

New England Conservatory Travel and Expense Policy

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New England Conservatory Travel and Expense Policy

Travel:

Overview

New England Conservatory (NEC) recognizes and appreciates the efforts of those traveling for Conservatory purposes. Travelers should understand the Conservatory's travel policies, be comfortable while traveling and receive timely reimbursement. At the same time, travel costs submitted for reimbursement must be made in accordance with these guidelines.

Departments may implement policies that are more restrictive, but not more generous, as long as the more restrictive policies are consistently applied within the area.

NEC retains the right to not reimburse any expense that the Business Office determines to be unreasonable or not submitted in accordance with the guidelines

Purpose of Policy

This policy is intended to:

- Ensure clear and consistent understanding of policies and procedures.
- Ensure compliance with state, federal and NEC regulations.
- Ensure equitable consideration to both the traveler and the Conservatory.
- Provide guidelines covering NEC travel and other business expenses, as well as the documentation required for substantiation.

Policy Communication and Training

Training is available to new and existing users regarding the Travel and Expense Policy. The budget managers are responsible for disseminating the policy to any new faculty or staff in their respective area and should ensure that those individuals who will be traveling on NEC business and departmental administrators have read the policy and are familiar with its guidelines.

Responsibility

The primary responsibility for the expense report items being properly documented and within Conservatory policy rests with the traveler and the approving supervisor. The Business Office will review expense reports for compliance with this policy and will forward taxable reimbursements, if any, to payroll for inclusion in taxable wages.

The traveler is responsible for the timely submission of all forms related to his/her travel. The traveler may delegate responsibility for preparation of the forms to an associate but the traveler and the authorizing supervisor will retain accountability for travel expenses. A completed and signed Travel Expense Report form should be submitted as soon as is practical, but no later than 60 days after the traveler's return. One exception is that travel taken during June should be submitted no later than July 15th in order to classify the travel in the appropriate fiscal year.

Corporate Credit Card Program

Certain staff members, including the NEC President and certain NEC administrators and department heads, are issued Corporate American Express Credit Cards. These cards should only be used for NEC-related expenses. The Business Office submits a single payment to American Express for all NEC Corporate American Express accounts. The holders of these cards do not receive reimbursement for these expenses. However, documentation via an approved Travel and Expense Report form for all expenses incurred on the card must be received by the Business Office within 30 days of the statement date or Corporate Card privileges may be revoked. Travel and Expense Reports with attached receipts may be submitted in hardcopy format to the Business Office or via email (connor.fink@necmusic.edu). Any expenses incurred during the calendar year (January – December) that do not have supporting receipts will be included as imputed taxable income on the corresponding individual's W-2.

Other staff may be issued Personal Liability American Express Credit Cards. These cards may be used for NEC or personal business. American Express cardholders with personal liability cards will be personally responsible for paying their own American Express bills and submitting valid, policy-compliant business expenses for reimbursement. These expenses can be reimbursed as soon as they are incurred. Staff and faculty may submit flights and other prepaid travel expenses for reimbursement prior to their trip, but they must continue to submit boarding passes as documentation for their trip after the fact. The personal liability American Express card will have a billing cycle that ensures that reimbursement for expenses can occur shortly after submission to Accounts Payable; assuming timely submission to Accounts Payable, reimbursement should occur prior to American Express's payment due date. Staff may alternatively use their own personal credit cards and submit expenses for reimbursement.

Security of all American Express cardholders is the responsibility of each cardholder. Lost or stolen cards should be reported to American Express and the Finance Department at x1209 as soon as possible.

Recurring Vendor Payments

American Express or personal staff credit cards may not be used to process payments or deposits to independent contractors/vendors for services rendered or to recurring NEC vendors for purchased goods. These types of payments must be processed through Accounts Payable to determine whether or not they are taxable income to the vendor and recorded accordingly, to permit tracking and analysis of vendor spending, and to ensure that NEC is able to obtain and optimize corporate discounted pricing from its various vendors. Spending that is charged to NEC American Express or personal staff credit cards for vendors with whom NEC does recurring business will not be paid for or reimbursed by NEC.

The Accounts Payable department can be contacted at x1214 to help determine whether NEC already has an account with a certain vendor or to complete a new credit application that will allow a vendor to bill NEC via invoice for purchases.

Prior Approval Required

Conservatory policies require prior approval for all travel to be reimbursed by Conservatory funds. Each trip and its estimated total cost must be approved in advance by the appropriate budget manager to ensure that budgetary funds are available to fully cover the related expenses. Travelers may not approve their own travel requests. Prior approval must be in written format, specifying the name of the staff member, date(s) of travel and a brief business purpose. A copy of this prior approval document must be attached to the appropriate Travel and Expense form. For international travel, prior written approval by the appropriate area's Vice President or NEC's President is required.

IRS Rules for Accountable Travel and Expense Reimbursement Plan

The Conservatory's travel expense reimbursement program meets the Internal Revenue Service (IRS Publication 463) definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not generally reported as taxable income to the individual.

Under the accountable plan, business travel expense reimbursement must meet two requirements:

1. Reimbursements must be made for business expenses only. A business expense is defined as: "A clear and understandable reason for travel that is specific enough to explain how the Conservatory benefits from the expenses being claimed (it should answer who, what, when, where and why)."
2. Travelers must provide a statement substantiating the amount, dates, use and business purpose of expenses within a reasonable time after the expenses are incurred. Scanned receipts must be attached to the statement.

Documentation

The following documentation is required to support all expense reimbursement requests:

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|-----------------------------|---|
| 1. Air Travel | Airline Boarding Pass and one of the following: copy of travel agent's invoice, Web receipt or E-ticket, proof of payment by credit card, or other method so long as the documentation includes the amount, date, name of flyer and destination |
| 2. Car Rental | Car rental agreement and charge card receipt |
| 3. Personal Auto | Statement of miles driven |
| 4. Lodging | Itemized hotel bill and charge card receipt |
| 5. Meals | Hotel bill, charge card or restaurant receipt (plus business purpose if business entertainment meal) |
| 6. Conference | Conference agenda and paid receipt (if paid by staff member) |
| 7. Telephone, Fax, Internet | Hotel bill or other connection charge receipt |
| 8. Taxi, Bus, Rail | Receipt |

Original receipts are required for all expenses over \$50.00. Photocopies of invoices, credit card statements or record of charge slips accompanying the monthly billing statements, receipts or restaurant stubs are not acceptable. A receipt is defined as a written acknowledgment that a specified remittance, article or delivery has been made. At a minimum, the name of the payee, date and amount must appear on the receipt.

Lost Receipts

In the event a credit card receipt is lost, the traveler will be expected to contact the vendor to obtain a copy of the receipt and also attach a written statement stating that the original receipt is not available and that reimbursement has not been previously received to the expense report.

Transportation

General Transportation Considerations

When selecting among air, train, bus or car transportation options, various factors should be considered:

- Bus transportation is often the least expensive transportation option and may be an optimal option during non-peak travel times (e.g., mid-week for trips to/from New York City).
- The time and cost for traveling by taxicab between an airport and city may add significantly to the trip length and expense (particularly in cities like New York, where bus or train travel may be less expensive when considering total transportation costs, and the bus or train may take less time after considering travel to/from the airport).
- Parking costs can add up if renting a car or utilizing one's personal car, and mileage for using one's personal car sometimes exceeds the cost of bus, train or air travel, even after factoring in the need for local public transportation or taxicabs.
- Travel arrangements should be made as early as possible to obtain favorable pricing.
- Public transportation should be used as often as possible rather than taxicabs, time permitting.

Air Travel by Commercial Flight

Commercial flights are to be by coach, tourist or equivalent class. Prior written approval by NEC's President is required for travel in any air travel class other than stated above. Airfare costs in excess of the lowest available commercial discount airfare or customary standard (coach or equivalent) airfare are not allowed except when the resulting air travel would:

- Require circuitous routing
- Require travel at unreasonable hours
- Prolong travel excessively

Internet Purchase

Purchase of air transportation via the Internet is allowable if it provides economic benefit to NEC. Travelers should understand the risks associated with tickets obtained from consolidators or through the Internet from potentially unreliable sources.

Reimbursement for Tickets Paid on Personal Credit Card

The Conservatory will reimburse faculty or staff traveling on business for tickets paid for via a personal credit card prior to the trip being complete, but boarding passes must be submitted after the fact in order for the reimbursement not to be considered taxable compensation to the traveler. Students receiving travel awards and guest artists receiving travel reimbursement will only be reimbursed for travel after their trip is complete, and boarding passes are required for them to receive reimbursement.

Unused Tickets

Unused tickets purchased or reimbursed by the Conservatory may not be used for personal travel. The department paying for the tickets should work with the traveler to account for the unused tickets and, if possible, utilize it for future business travel.

Rail Transportation

Rail transportation may be used when the cost is less than or equal to other methods.

Driving on Official Conservatory Business

Rental Car

Cars rented while traveling on Conservatory business will be reimbursed to the traveler. In general, the class of rental cars should be full, standard, intermediate, compact, sub-compact, or a size that is appropriate for the number of travelers. The Loss Damage Waiver option offered by the car rental agreement should be selected. Only New England Conservatory staff members who have been included in the rental agreement as drivers are authorized to drive the rental car.

Private Vehicle

Travelers who use a personal vehicle to travel on Conservatory business will be reimbursed for the business mileage at the current rate set by the IRS for business travel by car. The established mileage reimbursement rate takes into consideration all costs of owning and operating a vehicle—including fuel, insurance, maintenance and depreciation. Business travel mileage shall be reimbursed and computed between the travel site destination and New England Conservatory (or residence if leaving directly from the residence).

The reimbursement rate represents full compensation for the costs of operating the vehicle and therefore the traveler maintains total responsibility to adequately insure, safely operate, properly maintain and protect the vehicle. The Conservatory does not provide automobile liability or comprehensive/collision insurance for loss or damage to a personal vehicle used for business travel. Physical damage to the vehicle or loss of physical property in the vehicle is not covered by the Conservatory. Adequate insurance coverage should be obtained through the traveler's personal auto insurance. Liability to others, including passengers, must be covered by the staff members' private auto policy. Travelers should refer to their personal automobile policies or contacts their insurance agent for details regarding their personal auto policy coverage.

Traveling by Auto for Personal Convenience

If a personal vehicle is used primarily for the convenience of the traveler and the approved travel is to a location more than 300 miles beyond the point of origination, then reimbursement will not exceed the lesser of the following:

- The cost per mile reimbursement, plus tolls or
- The round trip airfare using air coach or tourist fare (including applicable costs such as airport parking and travel to and from the airport) or equivalent rail. The cost of airfare should be based on a 7-14 day advance coach fare. The traveler should submit a copy of the internet quote and the date the quote was obtained along with their expense report.

Lodging

Lodging costs are required to be within government maximum lodging guidelines per www.gsa.gov, which lists monthly limits for hotel spending based on zip code or city/state. Spending less than the government limits is encouraged.

Lodging reimbursement is generally based on hotel/motel single occupancy rates unless rooms are shared with other business travelers. If two or more staff members share the same room, the total claimed for reimbursement must not exceed the total paid for the room. Additional room costs resulting from family or other non-business companions are not reimbursable. An itemized statement furnished by the hotel or motel is required for all lodging expenses. Summary statements provided by credit card companies will not be accepted as backup for lodging reimbursement. The Conservatory will reimburse the traveler for hotel/motel costs placed on a personal credit card after the trip is complete.

Travel and Business Individual Meal Spending Limits

The reasonable cost of meal expenses while traveling or for specific NEC business purposes will be reimbursed. For local business meals that do not involve donor cultivation/fundraising or new revenue/business development, costs must be limited to \$10 for breakfast, \$15 for lunch, \$25 for dinner, per person including tax and tip.

While traveling for a full day, government per diem rates per www.gsa.gov will be the maximum daily reimbursement amounts for meals and incidentals. For areas not defined on www.gsa.gov, the limits stated above will apply for each meal (\$10 for breakfast, \$15 for lunch and \$25 for dinner). Spending less than these limits is encouraged. If an individual chooses to spend in excess of the meal limits, reimbursement will be limited to the amounts listed above for each meal or on www.gsa.gov (if incurred during a full day of traveling on NEC business).

To meet IRS guidelines for a non-taxable reimbursement, the following information must be provided:

- Date and location of meal
- Names of attendees
- Type of meal (breakfast, lunch or dinner)
- Business purpose (e.g., traveling on business or the nature of the business meeting/discussion)
- Original receipt

Non-travel business meals are limited to those that involve donor cultivation/fundraising, new revenue/business development, or staff/faculty appreciation spending within a reasonable amount (e.g., \$50 per year maximum per employee per department). Other meals or coffee between colleagues are considered personal expenses and will not be reimbursed by NEC.

While donor cultivation/fundraising business meals and new revenue/business development meals are exempt from these limits, every attempt should be made to remain within these limits or otherwise contain spending to a reasonable amount for such meals.

Creative ways to save money while traveling include:

- Taking advantage of combination deals (e.g., coffee and a breakfast sandwich for \$4.99).
- Choosing counter service establishments or buying food from grocery stores rather than table service restaurants, especially for breakfast and lunch.

Tip Policy

- Reimbursement of restaurant tips is limited to 20% and must be included in the meal limits listed above.
- Reimbursement of taxicab tips is limited to 15%.
- Housekeeping tips for hotel stays are limited to \$2 per night.
- If self-parking is not available, valet parking tips will be reimbursed within reason (e.g., \$2 per tip).
- All other gratuities are considered personal expenses and will not be reimbursed by NEC.

Other Reimbursable Expenses:

Travelers will be reimbursed for the following expenses, providing the expenses are incurred for the purpose of administering Conservatory business:

- Parking and tolls
- Taxis/buses/other ground transportation
- Telephone calls
- Shipment of Conservatory materials not carried by the traveler
- Baggage handling and excess baggage fees
- Photocopies/faxes
- Currency conversion fees
- Laundry, only if traveling more than five days (receipt required)
- Internet access/connection

Non-Reimbursable Expenses:

- Hotel gyms
- Alcohol (unless approved by the appropriate budget manager)
- In-room movie and mini-bar charges
- Parking fines or speeding tickets
- Child or pet care
- Travel expense or meals of other persons, such as spouse, traveling with the staff member for personal reasons
- Personal entertainment/event/recreation tickets
- Taxis or other transportation to and from personal events
- Commuting expense between home and the Conservatory
- Additional transportation, hotel or other expense for vacation-related or other personal travel occurring in connection with business travel (taken before, during or after business trip)
- Personal phone calls
- Airline Club memberships
- Upgrades
- "No show" charges

- Personal credit card delinquency assessments, personal credit card annual fees
- Medical expenses
- Magazines and newspapers, unless specific business purpose is indicated
- Theft or loss of advance funds, personal funds or other personal property
- Personal health and hygiene items
- Outside activities offered as a part of the conference
- Dues in private clubs
- Massages, saunas, spa
- Personal automobile repairs

Combining Business and Personal Travel

At times, a traveler may wish to combine personal activity in connection with a business trip. The Conservatory accommodates such activity provided that the related time and expense are paid by the individual, and the business objective for the travel is unaffected. In submitting a trip's expense report, the traveler is responsible for excluding all expenses of a personal nature from the expense report seeking reimbursement.

IRS requirements are more stringent for personal international travel occurring in connection with business travel are more stringent and require allocation of airline costs between business and personal costs. Departments should contact the Business Office for more information on the allocation of travel costs associated with a combined business and personal international trip.

Non-Employee Travel

Prospective staff members, students, lecturers or official visitors may be reimbursed, if authorized, for travel expenses incurred in connection with Conservatory business under this policy. The tax handling of payments to non-employees may differ from this policy.

Travel Reimbursements for Non-Resident Aliens

The types of payments the Conservatory may make to non-resident aliens depend on the Visa status of the traveler. Departments should contact the Business Office for additional information prior to committing travel reimbursement to such individuals.

Commuting Expense

Commuting expense is the cost of one round-trip commute between an employee's residence and New England Conservatory. Travelers may not be reimbursed for commuting expenses.

Example: A traveler works on campus in Boston and travels back and forth from his or her home in Stoneham each day. This round-trip commute between Boston and Stoneham is considered commuting expense and would not be reimbursable as business mileage.

Conference and Professional Meeting Registration Fees

If a traveler pays for a conference or professional meeting registration fee from personal funds, reimbursement may be made in advance of the event. However, if the individual is unable to attend the event, they are expected to reimburse NEC for the cost.

Travel Charged to Restricted Gifts, Grants or Contracts

Reimbursement of expenses charged to restricted gifts, grants or contracts of the Conservatory must be in full compliance with the specific terms and instructions of the gift, grant or contract, as well as this policy.

International Travel

Persons traveling outside the continental United States may seek reimbursement for reasonable expenses incurred that are specific to that New England Conservatory business trip. Such expenses may include, but are not limited to Visas and other travel documents. Cash for certain international travel will be distributed on per diem basis upon advance approval by the budget manager and the Senior Vice President for Finance and Operations.

Travel Agreements as Part of College Faculty Contracts

Certain faculty members who live out-of-state are offered travel agreements as part of their contracts. Hotel and airline reservations for these faculty members are generally made by the Administrative Manager for the College. Faculty members may, however, make their own travel reservations if they are able to obtain lower rates than NEC's established corporate rates.

All faculty contract travel agreements must be signed by the Dean of the College and the faculty member, and must include the following statement:

"Please note the following terms:

- 1) All receipts must be submitted within thirty (30) days of the date of travel.*
- 2) Incomplete taxi receipts will not be accepted. Taxi receipts must include the date of travel, destination and the amount paid.*
- 3) Charges incurred for no-shows for hotel reservations without appropriate advance cancellation notice will be charged as a personal expense to the individual faculty member."*

The College Faculty Handbook contains additional information regarding College Faculty Travel.

Travel and Expense Reimbursement Deadlines

- All travel and other business expenses must be submitted to Accounts Payable for reimbursement as quickly as possible after they have been incurred (i.e., within 1-2 weeks), but in no case more than 60 days after incurred.
 - After 60 days, Presidential signoff is required on the expense to receive reimbursement.
 - After 90 days, Presidential signoff is required, and expense reimbursements will be treated as taxable compensation to the individual claiming reimbursement.
 - After 180 days, no reimbursement will occur under any circumstances.
 - Submitting expenses in the correct fiscal year is extremely important. Expenses incurred in May or June must be submitted by mid-July at the latest so that they can be accounted for in the correct fiscal year.
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Accounts Payable (A/P)

Accounts Payable (A/P) includes all non-payroll expenditure activity. Items processed through A/P must be submitted with the appropriate documentation and authorization attached.

New England Conservatory is a tax-exempt organization registered in the Commonwealth of Massachusetts. Massachusetts sales taxes will not be reimbursed. Copies of NEC's tax-exempt certificate can be obtained by contacting the Business Office at 617-585-1214. This certificate is to be used for NEC-related business ONLY.

Check Requests

Check Request forms are used to initiate payments by Accounts Payable (A/P) in the Business Office for the following purposes:

1. Reimbursement of out-of pocket expenses incurred by employees where the amount claimed is more than \$50.00 (exceeding the maximum for payments from petty cash); or where a check is required, even if the amount is less than \$50.00.
2. Reimbursement for emergency purchases of goods and supplies, or pre-payments to vendors with C.O.D. (cash due on delivery) terms.
3. Conference and seminar registration fees, deposits, and course refunds.
4. Payments for services rendered or honoraria to non-employees or organizations.

The Check Request form may not be used to initiate payments of the following:

1. Payment for services rendered by faculty, staff or students. These must be made through the Payroll area of the Business Office (via the Financial Aid Office in the case of students) in order to comply with IRS regulations.
2. Travel expenses or reimbursements, ***except for fees and deposits noted in #3 above.***
3. Payments of vendor invoices. Approval for payment of invoices may be made directly on the invoices by providing the appropriate authorizing signature and budget account number.

Purchases of Personal vs. Business Goods

Purchases of books, recordings, office décor, or other goods may only be charged to NEC if they will remain at NEC after the faculty or staff member's tenure at NEC ends. If the faculty or staff member intends to take such items with them when they leave NEC, the expenses are considered personal in nature and should not be submitted for reimbursement by NEC.

Check Request Forms

The requesting department must complete Check Request forms as described below. Please print or type all relevant fields of the form clearly. Check Request forms are available on the public drive.

1. Select the correct citizenship status. If the payee is a foreign national, refer to the International Hiring policy.
2. Select the correct boxes for the payee: NEC Fac/Staff, NEC student, or non-NEC Fac/Staff.
3. Attach all supporting documentation. Examples:
 - a. Completed W-9 form for personal services and fees, in order to report income to the IRS. W-9's are required from all new vendors, except for non-resident internationals, who must provide special documentation in order to be hired by NEC and paid.
 - b. Programs or flyers for lectures, master classes, special performances, etc.
 - c. Conference registration documentation
 - d. Estimates of postage
 - e. Contract showing deposit required or payment due
4. Disposition of Check – choose "hold" or "mail", or note any other special instructions.
5. Complete the bottom portion of Check Request:
 - a. Date of request
 - b. Full legal name of payee (no nicknames)
 - c. Complete address of payee. "On File" is not acceptable. Highlight or note if the address provided is a new one.
 - d. Purpose/description
 - e. Amount to be paid
 - f. The proper general ledger account
 - g. The appropriate approval signature for the budget account used

Check Requests cannot be processed without the proper authorizing signature(s). It is the responsibility of the person submitting the check request to obtain the proper authorizing signature(s) before submitting each request to Accounts Payable (A/P). Check Requests that are incomplete will be returned to the requesting department, which will cause delays in processing.

Check Printing Schedule

A/P prints checks once per week, on Wednesday. The checks are normally available for pick-up or mailed (whichever is noted on the Check Request) by Friday afternoon. During holiday weeks or periods of inclement weather, the check printing schedule may be delayed. The campus community will be notified in advance when the schedule is changed due to staff vacations or other planned absences.

The Business Office requires 10 days to produce reimbursements and other payments, batch activity into the weekly check printing, and plan ahead for check signing by officers on campus. For these reasons, advance planning for checks is necessary. Adding "ASAP" to the check request will not result in the check request being processed outside of the normal weekly schedule.

Please allow at least 10 business days before contacting the Business Office regarding the status of a payment. Checks are not processed or signed daily.

With certain exceptions, most invoices are paid within 30 days of the invoice date (which is considered standard business practice).

A/P will only accept original invoices. ***The preference is for the invoices to be scanned and submitted through NEC's WebInvoicing system.***

Stop Payments

If a check is lost or has not been received, contact the Business Office at 617-585-1214 so that a "Stop Payment" can be placed on the check. If the individual has moved without notifying NEC, lost, or misplaced the check, a \$25.00 processing fee will be deducted from the replacement check.

Allow at least two weeks from the check date before you request a "Stop Payment," unless there is reason to believe the check has been stolen or misappropriated. Provide the vendor name, check amount, and approximate date the payment request was sent to the Business Office, so that the check can be readily identified for forwarding the information to NEC's bank.

Questions

Questions about this policy may be addressed to the Business Office at x1214.