**Bentley University**

**BUSINESS EXPENSE POLICY**

1. **General Policy Statement Covering All Business Expenses Including Travel**

Bentley faculty, staff and students are periodically expected to incur expenses or travel on authorized business on behalf of the university in furtherance of its tax exempt mission. The intent of this policy is to be fair, consistent and equitable to employees and students, while ensuring the university achieves its mission by exercising proper cost control and complying with federal and state laws and regulations.

Bentley is committed to the highest level of fiscal responsibility and stewardship with regard to its limited resources. All expenses to be paid by the university must:

* be reasonable and necessary to conduct the business of the university,
* be within the approved budget allocation,
* represent an appropriate, bona fide business purpose, and
* avoid the appearance of extravagance considering Bentley’s non-profit, tax-exempt status and the fact that over 90% of Bentley’s resources to pay for expenses are from students and their parents.

This policy applies to all university business expenses regardless of the funding source or payment method. Specific, more restrictive terms of donors and sponsors take precedence over less restrictive Bentley policy. Divisions or departments may also impose stricter rules over expenditures than those required by this policy. In all cases where the terms imposed by a donor, sponsor, division, or department are more lenient than those described herein, Bentley policy applies. It is expected that employees with spending authority (e.g., Principal Investigators) are aware of all applicable terms and restrictions and acknowledge that business expenses charged to restricted gifts, grants or contracts are in full compliance with applicable requirements. Questions should be directed to the Director of Sponsored Programs for federal programs and to the Controller for all others.

All business expenses are the responsibility of the employee and, when appropriate, must be approved by the supervisor and/or the cost center manager in accordance with official, documented signature authority. Approvals may not be applied by a subordinate or peer colleague of the requesting employee except in the case of the Treasurer’s approval of the President’s or Cabinet members’ expenses. Authorized persons approving expenses of others are responsible for ensuring compliance with this policy and should be satisfied that the expenses are appropriate and reasonable and the description of the business purpose is sufficiently documented.

While this policy is applicable to the majority of Bentley transactions, unique circumstances may justify exceptions. Exception requests should be sent to the Treasurer or AVP for Finance.

1. **Adequate Explanation of Business Purpose and Supporting Documentation Required for All Business Expenses Including Travel**

In order to comply with regulations and related audit objectives, Bentley must maintain underlying accounting data and corroborating information to support evidence of the business purpose for expenditure transactions. Employees with the authority to spend Bentley funds are responsible for the compilation and submission of adequate corroborating information so that it can be retained by the Controller’s Office. The goal is for expense documentation to clearly answer “the 5 Ws” - who, what, when, where and why. Documentation supporting each transaction must be easily retrievable for examination by central administrators, auditors and other authorized individuals. The supporting documentation should also include evidence of approvals, as appropriate. Receipts are required for all expenditures equal to or greater than $40 and explicitly not desired by the Controller’s Office for expenditures less than $40. Explanation of the business purpose and any unusual circumstances is needed for all expenditures regardless of the amount.

For many expenses the business purpose may be obvious (e.g., the recurring purchase of everyday office supplies). If the business purpose is not readily apparent, it must be included with the documentation through a notation or copy of internal email or other correspondence explaining the business purpose, indicating who, what, when, where and why. Employees should consider all supporting documenting and explanations necessary for third-party understanding of the transaction several years hence when the individuals involved may no longer be employed at Bentley or otherwise unavailable to adequately explain the transaction.

1. **Overnight Travel** See[Travel Policy](http://www.bentley.edu/offices/purchasing/bentley-travel-policy).
2. **Method of Incurring Non-travel Business Expenses**

The purchase of goods and services should be in accordance with established [Purchasing Policy](http://www.bentley.edu/offices/purchasing/purchasing-policy) and related procedures. All contracts require General Counsel’s review and approval.

Most business expenses less than $5,000 should be processed through a Bentley-issued Purchasing Card (PCard) as outlined in the [Purchasing Card Manual](http://www.bentley.edu/offices/purchasing/purchasing-card-manual). In the event that an employee is unable to utilize a PCard or the normal requisition to purchase order process to make a purchase, an employee may submit an itemized receipt through one of the following methods to be reimbursed:

* [Petty Cash](https://www.bentley.edu/files/financial-operations/forms/Petty%20Cash%20Slip.doc) for expenses less than $100
* [Check Request Form](https://www.bentley.edu/files/financial-operations/forms/Check%20Request.xls) through Accounts Payable
1. **Sales Tax**

Bentley is a tax-exempt organization; therefore best reasonable effort should be made to avoid sales tax. See [Purchasing Policy](http://www.bentley.edu/offices/purchasing/purchasing-policy) for additional details.

1. **Charitable Contributions**

Gifts to charitable organizations are not allowed except as described here. Fundraising and other activities conducted by student organizations for the benefit of charitable organizations are approved by the Vice President for Student Affairs. Donations of surplus property to charity must be approved by the Executive Director of Purchasing, Administrative and Campus Services.

Certain charitable contributions provide the university with a benefit such as advertising, a publication or exposure to potential donors. If the primary purpose of making a charitable contribution is to benefit the university and that benefit is deemed approximately equal to the contribution made, prior approval by the appropriate Vice President is required. The benefit received by Bentley must be sufficiently explained in the documentation associated with the expense.

1. **Political Contributions**

Bentley is exempt from tax under Internal Revenue Code Section 501(c)(3) and could have its exempt status revoked if the University is involved in any political activity. For this reason, all political contributions are strictly forbidden. This includes payments to political candidates; advertising in political programs; admission to any dinner or program (including testimonial dinners, receptions, and sporting events) if any part of the proceeds of the event directly or indirectly inures to the use of a political party or a political candidate; admission to any event that is identified with a political party or candidate including tickets to fund-raising events; or any other expenditure that could be construed as a political contribution. This policy also prohibits “in kind” contributions by Bentley, such as the use of our facilities or property in support of a candidate or political party. This policy does not limit an individual’s right to make personal contributions to a candidate or party of their choosing.

1. **Spousal/Companion Expenses**

Expenses for spouses, partners and families of Bentley employees are not paid or reimbursed by Bentley, except with bona fide business purpose and approval by the President or Treasurer.

1. **Entertainment Expense**

Entertainment expenses must be directly related to the conduct of Bentley business. IRS regulations require that a Bentley employee engage in the active conduct of business with the person(s) being entertained. The expense may not be lavish or extravagant. Documentation requirements include the date, time, and location of the entertainment, names and titles of those in attendance, and the subject of business matters discussed. Original receipts for amounts of $40 or greater must accompany the request for reimbursement. Receipts for meals and entertainment expenses should include a breakdown of meal cost, beverage cost, tax and tip. Tips greater than approximately 20% are generally not allowed. Entertainment and alcohol expenses are not allowed to be charged to any federally-sourced sponsored projects and may not be allowable on other sponsored projects; contact the Director of Sponsored Programs to confirm requirements for federal grants and the Controller for all others.

1. **Allowable and Non-Taxable Meals**

Meals and entertainment expenses are allowable expenditures of Bentley funds if they are reasonable and necessary expenses of carrying out the mission of the university. Meals provided to employees that are within the authorized budget and fall into one of the following five classifications are allowable and nontaxable to the recipient:

* 1. Meals provided while the employee is in overnight travel status in accordance with the

[Travel Policy](http://www.bentley.edu/offices/purchasing/bentley-travel-policy).

* 1. While typically Bentley does not provide snacks or food for on-campus meetings during normal business hours, occasional meals at meetings with a clearly substantiated business purpose ( i.e., those directly associated with the active conduct of Bentley business) among departmental personnel, colleagues, students, donors or other Bentley business associates before or after normal working hours or during lunch may be appropriate. The business discussion may not be secondary to the purpose of the meal. Meals eaten alone do not qualify as business meals. Local meals between two or more university personnel only, during which routine business issues are discussed, are generally not a Bentley business expense unless it was required to meet before or after normal working hours or during a meal time to discuss an urgent matter and there was no other available time during normal working hours. The IRS requires sufficient documentation of the business meal including the date, time, location, names and titles of those in attendance, and business matters discussed. In cases where there are more than six people in attendance, the name of the committee or organization and the number of participants will suffice (e.g., Faculty Senate meeting, 12 in attendance). Original receipts must be provided when the meal is off campus and the cost of the meal is $40 or more.
	2. De minimis "supper money" provided on an occasional and infrequent basis to enable employees to work an extended day, which is defined as a period lasting at least 10 consecutive hours. De minimis is defined as any benefit whose value is so small that accounting for it would be unreasonable or impracticable. At the discretion of the supervisor or cost center manager, the employee may be reimbursed for actual meal cost or be paid a meal allowance not to exceed $15. Documentation requirements include supervisor authorization, the date, time, location, hours worked and reason for the extended day. Supper money may not be routinely paid to an employee whose job consistently requires working an extended day. The employee's supervisor is solely responsible for making this determination.
	3. Infrequent, occasional meals provided to a group of employees to promote employee relations, teamwork and morale, such as a campus picnic, holiday party, or to recognize retirements of longstanding employees. Related expenses must be reasonable relative to Bentley cultural norms and other divisions’ practices, within the authorized budget, and approved by the head of the division. Documentation requirements include original receipts; the date, time, location and nature of the gathering; the name of the group; and the approximate number of participants in attendance.
	4. Meals provided for the convenience of Bentley, on the premises of Bentley, for a valid business reason. An example is providing a meal to an employee to ensure the employee is available for emergencies. In this case, the department must be able to show a history of emergencies in the employee's position as well as demonstrate that providing meals to the employee promotes readiness in dealing with the emergencies.
1. **Local Hotel Accommodations**

On rare occasions, an employee may need to secure accommodations at a local hotel. Accommodations should be secured at the lowest cost to Bentley assuming reasonable safety and convenience.

 Examples of such occasions include unforeseen weather emergencies or when an employee is requested to remain on-call for an extended period of time. All local hotel accommodations require written approval by the President or Vice President and documentation of a valid business purpose.

1. **Personal Automobile Usage**
2. Personal vehicles used for business should be adequately insured for collision, comprehensive and liability insurance protection. Travelers are responsible for insuring their own vehicles. Travelers will not be reimbursed by Bentley for collision losses that occur during business use of a personal vehicle.
3. Carpooling is encouraged.
4. Travelers will be reimbursed for business use of personal vehicles at the IRS Standard mileage rate in effect at the time of travel for actual mileage using the most direct route. Travel from an employee's residence to campus is considered a commuting expense and is not reimbursable. In the event an employee travels on a normal workday, he/she will be reimbursed for mileage from either home or the work place, whichever is less. For travel on other than a normal workday, an employee may claim mileage from home.
5. Tolls, ferries, and parking expenses incurred while on business travel are reimbursable in addition to the mileage allowance. Personal use, parking tickets, gas, traffic fines and penalties, towing charges, accidents and theft losses are not reimbursable.
6. A traveler who elects to drive to a location rather than fly will be reimbursed the lesser of: (a) the amount using the current IRS mileage rate, or (b) the sum of the lowest available airfare plus the cost of transportation to and from the airport. Additional costs of lodging and meals during the period of travel in excess of reasonable equivalent using air transport will not be paid by Bentley.

**M. Ground Transportation**

Transportation to or from the airport for business travel or for other local transportation shall be reimbursed at the lowest cost to Bentley assuming reasonable safety and convenience of the traveler. Generally, use of the employee’s personal automobile (see above), public transportation or taxi service will be the lowest cost. Private car service is not permissible without substantiation that taxi service was more expensive or that there was a compelling business reason for the private car service besides convenience for getting from point A to point B.

**N. Club Dues**

An individual's membership dues and other expenses for a club organized for business, pleasure, recreation, or any other social purpose are not reimbursable by the university unless authorized in advance by the President.

**O. Flowers and Other Expressions of Sympathy, Congratulations or Appreciation to Employees**

Flowers and gifts to employees are generally not allowed. In rare situations, VPs may, in coordination with the AVP of Human Resources, authorize an exception to this policy. Related expenses must be reasonable and within the authorized budget.

Flowers (or memorial donations in lieu of flowers to not-for-profit organizations that are not primarily religious or political organizations) to express condolences for the illness or death of a Bentley student, employee, trustee (or their immediate family or household member) must be coordinated with the President’s Office to avoid unwarranted duplication. Individuals with knowledge of these events should notify the President’s Office so that the University can appropriately express its condolences.

Non-cash gifts may be presented as a token of appreciation to non-employees when a valid business purpose exists to recognize the contribution to Bentley University or to honor the individual. (Note: since the IRS considers gift cards and gift certificates to be the equivalent of cash, they do not qualify as a non-cash gift). The gift should have a value less than or equal to $40.

1. **Legal, Audit and Banking Fees**

All professional services by Attorneys must be approved in advance by the General Counsel. All professional services by CPA firms and all banking relations and services must be approved in advance by the Treasurer.

1. **Cell Phones and Other Mobil Devices** See Cell Phone Policy