of such sites). At times, conference travel packages may provide the best rates.

Suggestions for improvements in these policies should be directed to the Vice President for Business Affairs.

B. Standards for Reporting PTS Travel and Other Business Expenses

1.0 General Administration Standard

1.1 Expense Reports – General

- A PTS Expense Report (Attachment B) must be submitted to request reimbursement for Seminary travel and business expenses.
- Expense reports must be submitted on a timely basis, i.e. within thirty (30) days of incurring expenses. PTS reserves the right to disallow any claims not submitted in a timely manner.
- Expense reports must be approved by immediate supervisors. Incomplete reports, including those without appropriate general ledger account codes and approvals, will be returned for completion. This may result in payment being deferred until the next payment cycle.
- Properly completed expense reports should be submitted by the 3rd business day following the end of a month and will be reimbursed by the 10th of the month. However, if out-of-pocket expenses incurred by an employee or student should exceed \$200 since his/her last reimbursement, a properly completed expense report may be submitted and will be reimbursed within seven (7) business days of receipt of same.

1.2 Business Purpose Statement

- Provide sufficient detail to clearly establish the business purpose for each expenditure submitted for reimbursement. This includes:
 - The business transacted or discussed.
 - The participants and their business affiliations.
 - Where the expense was incurred.
 - The dates involved.

1.3 Supporting Documentation

- Original itemized receipts must be submitted to support all expenses other than tips and personal auto mileage.
- All claims for air travel must be supported by submission of the traveler's original stub portion of the airline ticket or an e-ticket receipt or original invoice from a travel agency. Charge card vouchers or photocopies will be accepted for reimbursement only if accompanied by boarding passes.

- Original receipts must be submitted, regardless of amount, for parking, taxis & tolls.
- Foreign currency exchange rates must be documented via bank exchange receipts or credit card statements. Otherwise, exchange rates must be calculated using the median conversion rates for the time period covered as shown on Internet site www.oanda.com. Supporting calculations should be attached to the expense report. For assistance with converting foreign currency expenses, please contact the Accounts Payable Coordinator.
- **No expenses will be reimbursed unless they are properly documented.**

1.4 General Ledger Account Codes

- All “Expense Reports” as well as “Check Request Forms” (Attachment C) must include appropriate *account codes*.
- Account codes must be listed for each separate category of expense.
- Reimbursement requests without account codes will be returned for completion.

1.5 Combined Business and Personal Trips

- Unless specifically authorized in advance by the President or the Vice President of Business Affairs, any expenses incurred on behalf of family members or guests traveling with an employee on any business trip are considered to be personal and as such are not reimbursable. The amounts of any pre-approved personal expenses submitted for reimbursement must be separately noted on expense reports.

1.6 Software and Hardware

- Expenditures for computer-related software or hardware items not ordered or purchased under the approved guidelines of the Department of Information Technology generally will not be reimbursed.

1.7 Travel Advances

- The Seminary’s general policy is to NOT issue travel advances.
- Any request for a travel advance must be in writing, and must include a detailed description of exceptional circumstances. Such a request must be approved by the Vice President for Business Affairs. Before the Vice President for Business Affairs will approve an advance, the employee will be

asked to sign an authorization for repayment via payroll deduction to repay any portion of the advance not covered by the timely submission of receipts.

1.8 Expenses Under \$10.00

- Aggregate expenses of less than \$10.00 should be submitted to the Seminary's Cashier in the Bursar's Office for reimbursement from petty cash.

2.0 Business Meals and Entertainment

2.1 Meals when Traveling

- Meal charges should be moderate and should not exceed what the individual would typically incur when dining out at his or her own expense.
- Meals while traveling on Seminary business, away from home, are reimbursable (except dinner on the day of return if return is before 7:00 PM).
- Alcoholic beverages and between-meal snacks are considered personal expenses and are not reimbursable.
- Credit card receipts or other statements showing only the total cost of a meal are not a substitute for an itemized restaurant receipt. IRS regulations require that restaurant receipts indicate all of the following:
 - The name and location of the restaurant.
 - The number of people served.
 - The date and amount of the expense.
 -

Itemized restaurant receipts are, therefore, required for reimbursement.

- Expenses incurred for a spouse, social guests, or other family members are typically not reimbursable.
- Conference packages, which include meal costs, must be *fully disclosed* on expense reports. Any overlapping meal costs incurred over the same period of time are not reimbursable unless necessitated by illness or late arrival at the destination.
- Room service meals are not normally reimbursed by the Seminary. However, reasonable costs for such meals will be reimbursed if necessitated by illness or by late arrival at the destination.

2.2 Meals When At The Office

- Generally, expenses incurred for meals and refreshments for Seminary employees are not reimbursable, nor should they be charged to the Seminary's account with Aramark. This includes meals and refreshments served at staff and other employee committee meetings .
- Reimbursable exceptions include special events at the discretion of the President or other members of the Executive Council.

2.3 Entertainment

- Reimbursable entertainment expenses must be directly related to Seminary business and conducted with persons other than PTS employees and students. *Substantial* business discussion must take place immediately before, during or after the entertainment.
- Entertainment expenses are limited to meals (excluding alcohol), tips and related transportation costs.
- The following information must be disclosed on an expense report for all submitted entertainment costs:
 - Date and place
 - Business purpose
 - Names of all persons included and business relationship
- Personal entertainment (movies, theater tickets, sporting events, etc.) is not reimbursable.

2.4 Search Committee Expenses

- Reimbursement for search committee meals and entertainment is limited to expenses incurred by search committee members and their candidate guests.
- Meal and entertainment expenses for spouses or other guests are not reimbursable without the prior approval of either the:
 - Dean of Academic Affairs (or the Dean's designee) for all faculty searches,

or

 - Vice President of Business Affairs for all non-faculty searches.

3.0 Transportation

3.1 Air Travel

- For trips of significant distance, air travel should be utilized whenever possible via the most direct and/or economic route available to the major airport nearest the final business destination. Reimbursements are limited to the lowest available fares.
- Reservations should be made as far in advance as practicable (at least 14 days) in order to secure the lowest available fare and the most direct route.
- Frequently, airfares can be significantly reduced by including a Saturday night stay during the trip. The Seminary encourages the extension of a stay to take advantage of such reduced airfare if the savings in airfare exceeds the additional costs of hotel, meals, etc., during the extended stay.
- Air travel conducted within the above guidelines will be reimbursed at actual costs incurred. Expenses not incurred in accordance with the guidelines will be reimbursed at an amount not exceeding the lowest economy airfare available for the given itinerary traveling by the most direct routes.
- Employees may reap the benefits of all frequent traveler programs in which they participate, provided that all other policies are followed and that the cost incurred through such programs does not exceed other available fares.

3.2 Stopovers/Layovers for Personal Benefit

- Stopovers/layovers for personal reasons that increase the cost of a business trip are considered personal expense and are not reimbursable.

3.3 Rail Travel

- Rail travel will be reimbursed at the cost of standard coach/economy accommodations. Reimbursement will generally be limited to the lesser of the cost of the rail ticket or the cost of a fully discounted airfare to the same destination, although exceptions can be made in the event that rail travel saves considerable time and/or other ground transportation costs.

3.4 Shuttle Services and Rental Vehicles

- Whenever possible, complimentary/courtesy shuttles typically provided by hotels should be used.

- Shuttle services for hire, e.g., the “Airporter®,” should be used when possible.
- Car rentals are allowable only when public or shuttle transportation is not available or practical, or when the total cost of renting (including taxes, fuel, mileage charges, etc.) is less than equivalent public transportation. Reservations should be made in advance to obtain the best rates.
- All regulations included in a rental agreement must be followed.
- Rental car fees are reimbursable for “mid-sized” or smaller class automobiles unless circumstances warrant the use of larger vehicles (e.g., vans used for groups). If a larger vehicle is needed, prior approval must be obtained from the employee’s immediate supervisor and appropriate insurance coverage must be coordinated through the Business Office.
- The cost of gasoline is reimbursable (receipts required) when renting. A rental vehicle must be returned with a full gas tank to avoid the typically excessive (and non-reimbursable) fuel costs charged by rental agencies.
- When renting a vehicle for domestic travel, it is not necessary to purchase any additional insurance coverage from the leasing agency if the rental agreement indicates that the renter is traveling on *Princeton Theological Seminary* business. PTS insurance coverage fully extends to domestic rental car agreements if documented as being used for Seminary business.
- When renting an automobile for international travel, it is recommended that the additional insurance be purchased. (Even though the automobile is being used for Seminary business, the time and costs involved in settling potential international claims outweigh the cost of the additional coverage.)

3.5 Limousine/Car Services

- Limousine/car services, e.g., “A-1 Limousine®”, are reimbursable only if approved in advance by a member of the Executive Council.

3.6 Personal Vehicles

- Reimbursement will be made at the announced Seminary mileage allowance for occasional use of personal vehicles for business purposes.
- The mileage allowance will be equal to the “IRS Standard Mileage Rate” in effect on date(s) of travel.
- The mileage allowance is intended to cover all costs of operating the vehicle including gas, oil, tires, repairs, depreciation, taxes and insurance.
- The number of miles to be reimbursed is based on mileage between a business destination and the Seminary, unless the actual number of miles driven is less. Commuting miles between the Seminary and the employee’s residence are not reimbursed.
- Personal vehicles may not be used for Seminary business unless covered by no less than the state-required minimum levels of insurance.
- The Seminary does not compensate persons utilized to drive personal vehicles to transport an employee to the airport or similar destinations.
- Car washes for personal vehicles are not reimbursable.
- When traveling on Seminary business by personal automobile in lieu of air transportation, reimbursement for travel is limited to the lower of 1) the actual miles times the current Seminary mileage allowance or 2) the equivalent coach/economy airfare plus related necessary costs.

3.7 Traffic Violations

- The cost of traffic violations, parking tickets, towing charges or associated court costs will not be reimbursed. (This applies to personal, leased and Seminary vehicles.)

3.8 Parking and Tolls

- Parking fees incurred while traveling on Seminary business should be kept to a minimum. Receipts are required for reimbursement.
- When parking at airports, reimbursement for daily parking fees will be limited to the cost of long-term parking. “Short-term” parking should only be used when an airport stay *does not exceed four hours*.
- Valet parking should not be used and will not be reimbursed unless there is no alternative.
- Tolls are fully reimbursable when traveling on Seminary business. Receipts are required. EZ Pass® tolls should be documented by submitting a copy of the monthly statement (generally available on the internet) with a PTS Expense Report.

4.0 Lodging

4.1 Accommodations

- Reimbursement is limited to the rate for single occupancy accommodations at moderate rate hotels or (for convenience) at hotels hosting the conference or seminar attended. Attachment D lists recommended moderate rate hotels.
- Hotel charges for nights preceding or following the meeting or conference dates are not reimbursable *except* when early arrival or late departure is made necessary because of flight schedules or when a longer stay results in a reduction of airfare which is greater than the cost of the additional lodging and meals.
- Hotel room expenses for a spouse or other guests are not reimbursable. The non-reimbursable expense amount will be the excess of room charges over the single rate.

4.2 Phone Calls

- Local and long distance business calls are reimbursable, as are personal calls allowing employees to stay in reasonable contact with their immediate family. However, due to the excessive rates frequently charged by hotels for the use of their phones, calls from hotels should be accomplished in the following order:
 1. Use a prepaid phone card obtained from the Business Office.
 2. If calling the Seminary, use its toll-free number.

Hotel telephone charges incurred in conjunction with using a prepaid phone card or the Seminary's 800 number will be reimbursed.

- Employees are encouraged to provide family with the hotel number and request a return call.

4.3 Hotel Services and Incidentals

- Charges for in-room movies, health clubs, mini-bars, etc., are considered personal expenses and are not reimbursable.
- Dry cleaning and laundry expenses are not reimbursable unless a trip is in excess of five (5) working days.

4.4 Documentation

- An itemized hotel receipt must be attached to a PTS Expense Report for reimbursement.
- Credit card receipts or other statements showing only the total cost of lodging do not provide adequate documentation for all hotel charges. IRS regulations require that lodging receipts indicate all of the following:
 - The name and location of the hotel
 - The date(s) of stay
 - Separate amounts for expenses such as lodging, meals, telephone calls and other charges.

5.0 Other Business Expenses

5.1 Registration Fees for Conferences and Seminars

- The cost of registration fees and training materials related to conferences and seminars should be reported in the “other expenses” category on a PTS Expense Report. Other associated costs such as meals, lodging and transportation should be listed in their appropriate categories, including those identified in conference “registration” fees.

5.2 Tipping

- Common tipping practices should be observed utilizing the following guidelines:
 - Meals: Fifteen to twenty percent of the meal cost, not including any sales tax, depending upon the quality of service
 - Hotel Housekeeper: A tip of one dollar per day may be left for each person in the room.
 - Baggage Handler: One dollar per bag.
 - Taxi: Up to fifteen percent of the fare (*receipts required*).

5.3 Other Non-reimbursable Expenses

- In general, expenditures of a personal or extravagant nature or those not directly related to the conduct of Seminary business are not reimbursable.
- The Seminary is exempt from, and does not reimburse, New Jersey Sales taxes.
- The following examples are indicative of the types of expenses that are not reimbursable:
 - Finance charges of any kind.
 - Personal toiletry needs, newspapers and other incidentals.
 - Charitable contributions.
 - Political contributions.
 - Estimated or unexplained costs.
 - Cellular phones and charges, unless provided by the Seminary.
 - Home computers, software, printers or related equipment.
 - Home Internet access.
 - Office supplies (all supplies must be purchased via the normal procurement process of the Seminary).

6.0 Exceptions

- Any exceptions to these policies must be requested in writing from the Business Office and have the prior approval of the President or Vice President of Business Affairs.

C. Seminary Purchasing (Credit) Cards

1.0 General

In addition to the separately stated policies and procedures issued for purchasing cardholders, use of purchasing cards is also subject to this policy statement.

D. Vendor Payment Requests (Accounts Payable)

1.0 General

- To request direct payment to a vendor for Seminary-related goods and services a Check Request Form (Attachment C) must be completed and submitted to the Business Office along with the following documentation:
 - Original vendor invoice or other supporting data, such as a conference reservation form.
 - General ledger accounting code(s) to be charged.

2.0 Approvals

A department supervisor or his/her authorized designee must approve each Vendor Payment request.

3.0 Payment Cycle

- Vendor checks are normally issued each Wednesday.
- A minimum of three (3) business days is required to process vendor payment requests. Therefore, Check Request Forms (T1 forms) and supporting documents must be submitted to the Business Office by NOON on Friday to be included in the following Wednesday's payment cycle.

PRINCETON THEOLOGICAL SEMINARY
BUSINESS EXPENSE REIMBURSEMENT POLICY

ATTACHMENT A

RECOMMENDED WEB SITES FOR HOTEL AND
AIRFARE COST COMPARISONS

www.orbitz.com
www.cheaptickets.com
www.travelcity.com
www.priceline.com
www.hotels.com
www.expedia.com
www.travelution.com

ATTACHMENT B

EXPENSE REIMBURSEMENT REQUEST - FORM T-5

See separate Excel file.

ATTACHMENT C

CHECK REQUEST - FORM T-1

See separate Excel file.

PRINCETON THEOLOGICAL SEMINARY
BUSINESS EXPENSE REIMBURSEMENT POLICY

ATTACHMENT D

RECOMMENDED MODERATE RATE HOTELS

Comfort Inn
Courtyard by Marriott
Fairfield Inn
Hampton Inn
Red Roof Inn
Wingate Inn