



Title:	Business Expense Policy
Category:	Administration and Finance
Responsible Office:	Business Office
Last Updated:	March 10, 2022

Summary/Purpose

This policy is intended to ensure proper stewardship of Marymount Manhattan College (“MMC” or “the College”) funds by providing guidelines for their appropriate use and outlining procedures that will help all College employees comply with all applicable rules and regulations concerning expenses incurred on behalf of College business. Before incurring or approving any expense on behalf of the College, all College employees must know which expenses are allowable or unallowable under the guidelines of the College. To avoid costs for which individual employees will not be reimbursed and minimize financial risks or liabilities to the College, follow the guidelines provided in this document.

Note: Individual departments may choose to institute their own expense policy, but in no case may any department’s policy be less restrictive than the College policy.

Definitions

Approver

The individual granted the authority to review and approve (or reject) transactions that require the use of College funds. The signature of the “Approver” on the reimbursement or payment request form signifies that the “Approver” has verified the request for compliance to applicable College policies.

Business Expenses

Necessary and reasonable expenses for goods and services that benefit the College and foster or support its mission and operations. Business expenses may take the form of direct payments to individuals or agencies that provide the College with goods or services, or reimbursements to College employees for costs they incur on behalf of the College.

Conflict of Interest

A situation in which an individual or any of his / her family or associates either (1) has an existing or potential financial or other material interest that impairs or might appear to impair the individual’s independence and objectivity of judgment in the discharge of responsibilities to the College, or (2) may receive a financial or other material benefit from knowledge of information confidential to the College.

Documentation or Substantiation

Documents that describe and support a business expense or transaction, such as original receipts or other original vendor-generated documents that show type of expense, amount of expense, and date the expense was incurred.

Fiduciary Responsibility

Responsibility to manage funds in a manner consistent with MMC’s mission and the conditions specified by external sources when applicable.

Initiator

An individual who generates a business transaction.

Reasonable

Not extreme or excessive. A cost may be considered reasonable if the nature of the goods and services reflects prudent action.

Reviewer

An individual who verifies information and ensures that a transaction complies with the College's policies and procedures and other relevant external guidelines and restrictions.

Stewardship

The careful and responsible management and protection of the College's resources, which includes ensuring that resources are used appropriately or according to applicable College policies.

Stewardship Responsibility

All individuals who incur, review, or authorize business expenses on behalf of the College have a responsibility to ensure that College funds are used appropriately. All employees of the College are expected to exercise due diligence when generating, reviewing, and approving transactions that commit the College to an expenditure.

Transaction

Any event that involves an exchange of funds, such as paying a bill to a vendor, collecting a fee from a student, or making an interdepartmental charge.

Transaction Authority

Certain individuals are delegated the responsibility or authority to initiate or enter into transactions that commit the College to spend funds. All individuals incurring, approving, recording or processing payment of business expenses must know the signatory approval structure established in his/her division or department. This structure ensures that business expenses are properly reviewed.

Policy Statement

I. *College Permissible Expenses*

General Comments: Any Business Expense (as defined in the *Definitions* section of this document) reflecting proper stewardship is generally considered permissible. When any individual has reason to believe that a transaction is not in compliance with the College's Expense Policy, it is the responsibility of the individual to seek direction from the Department Head or the Business Office.

Note: The Business Office has the responsibility to audit and confirm the permissibility of business expenses.

Whenever feasible, a business expense should be paid by the College directly to the vendor through the Business Office via procedures outlined in the College's Purchasing Manual or purchased using the MMC MasterCard.

Certain expenses may be incurred by College employees in the conduct of College business using personal funds. These expenses may be reimbursed when College requirements are met.

A. Business Travel Expenses

- Transportation

- Air Travel
Travelers are expected to choose the lowest-priced, most feasible airfare available considering (i) travelers' business itinerary, (ii) flight connection times, and (iii) airline restrictions and / or cancellation / change fees.

The College will only reimburse for coach tickets (fare + taxes) and will **not** reimburse for any upgrades. The College will also not reimburse for any tickets or upgrades purchased using frequent flyer miles. If an upgraded ticket is purchased, the College will reimburse up to the level of coach fare.

- Rail Travel
Rail travel may be used whenever feasible and / or when it is more economical than air travel. Travelers are expected to choose the lowest, most reasonable fare available.

- Ground Transportation
Travelers will be reimbursed for ordinary and reasonably priced ground transportation to and from airports or railroad stations when such service is not included in air or rail fares, and for regularly available transportation between the traveler's hotel and other points of business.

- Personal Vehicles
Employees may use personal vehicles for business travel when doing so is less expensive than renting a car or taking a taxi. Valid expenses related to the use of personal vehicles for business travel are reimbursed based on the IRS's standard mileage rate, which covers the use of the vehicle and gasoline. The cost of tolls is also reimbursable provided proof of payment is obtained.

Costs of repairs to personal vehicles during business travel are deemed personal expenses; College funds cannot be used for such expenses.

Before using personal vehicles for business travel, check the requirements of your department. In some cases, prior approval may be necessary. The owners of those vehicles used for College business are responsible for ensuring adequate insurance coverage for their protection and for the protection of any passengers. Their personal auto insurance carrier is deemed the primary insurance carrier.

- Rental Cars
Costs related to rental cars are deemed valid business expenses when renting a car is less expensive or more feasible than other transportation options available. Reimbursable costs include daily rental fee, mileage fee, tolls, and authorized insurance charges. Non-reimbursable costs include, but are not limited to, vehicle repairs, parking tickets, and fines for traffic violations.

Travelers are urged to choose standard, compact-sized cars. If renting from an airport, rent onsite if possible so no ground transportation is needed. For insurance coverage, travelers must take **both** CDW (Collision Damage Waiver) and Liability Protection when renting.

- Meals while Traveling

Individuals who travel on College business are reimbursed for meal expenses according to actual substantiated costs. Travelers are required to provide detailed receipts or other appropriate documentation for all meals taken throughout the trip.

Travelers must abide to the following per diem daily meal allowance limit of \$75 per day

One alcoholic beverage is allowable for lunch and dinner meals and is subject to the daily allowance limit. Taxes and gratuities for meals are deemed part of the meal cost and will be reimbursed by the College provided they are reasonable (that is, do not exceed 15% to 20% of the total meal cost). The maximum total per diem allowance for food, taxes, and gratuity is \$75.

Travelers are eligible for the breakfast allowance on the day of departure if they are required to leave at least one hour before their normal work start time. They are also eligible for the dinner allowance on the day of return if they return at least two hours later than their normal work ending time. In these instances, departure and return times must be substantiated.

- If staying with friends or family in lieu of a hotel for 3 days or more, the Traveler may take them out for a meal not to exceed two additional people with a limit of \$50 per person per day.

Note: The College permits the use of College funds for employees' meal expenses only when overnight business travel is involved or when employees are away from their normal work location for an entire day on College business (e.g., all-day conference or meeting off-campus). Exceptions will be granted if the expense is necessary, documented, and approved by the appropriate department representative.

- Lodging

Individuals who travel on College business are expected to stay in a standard room at a hotel that is on or close to the location of business. Costs that are charged to the hotel room are deemed valid and reimbursable if they are related or necessary to College business and are reasonable (e.g. business telephone calls, calls to home, meals, and internet access)

The final hotel folio, which reflects all charges made to the room, is required for reimbursement. The College's general guideline is that lodging expenses should not exceed \$250 per day or, in more urban areas, \$300 per day. Exceptions will be granted if the expense is necessary, documented, and approved by the appropriate department representative.

- Foreign Travel

All foreign travel must be approved by the appropriate department head. It is the traveler's responsibility to be aware of the exchange rate between US currency and the currency of the country to which they are traveling in order to adhere to expense guidelines set forth in the document. Expenses incurred on foreign travel must be reported in US Dollars. Conversion fees will also be reimbursed (attach conversion slip when reporting expenses).

- Cancellations, Unused / Voided Tickets, Change Fees

Tickets that have been purchased for future trips that are subsequently cancelled may be reimbursed, provided the reason for cancellation is beyond the individual's control. Unused tickets have a cash value and must not be discarded or destroyed. Contact the airline about future use of such tickets. The College will also reimburse change fees when such fees are incurred as a result of circumstances beyond travelers' control. Cancellation or change fees incurred due to travelers' negligence are not deemed valid business expenses and are, therefore, not reimbursable.

- Miscellaneous Expenses

Other expenses that are incurred while on business travel will be deemed permissible so long as they are necessary and reasonable. Such expenses include, but are not limited to, the following:

- Overnight delivery postage for business documents (not personal items);

- Visa, passport / consulate fees (for foreign travel); and,
- Business supplies, within reason, such as presentation materials, which were not anticipated.

- Non-Employee Travel

- Lecturers and Official Guests

The travel expenses of non-employees such as lecturers, official guests and the spouses of official guests are permissible only when the travel serves a legitimate business purpose and is approved in advance by the department responsible for the expense. The travel expenses of foreign visitors may also be paid with College funds provided the visit is related to College business and the visitor enters the United States on an appropriate visa. When submitted to the College for payment or reimbursement, these expenses should be appropriately documented. The Approver responsible for the funds charged should attach a memo to a payment or reimbursement request explaining why such expenses should be paid with College funds.

- Volunteers

The travel expenses of volunteers are permissible when the travel serves a legitimate business purpose and is approved in advance by the department responsible for the expenses.

Volunteers are individuals who are not on College payroll but who perform duties or functions for the College on a voluntary basis (e.g., alumni who volunteer to assist in College events). Travel expenses of volunteers must satisfy College and federal requirements on permissibility as detailed in this document. The documentation necessary for payment or reimbursement includes:

- A memo from the department establishing the business purpose of the travel itself and confirming the involvement of the volunteer employee as necessary or relevant to the College mission (the Business Office will not process payment or reimbursement unless the memo is attached).
- Documentation of expenses reported.

B. Non-Travel Expenses Related to Business Meetings and Events

Meals (that are not related to travel) and other costs that are related to business meetings and College events may be paid using College funds when they advance the College mission or operations.

- Meals at Business Meetings

A business meal is defined as a meal taken with College trustees, faculty, staff, or students which may or may not include others from outside the College at which a substantial and bona fide business discussion takes place. The College requires the following for reimbursement:

- Substantiation of the meal itself as having a business purpose, which involves providing the reason for the meal, the names of individuals or group of individuals present, and the affiliations of those present.
- Adequate documentation, which identifies specific costs and charged to an appropriate MMC account.

- Meetings, Events, and Other Business Activities

Costs related to meetings, events, and activities that advance the College mission are permissible. Such activities include informational or training sessions provided by one division or department to

representatives of another division or department, or meals for employees attending a meeting onsite that extends over meal periods.

Costs related to activities involving official guests of the College are permissible so long as they are reasonable and have prior approval of the person responsible for the funds charged. All costs must be justified and properly substantiated in order to be deemed valid for payment or reimbursement.

C. Conference, Seminars, and Development

College funds may be used for costs related to conferences, seminars and other professional development activities that College employees attend that advance the College mission. These costs should be approved by the department responsible for the costs before being incurred.

D. Goods and Services

▪ General Purchasing Guidelines

MMC's Purchasing Department is responsible for the purchase of goods and services in support of the College mission and operations. This includes:

- Granting or rejecting Purchase Requests submitted by departments
- Determining the procurement method that is expected to obtain the most favorable cost and terms under the circumstances
- Securing competitive bids or conducting negotiations, as determined by the selected procurement method
- Developing and maintaining suitable sources of supply to assure that College requirements are consistently met in a timely manner
- Negotiating contracts, when applicable, to ensure the College is not legally compromised

MMC's Purchasing Department functions as an agent of the College and is responsible for advising departments on the availability and value of goods and services in the marketplace and is required by federal regulations to maintain a formal procurement system.

▪ Goods and Services Not Subject to Purchasing Manual Policies

In general, goods and services listed in categories below are not within the purview of the Purchasing Department. These expenses may be incurred without Purchasing Department review and approval:

- Goods and services managed by a specific College designee:
 - (i) The purchase, sale or lease of real estate, which is handled by MMC's Business Office in conjunction with the President's Office (final approval is granted from the Board of Trustees)
 - (ii) The design, construction, or alteration of plant, which is handled by MMC's Business Office in conjunction with the President's Office (final approval is granted from the Board of Trustees)

Note: Once specific projects are approved, certain purchases related to those projects may fall within the purview of the Purchasing Department.

- Items requiring a completed and approved Requisition Form (submitted directly to the Business Office rather than to the Purchasing Department) but not requiring a Purchase Order*:

- (i) Advertisements
- (ii) Advisory fees
- (iii) Annuity and debt service payments
- (iv) Car services
- (v) Commission fees
- (vi) Conference / registration fees
- (vii) Event space
- (viii) Courier services
- (ix) Events tickets when purchased for program related activities
- (x) Insurance payments (comprehensive, general liability, malpractice)
- (xi) Legal fees
- (xii) Mailing lists
- (xiii) Mass transit tickets to be used for local business travel by the school or department
- (xiv) Institutional membership fees
- (xv) Permits
- (xvi) Subscriptions (renewals, magazines, newspapers, etc.)
- (xvii) Temporary service agencies

**** If multiple payments are needed for any of these items, a Purchase Order must be issued***

- Items not requiring a Requisition Form or Purchase Order:

- (i) Goods or services obtained through the following methods:

1. Goods or services that are obtained using the MMC Master Card. Examples may include:

- a. Advertisements*
- b. Books and periodicals
- c. Car services*
- d. Conference / registration fees
- e. Mass transit tickets to be used for local business travel by the school or department for events that require attendance.
- f. Job-related organizational dues
- g. Subscriptions (renewals, magazines, newspapers, etc.)

*These do not require a Requisition Form be submitted to the Business Office when no contract is required; a Blanket Order may be established through the Purchasing Department when ordered on a repetitive basis.

2. Minor, incidental expenditures that may be paid or reimbursed through the College's petty cash fund (see "Goods of Minimal Value" section below).

- (ii) Catering expenses

All catering orders should be made through the College's food services provider (Chartwells) using their online catering system.

For goods and services not included above, specific purchasing policies may apply. To avoid incurring inappropriate costs, check the Purchasing Manual before you incur an expense.

- Goods of Minimal Value (Petty Cash Transactions)

Petty cash funds are established and maintained by the Business Office for the purpose of providing

cash sufficient to cover minor office expenditures (not to exceed \$100). All employee requests for reimbursement must be submitted through the Business Office.

Requests for reimbursements via Petty Cash must be itemized on a Petty Cash form. The form must include a list of each transaction, a description, the costs, total costs, the appropriate budget code and reconciling receipts. This form must be signed by the appropriate department head prior to being given to the Business Office, and then signed once again when the cash is received.

The petty cash fund may not be used to cash checks of any kind or to grant salary advances to College personnel.

- Goods of Greater Value (Cash Advances)

Cash Advances are used to cover anticipated expenses in excess of the petty cash limit of \$100. All employee requests for advances must be submitted through the Business Office at least 10 business days prior to the anticipated expenditure for review and processing. Cash Advance forms should also include support of anticipated expenditure(s). Expenses that may be reimbursed from Cash Advances include, but are not limited to, the following:

- Anticipated expenditures where the MMC credit card is not accepted.
- Anticipated expenses for non MMC credit card holders.
- Expenses in excess of MMC credit card limits.

Examples in which Cash Advances must NOT be issued include, but are not limited to:

- Personal expenses, fraudulent and illegal expenses and expenses that will be reimbursed from another source.
- When Cash Advance form has not been approved by designated head of department.

The Cash Advance form should be completed in its entirety up to the Business Office Only section. Before processing, the Cash Advance Form must be signed by:

- Employee submitting the request
- The Department Head/Division Chair
- The Departmental Vice President (applicable Cash Advances for \$5,000 or more, or if being submitted by the Department Head/Division Chair)

If unsure of signatures, review the Authorized Signature file provided by the Purchasing Department. The Purpose of Expenditure section of the form must be clear and concise, leaving nothing to the imagination. Ensure that the estimated GL Line correlates with the anticipated expenditure and has the necessary funds available.

An expense report listing each transaction, a description, the cost, total costs, the appropriate budget code and reconciling receipts must be submitted to the Business Office no later than two weeks after the expenditure has occurred. The following are three typical cash advance reporting situations, and how they should be handled:

- Expense reporting that matches Cash Advance amount:
 - Submit expense report that includes itemized expenses, a description, the costs, total costs, authorizing signatures, the appropriate budget code and reconciling receipts.
- Expense reporting in excess of Cash Advance amount:

- Submit expense report that includes itemized expenses, a description, the costs, total costs, total amount to be reimbursed, authorizing signatures, the appropriate budget code and reconciling receipts.
- Expense reporting less than Cash Advance amount:
 - Submit expense report that includes itemized expenses, a description, the costs, total costs, total amount being submitted (cash or check), authorizing signatures, the appropriate budget code and reconciling receipts.

If the above support substantiating the cash advancement is not received within 60 days of the expenditure being incurred, the amount of the cash advance may be subject to being treated as a taxable fringe benefit. A new Cash Advance will not be issued to an employee if the expense reporting for a prior advance has not been received and processed by the Business Office.

E. Professional and Other Services

- Independent Contractors and Consultants

The College allows departments to engage the services of independent contractors or consultants when the needed skills or expertise are not readily available within the College. Please note that the tax and other requirements appropriate to their designation differ from those applied to individuals classified as employees.

- Honorariums

College funds may be used for an amount or item presented as a gesture of goodwill or in appreciation of efforts and time given by individuals to the College, such as a guest lecturer or a speaker from outside the College. The College requires that such expenses be reasonable and made under conditions or circumstances that do not create a significant likelihood for the gesture to be deemed as “disguised” payment. Honorariums are considered taxable income to the individual receiving the benefit.

- Legal Services

Use of legal services can only be initiated by trustees, president, executive counsel and associate vice presidents. All invoices for legal services must be reviewed and approved by the initiating department prior to being submitted to the Business Office for payment.

F. Expenses Related to Improvement of Working Conditions and Relations

College funds may be used for expenses related to the improvement of working conditions and employee relations (e.g. awards). These expenses must not be charged to sponsored projects or restricted funds and should be identified on the payment form using an appropriate code or account.

Expenses should be reviewed on a case-by-case basis, approved by an appropriate College designee (Department Head or Dean), justified through a memo, and supported by appropriate documentation. Because they primarily benefit individual College employees and students, these expenses may be deemed taxable income to the individual receiving the benefit unless the expense has a bona fide business purpose and is sufficiently documented.

All documentation should be collected and maintained as support for the exclusion of fringe benefits in W-2 income. If the record keeping requirement is not satisfied, the employee will be subject to tax withholdings.

- Gifts, Prizes, Awards to Employees

The College recognizes the contribution of employees to the furtherance of the College's mission and may on occasion confer gifts, prizes or awards as tokens of appreciation. Specific requirements apply for gifts, prizes, and awards to be deemed excludable from the recipient's taxable income.

Note: Under no circumstances will any individual be reimbursed for cash gifts. Under Internal Revenue Code Section 132, a gift card, gift certificate, store-value card or a prepaid credit card, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes regardless of the face value. All gifts, regardless of the amount, must be used at and for college purposes.

Sample items in lieu of gift cards include:

1. Tickets for entertainment, such as movie theaters or sporting events.
2. T-Shirts, Coffee Mugs, Key Chains, with the MMC logo.
3. Flowers, fruit, books, candy.
4. Dining Dollars

- Flowers, Fruit Baskets, Donations, etc.

College funds may be used for flowers, fruit baskets, and small donations when these expenses are incurred under reasonable and appropriate circumstances (such as when an employee or a student is hospitalized, when an employee retires, or when an immediate family member of an employee is ill or dies).

Office Parties and Events

College funds may be used for expenses related to office parties and events that are intended to foster better relations among employees and improve working conditions. It is necessary, however, to itemize the expenses (to document expenses that may not be allowable under federal guidelines), provide adequate documentation (original itemized receipt), explain the specific purpose of the event, and provide a list of individuals (or groups of individuals) involved. Alcohol purchases of any kind for the event must receive approval from the Divisional VP and Business Office prior to ordering. If parties or events are held on campus, the College's food service provider must provide catering services, including bartending services.

G. Lobbying Activities

Lobbying activities intended to advance the College's mission are deemed unallowable.

H. Expenses

Expenses that are not incurred in a regular manner (or deemed necessary to day-to-day operations of the College) but are incurred in the furtherance of the College mission **may** be deemed permissible. However, these expenses (examples listed below) should be reasonable, justified, properly substantiated, and authorized by the head of the department or division before being incurred. Payments or reimbursements for some expenses in this section may be considered taxable income to the individual receiving the benefit. Please consult with the Business Office for further guidance.

- Membership in Professional Organizations, Professional Dues/Fees, Subscriptions

Memberships or professional dues or fees are deemed business expenses only when membership is primarily for College purposes or representation of the College in the organization or association. Subscriptions are also deemed business expenses when they are for publications related to the functions of individuals in the College. Payment or reimbursements for some expenses of this kind may be deemed taxable income to the individual receiving the benefit.

- Home Office Costs

College funds may be used for costs incurred by certain individuals who need, or are authorized, to work from home occasionally. These costs however must be necessary to meet official job duties, and should be approved before being incurred. Justification and appropriate substantiation are necessary for expenses related to home office functions to be paid from College funds.

II. *Non-permissible Expenses*

Any expense that does not reflect proper stewardship or does not qualify as a Business Expense as defined in the *Definitions* section of this document is considered non-permissible. When non-permissible expenses (listed below) are submitted to the College for reimbursement or payment, they will be rejected, unless they are justified in a memo as reasonable and necessary in carrying out a College task or function. The memo should be submitted to the Approver (as defined above) for review and approval.

A. Gift Cards

Gift Cards and/or Cash gifts are prohibited for purchase. Under Internal Revenue Code Section 132, a gift card, gift certificate, store-value card or a prepaid credit card, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes **regardless** of the face value.

B. Personal Expenses

Personal expenses refer to expenses that are not related to any activity of the College, are not required in carrying out an individual's task or responsibility at work, or do not benefit the College. Personal expenses include, but are not limited to, the following:

- Upgrades (air, hotel, car, etc.) when traveling on College business. The difference in the upgraded price versus the base price will not be reimbursed
- Meals and alcohol when not conducting College business
-
- Telephone charges in excess of what is deemed reasonable for calls to home when on business travel (see "Expenses Related to Business Travel" section in this document)
- Work-related attire (excluding uniforms and other safety attire)
- Fees associated with products or services purchased for personal use on MMC equipment and / or data plans (e.g. music or audio books purchased on an MMC-owned and -issued iPad)
- Delinquency fees or finance charges on any MMC-issued or personal credit card, including those incurred as a result of failure to submit reimbursement forms in a timely manner
- Dues in private clubs
- Fees associated with frequent flyer programs, credit card rewards and other similar awards or loyalty programs
- Grooming services (haircuts and shoe shines)
- Gym and recreational fees, including massages and saunas
- In-room movies
- Medical care (unless emergency medical care is needed as a result of injury that occurred during the course of travel)
- Traffic violation penalties
- Automobile repairs

- Child care
- Pet care

C. Expenses of Non-Employees

College funds cannot be used for expenses of individuals who are not MMC employees, are not affiliated with the College, and whose activities do not advance the College mission. Examples include, but are not limited to, the following:

- Travel expenses of a spouse, family member, or acquaintance accompanying a College employee on business travel (unless the attendance of the person accompanying the employee is required).
- Expenses of students and other individuals affiliated with but not employed by the College except in the instance where the expenses are related to a specific program, meet other applicable requirements in this policy, and are approved by the relevant department.

III. *Tax Issues*

General Comments: Certain transactions are not allowed under tax law while others are subject to tax reporting, tax withholding, or both. Some of these other transactions are subject to a variety of miscellaneous taxes identified wherever possible throughout its documentation. Below is a sample of those taxes with some general guidelines:

- Payments to foreign nationals authorized to perform services in the United States are subject to specific tax rules and regulations.
- Business tax reporting must include information on an individual's citizenship, legal name, permanent mailing address, and in most instances a United States federal identification number, so that the College can meet tax-reporting requirements.
- Some business expenses must be treated as wages, subject to W-2 reporting and / or payroll tax withholding (e.g., cash awards to employees, most gift certificates, and certain moving expenses).
- Business expenses may be subject to miscellaneous taxes such as sales tax, excise tax, value added tax, gross receipts tax, etc. MMC is exempt from sales tax under most conditions. A tax exemption form can be requested from the Business Office, and should be used wherever possible when purchasing items using College funds.

IV. *Responsibilities*

The responsibilities of individuals and offices involved in transactions that concern College funds include, but are not limited to, the following:

A. Initiator

Individuals initiating a transaction on behalf of the College are responsible for assessing whether an expense supports the College mission and may be paid or reimbursed using College funds. He / She must ensure that a business expense is:

- A permissible MMC business expense;
- Within budgetary constraints;
- Ordinary and reasonable;
- In compliance with the purchasing and other applicable policies and procedures of the College;
- In compliance with funding designations and/or guidelines;
- Appropriately documented;
- Approved or authorized.

B. Approver

Approvers are expected to be familiar with the types of expenses incurred in their area and to determine what may constitute valid, necessary, and reasonable business expenses. Approvers therefore have the primary responsibility for ensuring that an expense:

- Is legitimate or necessary in the conduct of College business in the area;
- Is allowable under donor guidelines, when applicable;
- Is supported by adequate and appropriate documents;
- Meets all applicable compliance requirements;
- Does not indicate apparent conflict of interest on part of individuals involved in transaction; and
- Is charged to the proper account.

C. Business Office

- Audit and confirm the permissibility of business expenses under federal / College guidelines.
- Promptly process payments and reimbursements of business expenses.
- Provide guidance on College policy on business expenses.

D. Department Heads - See "Approver."

E. Contacts - Direct any general questions about the Business Expenses Policy to your department's administrative office.

Applicability

Entire College Community

Policy Authority

Business Office

Related MMC Policies/Documents

Purchasing Manual, MMC PCard Procedures, Record Retention Policy, Petty Cash Voucher, Cash Advance Form, Expense Report

APPENDIX II: INCURRING & PAYING FOR VARIOUS TYPES OF BUSINESS EXPENSES

Type of Expense	Processing Methods		Contact for More Information
	How Expense Incurred	To Pay Business Expense	
Business expenses	MMC MasterCard, Personal Credit Card/Funds	MMC MasterCard Monthly Statement Processing, Petty Cash	Business Office
Business Meals (Non-travel)	MMC MasterCard, Personal Credit Card/Funds	MMC MasterCard Monthly Statement Processing, Expense Reimbursement Form	Business Office, Accounts Payable
Business Meals (Travel)	MMC Credit Card, Personal Credit Card/Funds, Cash (Issued as Advance)	MMC MasterCard Monthly Statement Processing, Expense Reimbursement Form, Cash Advance Form	Business Office, Accounts Payable
Employee Services, Stipends	Human Resources Department	Payroll	Human Resources, Payroll
Gifts, Prizes, Awards (to Employees)*	Purchase Requisition	Payroll	Payroll
Independent Contractors	Independent Contractor Agreement or Contract	Accounts Payable	Accounts Payable
Items Within Purchasing Department Purview	Purchase Requisition	Accounts Payable	Purchasing, Accounts Payable
Professional Services (Not Involving Purchase Orders)	Consulting Agreement or Contract (Wherever Applicable)	Accounts Payable	Accounts Payable
Office Parties and Other Business Events	Purchase Requisition, MMC MasterCard, Personal Credit Card/Funds, Cash (Issued as Advance)	MMC MasterCard Monthly Statement Processing, Expense Reimbursement Form, Cash Advance Form	Purchasing, Business Office, Accounts Payable
Travel (Air / Rail Transportation, Lodging, etc.)	MMC Credit Card, Personal Credit Card/Funds, Cash (Issued as Advance)	MMC MasterCard Monthly Statement Processing, Expense Reimbursement Form, Cash Advance Form	Business Office, Accounts Payable

Note: Gifts/prizes/awards, Independent Contractors, and Professional Services must be processed through Accounts Payable (non MMC employees) or Payroll (MMC employees) to ensure proper tax documents are provided to the individuals and government agencies where applicable