

**Maine Community College System
Financial Procedures Manual**

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SUBJECT: GENERAL ACCOUNTING

Effective: June 26, 2012

Section: 204 Payment of Travel Expenses

Payment of Travel Expenses

1. Purpose

MCCS recognizes that MCCS can benefit from certain employee travel to conduct authorized MCCS business and to further the mission of MCCS. It is the purpose of this procedure to:

- A. Authorize only travel that furthers MCCS business, furthers the MCCS mission, and otherwise complies with this procedure;
- B. Pay only for those travel expenses that are necessary and reasonable; and
- C. Regulate employee travel through the standards of this procedure.

2. Policy

To further the purpose of this procedure, it is the policy of MCCS to require employees to:

- A. Exercise sound discretion and good business judgment in determining the desirability and necessity for travel;
- B. Be cost conscious and spend MCCS money as carefully and judiciously as the individual would spend his or her own money; and
- C. Report such expenses accurately and with the required supporting documentation.

MCCS reserves the right to disallow any travel, travel advance, or travel reimbursement request not in conformity with this procedure.

3. Definitions

For purposes of interpreting and applying this procedure, and unless the context indicates otherwise:

- A. "Travel" means a trip by employees, students (including sports team), trustees or other persons for whom MCCS will pay the costs, except that the travel expenses of visiting accreditors or professional service contractors who are not MCCS

employees and for whom travel reimbursements are required by virtue of their activity or contract, shall be accounted for as “Professional Services” consistent with standard accounting practices; and

- B. “Advance,” “reimburse” and “pay” are used interchangeably to mean “pay.”

4. Standards for Approving Travel

MCCS shall only pay for travel that is deemed necessary and for costs that are deemed reasonable. In determining whether travel is necessary and the cost is reasonable, the travelling employee and approving employee shall each:

- A. Identify the practical ways in which the employee and MCCS will meaningfully benefit;
- B. Identify the anticipated costs of the travel; and
- C. Weigh the benefits of the proposed travel against the anticipated costs and the adequacy of less expensive available alternatives, such as local programming or telephonic or video broadcasts.

5. Persons Authorized to Approve Travel

For routine or regular in-state travel required for an employee to carry out the assigned roles and responsibilities of the employee’s position, no additional approval is necessary. For all other travel, the employee must have the approval of the supervisor. For any travel out of state, an employee must also have the advance approval of the college president, CCD director or system president.

6. Meals

MCCS pays for the actual and reasonable cost, including customary and reasonable gratuities, of necessary meals incurred by an employee while on authorized travel. For all such meals, the need shall be legitimate; frequency shall be limited; and cost, including customary and reasonable tips, shall be reasonable. Costs of meals outside of these standards and of any alcohol are the responsibility of the employee and will not be reimbursed. Employees covered by a collective bargaining agreement are reimbursed for the actual and reasonable cost of a meal up to the limit set forth in the employee’s pertinent agreement. Employees not covered by a collective bargaining agreement are reimbursed for such reasonable and necessary costs.

7. Lodging

MCCS pays for the necessary and reasonable cost of hotel accommodations. Convenience, the costs of the city in which the hotel is located, and proximity to other venues on the individual’s itinerary shall be considered in determining reasonableness. Whenever possible, employees shall use available corporate and discount rates for hotels. When lodging accommodations have been

arranged by M CCS and the individual elects to stay elsewhere, M CCS pays an amount no higher than the rate arranged by M CCS, and M CCS does not pay for transportation between the alternate lodging and the meeting site.

8. Conference Fees

M CCS pays for necessary and reasonable expenses of conference fees only if the expenditures are approved in advance and adequate detailed documentation for each expense, including a description of the business purpose of the conference and the specific business matter discussed, are provided.

9. Travel by Personal Automobile

A. Mileage

When employees use their personal car for M CCS travel, including travel to and from the airport, a mileage allowance will be paid at the then-current IRS per-mile rate. Commuting expenses from an employee's residence to the employee's principal M CCS work location are not reimbursable. Commuting expenses from an employee's residence to another work-related location are reimbursable unless the mileage is less than the employee's normal daily commute from home to their principal M CCS work location, in which case there is no reimbursement. If the mileage is greater than the employee's normal daily commute, the employee shall be reimbursed only for the mileage that exceeds the employee's normal daily commute. In the case of employees using their personal cars to take a trip that would normally be made by air, mileage will be allowed at the currently approved rate, provided that the total mileage reimbursement may not exceed the sum of the lowest available round-trip coach airfare.

B. Parking and Tolls

M CCS pays necessary and reasonable parking and toll expenses.

C. Prohibited Reimbursements

M CCS does not pay for violations, such as parking tickets or fines, and does not pay for luxuries, such as car washes and valet service.

10. Travel by Plane

A. General

Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares. Employees should seek the least expensive flights available under the circumstances. Employees may seek direct, non-stop flights from the airport nearest the individual's home or office to the airport nearest the destination.

B. Saturday Stays

Employees traveling on behalf of MCCC may, but are not required to, stay over Saturday nights in order to reduce the price of an airline ticket. An employee who chooses to stay over a Saturday night will be reimbursed for reasonable lodging and meal expenses incurred over the weekend, but only to the extent the such expenses result in a net savings. To receive reimbursement for such lodging and meal expenses, an employee must provide, along with the Expense Report, documentation of the amount of the difference between the price of the Saturday stay and non-Saturday stay airline tickets.

C. Frequent Flyer Miles and Compensation Miles

Employees traveling on behalf of MCCC may accept and retain for their personal use frequent flyer miles and compensation miles awarded for an overbooking or denied boarding. Employees may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

D. Ground Transfers

MCCC pays for reasonable costs of necessary ground transfers.

11. Additional Provisions

A. Travel by Bus, Train or Ferry

MCCC pays for necessary and reasonable costs of bus, train and ferry tickets when incurred to conduct MCCC business.

B. Other Reimbursable Expenses

MCCC pays for other reasonable and necessary travel and work-related expenses, such as telephone, postage, fax and internet connection necessary to conduct MCCC business. In addition, reasonable, customary and necessary gratuities, for meals and other services, may be reimbursed.

C. Personal Travel Combined with Business Travel

Employees traveling on behalf of MCCC may incorporate personal travel or business with their MCCC-related trips; provided, employees shall not arrange MCCC travel at a time that is less advantageous to MCCC or involving greater expense to MCCC in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by MCCC.

D. Family and Others' Travel Expenses

Expenses associated with travel of an employee's spouse, family or friends are not reimbursed by MCCS. If a spouse, friend or relative accompanies an employee on a trip, it is the responsibility of the employee to determine any added cost for additional occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.

E. Collective Bargaining Agreements

The provisions of this procedure are intended to be construed consistently with pertinent provisions of each MCCS collective bargaining agreement.

12. Prohibited Expenditures

MCCS does not pay for any travel related expense that is personal in nature, or could be reasonably perceived as lavish or excessive, such as, but not limited to, the following:

- A. Liquor or alcohol;
- B. Spa or exercise charges;
- C. Entertainment as defined in *MCCS Financial Procedure 215*;
- D. Renting or purchasing sporting equipment;
- E. Limousine travel or valet service;
- F. First-class or other ticket upgrades;
- G. Toiletry or clothing purchases; and
- H. Dry cleaning, unreasonable room service, valet service or car washes.

13. Receipts

Receipts are required for all expenditures, excluding highway tolls, over \$10 and for all expenses billed directly to MCCS (such as airfare and hotel charges). Employees requesting reimbursement must submit with their Expense Reimbursement Form written receipts from each vendor showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses (including tips, if applicable).

14. Budgeting and Accounting

The System Office, Center for Career Development and each college shall for each upcoming fiscal year:

- A. Develop and maintain a separate budget for, and accounting of, all travel costs (for transportation, meals, lodging and other related costs). Neither the System Office, Center for Career Development nor a college may exceed its travel budget once it is approved by the MCCS Board of Trustees. Accordingly, such budgets shall account for travel related to the potential for late-year student recognition or accomplishments, such as honor society events or athletic team tournaments. In

the event of increased travel expenses that are caused by external events and are required to further the mission, such as but not limited to in-state coordination, grant requirements, student recognition, or athletic tournaments, the System president may transfer up to ___% of the original unit's budget from other sources to fund such legitimate needs; and

- B. Submit to the MCCS Board of Trustees such budgets for the Board's annual approval, and such accountings for the Board's periodic review.

15. Forms Attached

A. Advance Forms

No travel related expenses may be advanced unless the employee submits an accurate and complete copy of the attached *Expense Advance Form* with all required documentation. No advances will be issued to an individual with an outstanding advance. Any balance due the employee or refund of unused advance should be identified and settled within thirty days of completing the Form.

B. Reimbursement Forms

No travel related expenses, including those on a college or System purchase or credit card, may be reimbursed unless the employee submits an accurate and complete copy of the attached *Expense Reimbursement Form* with all required documentation and receipts. Employees who request a travel reimbursement must submit that Form to their business office within thirty business days of completing the travel.