



The Southern Baptist
Theological Seminary

**BUSINESS EXPENSE
REIMBURSEMENT POLICY**

Business Expense Reimbursement Policy

Index

	<u>Page</u>
1. Purpose of Policy	2
2. Scope of Policy	2
3. Policy Overview	2
4. Approval Authority	3
5. Non-Reimbursable Expenses	3
6. Reimbursable Expenses	4
7. Spouse and Family Travel	4
8. Travel Arrangements	5
9. Transportation	6
10. Lodging	8
11. Meals	8
12. Telephone Calls and Fax Use	10
13. Office or Other Business Supplies	10
14. Lost or Stolen Personal Property	10
15. Reimbursement of Expenses	10
16. Required Documentation	11

The Southern Baptist Theological Seminary

Business Expense Reimbursement Policy

1. PURPOSE

To provide helpful guidance to employees traveling on Seminary business, and describe standard procedures for obtaining reimbursement of travel and other business expenses.

2. SCOPE OF POLICY

This policy applies to all staff, faculty, students, foundation board members, and trustees of the Seminary. Individuals who do not fall into one of these categories, but who travel as official guests of the Seminary, are similarly subject to the guidelines described in this policy.

3. POLICY OVERVIEW

- A. It is the policy of the Seminary to practice good financial stewardship and follow sound business practices, including compliance with all applicable legal requirements, when reimbursing its employees for actual, necessary, and reasonable travel and certain other expenses incurred in the course of conducting Seminary business.
- B. This policy is designed to comply with the accountable plan requirements as provided by the Internal Revenue Code regarding reimbursable, tax-exempt, travel and business related expenses.
- C. This policy is designed to ensure consistent and fair reimbursement of travel and business related expenses.
- D. The guidelines of this policy apply to the payment of travel and business related expenses charged directly to Seminary credit cards.
- E. When incurring travel or other business related expenses, employees are expected to practice sound Christian stewardship and spend Seminary funds with the same degree of care that a prudent person would exercise when spending personal funds.
- F. All expenses reported for reimbursement must comply with this policy and be approved by the appropriate cost center manager.
- G. All full-time employees must report their travel and other business related expenses for reimbursement using the Concur (online) expense reporting system. To gain access to Concur, please contact Accounts Payable at ext. 4395. This should be done upon employment at Seminary to ensure access to book travel and process expense reimbursement when needed.
- H. Part-time employees and nonemployees should submit their expenses for reimbursement on a paper copy of the Seminary's Business Expense Report form (available at inside.sbts.edu/policies-and-forms (under Accounting))

4. APPROVAL AUTHORITY

- A. The Seminary requires appropriate approval on all expense reports. Employees must submit all expense reports to their manager for approval. The applicable cost center manager should review each Business Expense Report (Electronic or paper) for compliance with this policy. (Any reports that are not in compliance should be declined and returned to the requestor for correction.) The cost center manager should then approve the Business Expense Report and ensure that it is routed to Accounts Payable for final approval and payment.
- B. No employee or cost center manager is authorized to approve his/her own Business Expense Report. Any senior vice president may approve a Business Expense Report submitted by:
- any direct report;
 - another senior vice president; or,
 - the Seminary president.
- C. The prior written approval of the Senior Vice President for Institutional Administration (signed and dated) is required for any planned travel or business expenses that are extraordinary, unusual and/or not in accordance with this policy or its addendum(s). Such approval must be attached to the applicable Business Expense Report.
- D. If an employee incurs unplanned travel or business expenses that are extraordinary, unusual and/or not in accordance with this policy or its addendum(s), the employee should attach thorough documentation of the nature and reason for the expenses to the Business Expense Report for the review and approval of the cost center manager.

5. NON-REIMBURSABLE EXPENSES

- A. The Seminary does not reimburse personal expenses, even if incurred while traveling on Seminary business.
- B. Unless approved by a Senior Vice President, the following are non-reimbursable expenses:
- Flowers or other expressions of sympathy (such expressions are coordinated through the Office of the President)
 - Events for employees. (i.e., birthday parties, Christmas parties, baby or bridal showers, Boss' Day, Secretary's Day, farewell or retirement receptions, office luncheons or picnics, etc.) When applicable, these authorized seminary-wide events are coordinated through the Office of the President. Please note: Any other department/division Employee Appreciation/Hospitality events are reimbursable only if these events have been given prior written approval (signed and dated) and listed as an approved event in the budget of the relevant Senior Vice-President.
 - Traffic or parking tickets
 - Rental vehicle insurance or travel insurance
 - Purchase of Luggage
 - Purchase of Clothing
 - Shoe shines
 - Laundry or dry cleaning (unless out of town travel for seven or more days)
 - Valet service for clothing
 - Child care

- In-room movies
- Other personal entertainment
- Beauty care
- Health spas
- Medications
- Personal effects and toiletries
- Any other item of a personal nature

If any of these expenses are approved for reimbursement by a Senior Vice President, the reimbursement may be taxable to the recipient.

NOTE: In-town business meals and other errands should be charged to the departmental procurement cards. See Procurement Card Policy or speak with your department's procurement card administrator. The Seminary requires all on-campus meetings, with space and food needs, to be coordinated with Hospitality Services when applicable.

6. REIMBURSABLE EXPENSES

- A. The Seminary reimburses employees for actual, necessary and reasonable business-related expenses for travel by air, rental vehicles, personal automobile (mileage allowance), taxis or public transportation, as well as for lodging, telephone calls and faxes, business meals, employee meals while traveling, seminar registrations, tolls, parking, passports and visas, immunizations for international travel and currency conversion fees.
- B. Actual and reasonable tips paid for bellmen, cabs, skycaps, waiters, waitresses, etc., will be reimbursed. ***Tips for meals should not exceed 20% of the pre-tax total of the bill.*** Tips for meals may not be claimed separately as a means of receiving meal expense reimbursements without attaching receipts (see subsequent section entitled *Meals*).
- C. The remaining sections of this policy provide specific information about various categories of business expenses, including documentation requirements for reimbursement requests.

7. SPOUSE AND FAMILY TRAVEL

Generally, the Seminary does not pay for or reimburse the travel related expenses (i.e. airfare, hotel, meals, etc.) of employee spouses and family. There are a limited number of specific situations where the Seminary will pay (or reimburse) for the costs associated with such travel because the travel has an important business purpose. Although the Seminary may deem certain spousal and family travel to have an important business purpose, at the same time, such travel may not be considered to have a bona fide business purpose in reference to requirements set by the IRS. In such cases, the payment or reimbursement of expenses associated with spousal and family travel will be treated as taxable income to the employee.

In order for spousal and family travel to not be taxable to the employee, the presence of the spouse or other family member must be essential (not just beneficial) to the Seminary employee being able to carry out his/her business purpose for the Seminary. A determination of whether an employee's spouse or other family member serves a bona fide business purpose as defined by the IRS will be based on the following criteria:

1. The degree to which the “dominant purpose” of the travel is to aid the employee’s business purpose of promoting the Seminary’s objective.
2. Whether the spouse’s or family’s presence on the trip is necessary to effectively carry out the duties of the employee.
3. The extent to which the spouse’s or family’s presence on the trip is to provide more than “incidental” business related services to the employee (e.g., typing notes, attending to ministerial or scheduling matters, attendance at meals, etc. are considered incidental).
4. The time spent by the spouse and family on personal activities in comparison to the activities related to the business of the Seminary.

Based on current documentation from the IRS, the following purposes for spousal and family travel are not likely to be considered bona fide business purposes, and thus the payment or reimbursement of the cost of the travel will be taxable income to the Seminary employee:

1. The spouse’s or family’s performance of some incidental service or ministerial task (such as taking notes) or accompanying the employee to luncheons and dinners. The spouse or family member must perform substantive business related functions.
2. An expectation that the spouse or family member will be present at related social functions or that their presence will promote goodwill with the other attendees.

Spousal and family travel will only be paid for or reimbursed if the travel is approved in writing in advance by the appropriate Senior Vice President. The written approval must be attached to the documentation submitted for payment or reimbursement.

8. TRAVEL ARRANGEMENTS

A. Concur

Under the SBTS/Concur system, each employee has a unique login. Under this login, the employees can:

- 1) build their profile/preferences,
- 2) enter in frequent flyer account information for tracking,
- 3) create electronic expense reports, and,
- 4) have reimbursements deposited direct to their personal bank account.

Steps in Booking Seminary Travel

- 1) Log in to the SBTS Concur travel system at www.concursolutions.com
- 2) Click on the “My Concur” tab and begin to book your trip.
- 3) In the event that a Seminary employee needs to book a complex flight itinerary that involves international travel, back to back trips, or just for personal assistance, Seminary employees may call Executive Travel (the Seminary’s contracted travel provider) at the numbers below.

Kathleen Murray – Lead Corporate Agent
Direct phone: 402-458-9846; Toll-free: 1-877-402-8124
Email: sbtssupport@executivetravel.com

Jody Tyriver – Back Up Corporate Agent

Direct phone: 402-458-9854; Toll-free: 1-877-402-8124

Email: sbtssupport@executivetravel.com

If you need assistance after normal business hours, please dial our regular toll free number of 1-877-402-8124. When using this service, please provide the Executive Travel agency name as well as your company name of Southern Baptist Theological Seminary along with code ACT0 for reference. This number is also referenced on all final email confirmations sent to the traveler.

NOTE: The employee should always first attempt to make arrangements through Concur, since using Executive Travel adds cost to the Seminary and the employee's cost center.

B. Outside Concur

Often better rates for airfare and hotels can be obtained outside Concur by using provider's (i.e. Southwest Airlines, Choice Hotels, etc.) direct websites

Employees attending conferences or seminars often can take advantage of hotel discounts offered through the conference or seminar.

9. TRANSPORTATION

- A. The method of transportation used for the conduct of Seminary business should generally be the most economical means available. If someone chooses to use a means of transportation that is not the most economical, the Seminary reserves the right to limit reimbursement to the cost of the most economical means of transportation available.
- B. The cost of travel by common carrier (airplane, train, or bus) will be reimbursed at the normal economy/coach rate.
- C. Registering to Drive on Seminary Business and General Insurance Issues
 - 1) As required by the Seminary's insurance company, employees driving vehicles (whether personal or rented) for Seminary business (either locally or out of town) must register their driver's license and proof of insurance information with the Seminary's Campus Police Department. Since that department keeps this information on file for Seminary insurance and other related purposes, employees are encouraged to update this information as changes occur. An annual reminder to update this information will be distributed to all employees via e-mail.
 - 2) The Seminary purchases comprehensive Business Auto and Liability Umbrella policies that can serve as protection for both the Seminary and the employee when the employee is driving for business purposes.
 - Seminary owned vehicle. When an employee is driving a Seminary-owned vehicle for business purposes, the Seminary's insurance is primary for both liability and physical damage coverage. Seminary vehicle insurance cards and registration are included in the Seminary vehicles' storage compartments.
 - Rented vehicle. When the employee is driving a rented vehicle for business purposes, the employee's insurance is generally seen as primary. However, the Seminary's policy serves to extend additional liability coverage and physical damage coverage for the employee

'over and above' the employee's personal policy. Therefore, there is never a need for the employee to purchase additional insurance from a rental car company.

- In addition to their own personal proof of auto insurance, employees renting vehicles for Seminary business may choose to carry an auto liability insurance card available from the Office of Safety and Security. This card can be used as evidence of liability insurance coverage if an employee is involved in a vehicle accident in the United States or its territories, Canada, and Puerto Rico. Some states ticket drivers involved in an accident if the driver cannot show proof of insurance. Rental car agencies may ask for proof of liability insurance coverage prior to renting a vehicle.
 - Employees who intend to rent vehicles for travel on Seminary business outside the U.S., U.S. territories, Canada, or Puerto Rico should contact the Office of Safety and Security in order to make appropriate insurance arrangements.
 - Personal Vehicle. When the employee is driving his or her personal auto for business purposes, the employee's insurance is generally seen as primary. However, the Seminary's policy serves to extend additional liability coverage and physical damage coverage for the employee 'over and above' the employee's personal policy.
- 3) Auto Insurance Subrogation. Under certain circumstances, the Seminary's insurance carrier may subrogate against the employee's insurance carrier. Such circumstances include, but are not limited to, where the employee is found to have:
- been negligent;
 - consumed any quantity of alcoholic beverage;
 - consumed any illegal or controlled substance not prescribed by a physician and in accordance with the physician's instructions;
 - been driving without a valid license;
 - allowed a non-Seminary employee to drive; or,
 - not actually been on Seminary business.
- 4) Only Seminary employees are authorized to drive vehicles rented by the Seminary.
- 5) Due to safety concerns, employees must not use cellular telephones or other communications equipment without the use of a hands free device when driving on Seminary business. Employees must always comply with any laws related to the use of cellular telephones within the area of travel.

D. Personal Automobile Expenses

- 1) Employees will be reimbursed for the use of their personal vehicles while conducting Seminary business at a rate per mile as periodically established by the IRS and communicated by Accounting. The established rate per mile includes reimbursement for all costs of operating the vehicle.
- 2) Miles traveled for Seminary business should not include personal commuting miles between an employee's home and the Seminary campus. Mileage should be documented using a printout of directions from an online travel or map website.
- 3) The Seminary reimburses employees for the cost of airport parking for the duration of the employee's business trip. If it is more economical for the Seminary, the employee may choose reimbursement of mileage to a friend or family member for two round trips (drop-off and pick-up) to the airport to avoid paying the cost of airport parking. When practical, employees are encouraged to use the least expensive alternative for airport parking.

E. Rental Vehicle Expenses

- 1) The Seminary has a contract with Enterprise Holding Company, which includes Enterprise and National brands. The Seminary's Enterprise and National account contract number is XZ58033. Our contract specifies that the daily rate is based on a Standard Size automobile. Unless otherwise approved, the employee should always choose a Standard Size vehicle.
- 2) The Seminary does not reimburse for refueling charges (except for prepaid fuel purchased when renting the vehicle) by the rental car company, additional insurances, etc. Only the base rate and applicable taxes will be reimbursed, plus any gas station receipts for refueling
- 3) Seminary employees may also want to take advantage of the rewards program associated with this contract. To register for the program and receive free rentals, please see the instructions at <http://inside.sbts.edu/wp-content/uploads/2010/07/national-enterprise-instructions.pdf>

10. LODGING

- A. Employees will be reimbursed for reasonable lodging expenses incurred while on Seminary business when it is necessary to be away from home overnight. Employees should use a **moderately priced hotel in the city of destination**. Cost center managers can approve exceptions when there is a valid business reason for staying at a more expensive property.
- B. It is the responsibility of the employee to ensure any needed cancellation is made in accordance with the hotel's cancellation policy. Employees failing to cancel a reservation are held personally responsible for the charge. The employee should obtain a cancellation number or the name of the person taking the cancellation in case the employee's expense card is charged.
- C. The employee should review the hotel statement at the time of checkout to ensure that the correct room rate was charged and that only valid charges are included.
- D. The amount of any personal expenses must be deducted from a hotel invoice before being reported on a Business Expense Report for reimbursement.

11. MEALS

Under this policy, "travel meals" are distinguished from "business meals." Definitions and reimbursement treatment for each type of meals follow.

A. Travel Meals

- 1) A "travel meal" is defined as a meal that meets all of the following criteria:
 - takes place while the employee is traveling on Seminary business 30 or more miles from Louisville (or other regular workplace for the employee, such as an extension center);
 - takes place when the employee is required to stay overnight due to business travel;
 - should include one employee meal per receipt; and,
 - does not qualify for reimbursement as a "business meal" as defined below.

- 2) The employee must attach copies of all **itemized** (not a summary receipt that shows only the total cost of the meal) meal receipts to the Business Expense report.
- 3) Receipts can be attached to electronic Business Expense reports in Concur in any of the following ways:
 - scan each itemized receipt at the nearest copier to your email inbox and upload;
 - print out the faxable sheet within your Business Expense report in Concur and tape the itemized receipts to it (once you fax the sheet in, it will automatically attach to your expense report); or,
 - users with smart phones (e.g., Android, iPhone, etc.) can take a picture of their itemized receipt and upload them to their report.
- 4) To claim reimbursement for travel meals, an employee must be in travel status from home/work before 8:00 a.m. to claim breakfast, before noon to claim lunch, and after 5:00 p.m. to claim dinner.
- 5) Employees traveling together and dining together (when not dining as a part of an official business meal) should pay separately.
- 6) The maximum daily allowable meal reimbursement is based on the particular cost of living of the particular area in which you are traveling. Daily meal allowance rates, by location, are posted at inside.sbts.edu under Accounts Payable.

B. Business Meals

- 1) A "business meal" is defined as a meal meeting that includes two or more persons where Seminary business takes place. Persons in attendance at a business meal may include employees only or employee(s) and Seminary constituent(s).
- 2) Business meals between employees should be held to a minimum and take place only if there is no other meeting time available. The Seminary reimburses for business meals only if there is an ordinary and necessary reason for the meeting. The **business purpose for the meeting must be appropriately documented** on the Business Expense Report which requires that you list the name, title, and company of each attendee. In-town business meals and other errands should be charged to the departmental procurement cards.
- 3) As the host of a business meal, the employee should choose a reasonably priced restaurant given the context of the meeting (constituents, subject matter, etc.).
- 4) The senior Seminary employee present should pay the bill.
- 5) The **itemized** receipt for the meal is required for reimbursement.
- 6) The cost of alcoholic beverages will not be reimbursed.
- 7) Frivolous, lavish, and extravagant expenditures for entertainment and meals will not be reimbursed. Judgment should be exercised when selecting an entertainment facility, restaurant, and menu. Excessive expenditures are subject to question by the cost center manager and may result in the denial of reimbursement, either partially or in its entirety. Justification of questioned expenses rests with the employee.

12. TELEPHONE CALLS AND FAX USE

- A. The Seminary will reimburse employees for reasonable costs of calls home while traveling on official Seminary business.
 - 1) Employees should make use of Seminary-owned cellular telephones when available and applicable.
 - 2) Before billing long distance calls to the room, employees should check to see if the hotel applies a surcharge for this service. Using a personal telephone charge card and requesting reimbursement is preferable to having the call charged to the room if there is a long distance surcharge.
- B. The Seminary reimburses employees for business faxes sent or received while traveling on Seminary-related business.

13. OFFICE OR OTHER BUSINESS SUPPLIES

- A. Employees should plan for business trips and purchase necessary supplies before leaving.
- B. Employees may purchase supply items while out of town only if an emergency occurs or if there is a business reason for making the purchase while out of town.
- C. If known in advance that the employee needs to purchase supplies or printing services while at a conference site or business meeting, the employee should contact Accounts Payable prior to leaving to see if arrangements can be made for a supplier in the meeting city to accept a purchase order for the items.

14. LOST OR STOLEN PERSONAL PROPERTY

Reimbursement for personal property owned by an employee lost or stolen while on business travel is frequently available under a homeowner's or renter's insurance policy. If such a loss occurs for a Seminary employee, after such reimbursement has been pursued under such an insurance policy and is documented to be unavailable, such losses will be considered for reimbursement by executive management based on the circumstances surrounding the loss. To initiate this process, the employee should contact the Campus Police Department.

15. REIMBURSEMENT OF EXPENSES

- A. All required receipts must accompany the form along with the additional information described below in the section entitled *Required Documentation*. The absence of required documentation will result in (1) a delay in the processing of the expense report, or (2) not having that item reimbursed.
- B. When completing a Business Expense Report please note that:
 - 1) If the Seminary has issued a travel advance to the employee the appropriate deductions should be attached to the expense report to reflect the advance in order to arrive at the reimbursement, if any, due the employee;
 - 2) The form must be approved by the department's Budget Manager and the Manager of Accounts Payable and Travel before the reimbursement will be issued;

- 3) Travel expenses MUST be submitted for reimbursement within 60 days after they were incurred. **Any report not filed within 60 days of the incurrence of the expense requires the approval of the Senior Vice President of Institutional Administration before being processed for reimbursement. Reimbursement of expenses beyond the 60 day timeframe may result in taxable income for the employee.**
- 4) Where a travel advance exceeds the expenses incurred, a personal check for the excess MUST be attached to the Business Expense Report and submitted within 60 days after the expenses were incurred;
- 5) For expense amounts incurred in a foreign currency, ;
 - The Concur Travel system can automatically convert the amounts to U.S. dollars for expense reporting.
 - For paper expense reports, either a copy of a credit card statement showing the US dollar amount of the transaction (see required documentation below) or a manual calculation using conversion rates from a website such as Oanda.com or XE.com must be attached to the report.
- 6) Processing of Business Expense Report forms normally takes from 3 to 5 business days once it has been received by the Manager of Accounts Payable and Travel.
- 7) For electronically filed expense reports:
 - a. In general, expense reports received by Friday will have the funds direct deposited into their checking account by the following Friday;
 - b. The Concur Travel System will notify employees via e-mail on the status of their pending expense reports.

16. REQUIRED DOCUMENTATION

- A. All required fields in the Concur Travel System will be marked with an asterisk. Any required field being left blank will result in the expense report neither being processed, nor routed on for approval.
- B. Each of the following items must be attached to Business Expense Report:
 - 1) A concise, but meaningful description of the business purpose for the business travel or other expenses;
 - 2) The destination and/or locality of the travel;
 - 3) The dates of departure and return for each trip away from home overnight;
 - 4) The date and amount of each expenditure; and,
 - 5) A detailed receipt or confirmation of payment for each expenditure. Also, note the following

regarding receipts:

- For business meals and/or entertainment with other persons:
 - The name of the restaurant or facility, address, and type of facility (if not apparent from the receipt) must be entered; and,
 - The name of each person in attendance must be provided, along with their business relationship to the Seminary.
 - If more than five (5) people attended, give a general description of the group and the number attending, e.g., 15 trustees.
 - Business purpose for the meal.
- A credit card statement will be allowed as proof of purchase in lieu of a missing receipt only on an exception basis.
 - Other charges appearing on the statement should be marked out, along with the 16-digit credit card number; and,
 - The statement should then be uploaded into the Concur Travel System.
- A boarding pass or itinerary for an airplane, bus or train does not qualify as a receipt for payment. The e-mail confirmation of such travel can be used as the receipt provided it shows the total cost and method of payment.
