

COLLEGE *of*
CHARLESTON

FOUNDATION

EXPENSE REIMBURSEMENT POLICY

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ANY REIMBURSEMENT POLICY NOT SPECIFICALLY ADDRESSED HEREIN SHALL FOLLOW

THE POLICY OF THE COLLEGE OF CHARLESTON.

College of Charleston Foundation

The College of Charleston Foundation is a non-profit corporation that operates within the provisions of Sections 501(c)(3), and 509(a)(1) of the Internal Revenue Code of 1986, as amended. The mission of the College of Charleston Foundation (Foundation) is to support the College of Charleston (College) in all of its educational, research, instructional, scientific, literary, service, charitable, and outreach endeavors. The Foundation is committed to lawful and ethical behavior in all of its activities and requires that its directors, employees, and consultants conduct themselves in a manner that complies with all applicable laws and policies.

1 GENERAL INFORMATION

The Foundation has a fiduciary responsibility to ensure that all expenditures comply with donor imposed restrictions, do not jeopardize the financial or tax-exempt status of the Foundation, and are prudent uses of the resources of the Foundation.

The College of Charleston Foundation uses an accountable plan for expenditures and reimbursements based on guidelines set by the Internal Revenue Service (see Publication 15) with the following three requirements:

- There must be a business connection and the expense must be reasonable. This means that we must have an explanation of the business purpose for the expense.
- There must be reasonable accounting for the expense. Original statements, invoices and receipts are preferred for reimbursement. Handwritten receipts/invoices must contain the vendor's name, address, and signature. Faxed copies of invoices are acceptable. Other documentation required includes the time, date, location, and a list of attendees for a meal reimbursement. Requests lacking the required documentation will not be processed until completed.
- Requests for reimbursement should be made in a timely manner, not to exceed 60 days from the date of the expense. Payment of expenses in advance of an event, such as conference registrations, deposits, etc. will be made only to business and organizations, not individuals, and not more than 90 days in advance of the event. Payments to individuals for performing services will not be issued until the services have been performed or delivered.

1.1 Authorization

All Check Request Forms must be signed by an authorized signer for the Foundation account being charged. A Signature Authorization Form or Restricted Account Authorization form is required to be on file in the Foundation office. An authorized signer may not sign for his or her own reimbursement and must have the signature of his/her supervisor. An authorized signer should also obtain supervisor approval for any check request on his/her behalf (i.e. memberships, training, conference fees, etc.).

1.2 Cash Advances

The Foundation does not issue cash advance payments. The Foundation primarily operates on a reimbursement basis with regard to expenses paid and requires documentation to support requested reimbursements.

1.3 Coupons & Rewards

The Foundation cannot reimburse for the use of a coupon or use of rewards from a rewards program. Only actual cash tendered will be reimbursed.

1.4 Foreign Payments

If a check request is being mailed to a foreign address, the department will be contacted to pick up the check and mail it. The Foundation only sends checks that can be mailed with a first-class stamp to a US address.

1.5 Foreign Currency

When claiming reimbursement for expenses that are in a foreign currency, the Check Request form should be completed in U.S. dollars and the rate of exchange must be documented. (Provide a copy of exchange rate document - recommended site for currency exchange rates is <http://www.oanda.com/>). Rate of exchange must be calculated based on the date the expense was charged.

1.6 Forms

The document to use for requesting payment from the Foundation is a Foundation Check Request Form. See <http://foundation.cofc.edu/resources/forms> for a listing of all forms. Follow the instructions on the Check Request Form regarding additional attachments that may be necessary. The Foundation will not issue payment unless the Check Request form has been properly completed and signed.

1.7 Processing Time

Generally, Check Request Forms received on Mondays by 12:00 PM will be processed by Friday of that same week. Incomplete reimbursement requests will not be processed for payment and any unresolved issues will cause a delay in payment. Holidays or technical difficulties may alter this schedule.

1.8 Stop Payment Requests

If a payee loses a check issued by the Foundation, the Foundation will reissue the check. The department which submitted the check request must make this request. The Foundation will place a "stop payment" on the check. The department account on which the check was drawn will incur a charge equivalent to the current bank stop payment fee assessed. If the original check is available, it must be returned to the Foundation.

2 CONTRACTS AND HONORARIA

2.1 Contractual Services

A Contractual Service is defined as non-honorarium work performed by an independent contractor, whether an individual or a business, requiring specialized knowledge, experience, or expertise. Contractual service payments cannot be paid to College employees or students.

Required Forms: (1) Non-State Pay Form and (2) IRS Form W-9

Note that payments to individuals must include the address of their permanent residence and the Foundation will provide an IRS Form 1099 to the requisite parties as applicable. If the payee is not a US citizen, please refer to “2.3 Non-Resident Aliens”.

2.2 Honoraria

An honorarium is a payment given for professional services that are rendered nominally without charge. Honoraria cannot be paid to College employees or students. Honoraria are taxable as other income to the recipient and subject to reporting on IRS form 1099.

Required Forms: (1) Non-State Pay Form and (2) IRS Form W-9

Note that payments to individuals must include the address of their permanent residence. If the payee is not a US citizen, please refer to “2.3 Non-Resident Aliens”.

2.3 Non-Resident Aliens

Payments to Non-Resident Aliens follow all of the general requirements; however, the IRS requires that we collect additional information. Please follow the steps below.

1. Complete the [Application for Payment to Nonresident Alien](#)
2. Complete IRS Form [W-8BEN](#)
3. Make a copy of their VISA, SS Card, ITIN (Individual Taxpayer Id Number), or passport.
4. Check to see if the person’s country has a tax treaty with the US, by reviewing [IRS Publication 901](#). If yes and they want to claim the benefit, complete the [IRS Form 8233](#) and [Foundation Certification Form](#). There may be IRS withholding up to 30% of payment amount if no tax treaty exists.
5. Complete a Foundation Check Request Form and attach items 1 – 4 above. Be sure to include items supporting business purpose such as Award Recipient Profile Form (if student award), invoice, or copy of program to document the expense.

2.4 Other State Agency Employees

All payments for services or honoraria for state employees must be paid through the College in accordance with its policies and procedures.

3 DUES AND FEES

3.1 Dues

Dues to professional organizations can be paid by the Foundation if the membership is reasonable and justifiable and provides a benefit to the College. Memberships to social organizations or clubs (Harbor Club, etc.) can be paid with Foundation funds for a Dean or Vice-President with approval from the President's or Provost's office. The Foundation will issue a 1099 to the Dean or Vice-President for the payments per IRS regulations.

Memberships to discount shopping organizations (Sam's, etc.) must be in the name of the College or Department and can be used for College business only. These memberships would be required to run through the College Procurement Office and will not be paid by the Foundation.

3.2 Fines

The Foundation does not reimburse fines, such as for moving or non-moving violations (ex. parking tickets).

3.3 Late Fees

Late Fees/Rebiling charges will not be paid with Foundation funds.

3.4 License Fees

The Foundation can pay professional license fees for individuals when the license enhances the business purpose of the College (i.e. South Carolina Bar Association license fees, Certified Public Accountant license fees, etc.).

3.5 Parking Reimbursement

The Foundation will not reimburse College employees for on-campus parking costs in accordance with IRS regulations regarding qualified transportation fringe benefits in IRC 132. Parking costs for guests of the College can be reimbursed if documentation of the cost is provided.

4 EMPLOYEE RECRUITMENT & SALARY SUPPLEMENTS

4.1 Employee Recruitment Expenses

The Foundation can reimburse a candidate for College of Charleston employment for interview-related expenses. The reimbursement can include the cost of accompanying immediate family members (spouse and/or children). Reimbursement cannot exceed actual expenses incurred. These payments are generally not taxable. Examples of interview expenses: Airfare, hotel, car rental, mileage, food, etc.

4.2 Employee Relocation /Moving Expenses

Relocation expenses of new employees are eligible for reimbursement if included in the terms of the initial employment as documented by the employment offer letter. All Relocation Expenses for employees must be processed through the College in accordance with [the College policy on Moving Expenses](#). These expenses can be charged to a Foundation account; however, the Foundation cannot issue checks for direct reimbursement of moving or other deductible or non-deductible relocation expenses.

Only the costs of moving personal and household effects are reimbursable:

Allowable Reimbursement Expenses:

- One door to door move
- Payments to a moving company
- Rental truck and gas for the truck
- Packing materials
- Car Shipments

Non-Reimbursement Expenses

- House hunting trips
- Temporary living expenses
- Meals
- Cost of general repairs, maintenance, and insurance
- Multiple trips
- Airfare
- Mileage
- Hotel

4.3 Salary Supplements

The Foundation allows salary supplements to be paid with Foundation funds; however these payroll items must run through the College. The Foundation will reimburse the College for salary supplements, chair payments, and professorship supplements, including fringe benefits, as approved by the Office of the Provost or the President. For information on College forms to submit, please see the [HR Website](#).

5 EQUIPMENT AND OTHER ASSET PURCHASES

5.1 Books & Periodicals and Other Information Materials

Books, periodicals and other information materials purchased with Foundation funds will become the property of the College or Foundation. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundation funds. Assets purchased with Foundation funds are not the property of any individual. All items purchased with Foundation funds must be shipped to a College address.

5.2 Computer, Computer Accessories or Software

Computer equipment, accessories and/or software purchased with Foundation funds will become the property of the College or Foundation. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundation funds. Assets purchased with Foundation funds are not the property of any individual. All items purchased with Foundation funds must be shipped to a College address.

5.3 Purchases – Equipment/Software/Books

Assets purchased with Foundation funds will become the property of the College or the Foundation. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundation funds. Assets purchased with Foundation funds are not the property of any individual. All items purchased with Foundation funds should be shipped to a College address.

6 FOOD AND MEALS

All meals and refreshments should be modest in value and should not take precedence over the educational or business event. Requests for reimbursement of meals must include the business purpose of the meal or event. *The Foundation reserves the right to investigate activity that appears to indicate abuse or misuse of Foundation funds.*

6.1 Alcohol Purchases

In compliance with South Carolina law, alcohol can be served only to persons of legal drinking age. It is the responsibility of the department making the purchase to ensure that alcohol is not served in any illegal manner. The department is also responsible for ensuring that an approved Alcohol Management Plan is completed and approved by Public Safety, in accordance with [College policy on Alcohol](#).

The Foundation will only pay for alcohol purchased in conjunction with event meals and entertainment if an approved Alcohol Management Plan is provided with the check request or prior to an event charged to Aramark. The alcohol management plan must be pre-approved by the Department of Public Safety before the event may be held.

For small, sit-down meals at a restaurant, no Alcohol Management Plan is needed for reimbursement of alcohol; however, the dollar amount of requested reimbursement for alcohol consumption should not exceed \$25.00 per person per meal (including tax and gratuity). The amounts should generally be much lower. Please refer to “Meals” for further information.

If you have any questions, please contact the Foundation prior to your expenditure to ensure proper and full reimbursement.

6.2 Food and Meal Expense

Requests for reimbursement of meals/business cultivation expenses must include the time, date and location of the event, the business purpose of the event and a list containing the name and title (or other designation sufficient to establish the business relationship) of each attendee per IRS Publication 463.

The maximum reimbursement level for a meal (including alcohol, tax, and gratuity) is \$75.00 per person. The dollar amount of requested reimbursement for alcohol consumption should not exceed \$25.00 per person per meal. Please see “Alcohol” for further restrictions on alcohol purchases. Note: The College’s standards for meal reimbursement from state funds may differ from the Foundation’s policy. Consult the Controller’s office regarding College policy. The Foundation will only reimburse meal expenses based upon actual receipts.

The Foundation does not pay a per diem rate.

6.3 Catering Services

All catering services for on-campus events will be provided by the College’s contracted caterer (currently Aramark). Aramark will bill the Foundation directly for these

services. Aramark invoices must have approval from an authorized signer for the account being charged before being submitted to the Foundation.

A Check Request for off-campus catering services must contain the social security number or the Federal Tax Identification Number (FEIN) of the caterer. The Foundation will issue IRS Form 1099 to all caterers, as applicable.

Please remember that if alcohol is being served, the Foundation cannot pay for or reimburse for any alcohol until an approved Alcohol Management Plan is obtained. Please see “6.1 Alcohol” for more information.

6.4 Parties/Luncheons/Receptions

Holiday parties, luncheons and receptions are reimbursable at the following rates:

- Events involving primarily College of Charleston faculty, staff and/or students: reimbursement rate should not exceed \$25.00 per person;
- Events aimed primarily at outside constituents such as alumni and prospective donors: reimbursement rate should not exceed \$75.00 per person.
- Note policies relating to alcohol purchases under “Alcohol”.
- When room costs for functions are charged, the room charge will be treated as a separate item and does not have to be factored into the food costs noted above.

All payment requests for holiday parties/luncheons/receptions should include the approximate number and classification of attendees on the form (i.e., alumni, donors, public, faculty/staff or students, etc).

7 GIFTS, DONATIONS AND TICKETS

The Foundation was established for the exclusive support of the College of Charleston, and is therefore prohibited from issuing gifts to other charitable organizations. College groups or student organizations who are actively soliciting donations for an outside charity must work with and direct the donations directly to that charity. The Foundation is not able to process the transactions from a solicitation or event benefitting an outside charity and then issue a check to the outside charity. Questions regarding a planned event and whether related transactions may be processed through the Foundation should be directed to the Senior Accountant at the College of Charleston Foundation at (843) 953-5780.

7.1 Gifts

Gifts to College employees are prohibited except in circumstances of retirement or departure from the College after significant years of service. Similarly, gifts of recognition (i.e. “thank-you”) are also prohibited, regardless of whether the employee’s service or effort for which

he or she is being recognized is separate from his or her job function. If you have any questions, please contact the Foundation prior to your expenditure to ensure proper and full reimbursement.

The Foundation will allow gifts to non-College individuals at a maximum reimbursement amount of \$75.00.

Per IRS Publication 463, the maximum reimbursement level for a business gift to an individual is \$25.00. Gifts in excess of that amount are considered income to the individual. IRS policy states that a business gift to an individual's spouse is considered an indirect gift to the individual; therefore, it is not counted separately when applying the \$25 limit. Incidental costs, such as engraving, mailing or gift-wrapping that do not add to the value of the gift are not considered in determining the cost of a gift for purposes of the \$25 rule. Items that cost \$4 or less and bear the College/department name or logo are not considered gifts for the purposes of the \$25 limit.

7.2 Gift Cards

The Foundation is unable to purchase or reimburse for gift cards.

7.3 Political Activity

The College of Charleston Foundation does not engage in political activity and does not permit its resources to be used to support political activity pursuant to the Internal Revenue Code. Examples of political activity include making campaign contributions or paying to attend fundraisers for candidates.

7.4 Donations, Flowers & Memorials

The Foundation will issue a check directly to a charitable organization as a memorial gift (in lieu of flowers) upon receipt of a completed Check Request Form. Memorial contributions are not reimbursable to individuals. The limit on memorial gift requests shall be \$75.00.

Flowers

The maximum reimbursement for flowers is \$90.00; allowable purchases include:

Hospitalizations and funerals - Flowers may be sent to employees of the College and their immediate family members for hospitalizations and funerals.

Donor recognition/appreciation - Flowers may be sent to donors and should be reasonable.

Event flowers (i.e., banquets, ceremonies, graduation) - must be reasonable in cost for the event.

Flowers for employee recognition (birthday, promotion, etc.) are prohibited.

7.5 Tickets

Tickets purchased using Foundation funds are to be used only for donor cultivation. Accordingly, tickets may be provided to prospective donors and invited guests of the College and their immediate family. Use of tickets by College employees is prohibited

except when the employee is accompanying a prospective donor or invited College guest. Use of tickets by family or friends of College employees is strictly prohibited.

A list of attendees, including both the name and title (or other designation sufficient to establish the business relationship) of the attendee(s), should be provided to the Foundation with the Check Request Form.

The purchase of tickets to a charity's fund raising dinner/gala is permissible if it is related to the employee's College responsibilities. The representative/employee is permitted to bring a spouse or guest. The cost of the ticket for the spouse or guest may not exceed \$75.00. **Please coordinate all community events through the College's Community Outreach Committee in the President's Office.**

8 STUDENT FINANCIAL AID & AWARD PAYMENTS

8.1 College Faculty/Staff Awards

All faculty/staff awards will be processed through the College in accordance with its policies and procedures. The Foundation cannot pay College employees directly for awards; however, the department can charge their Foundation account for these expenses.

8.2 Student Awards

Prizes and awards are amounts received primarily in recognition of religious, charitable, scientific, educational, artistic, literary, or civic achievement, or are received as the result of entering a contest. Student awards may be processed through the College in accordance with its policies and procedures. The Foundation will also issue payment for an award or prize as long as it is not compensation for additional work performed or for additional responsibilities.

Awards are normally taxable as other income to the recipient and subject to reporting on IRS form 1099. The Foundation requires submission of an Award Recipient Profile form to gather all pertinent information. If the Award is for a Non-US Citizen, please refer to "2.3 Non-Resident Aliens". In addition, prizes or awards paid to students must be reported to the Financial Aid Office. It is the responsibility of the requestor to make this notification.

8.3 Student Scholarships

Per Title IV of the Higher Education Act of 1965, the College signs a participation agreement that requires the coordination and communication of all aid awarded to a student. For this reason, the Foundation requires scholarships to be awarded through

the College's Office of Financial Aid. The College subsequently invoices the Foundation for any scholarships funded via Foundation Accounts [for example, endowments and other restricted funds].

8.4 Temporary Student Workers:

If a department wishes to hire a student, they may use Foundation funds to cover the cost; however, the student will need to be paid through the College payroll system. Please contact the Student Employment Programs Coordinator in the College's Career Services Department.

9 TRAVEL

9.1 General Travel Reimbursement Guidelines

A traveler on official business will exercise the same care in incurring expenses and accomplishing an assignment that a prudent person would exercise if traveling on personal business. Circuitous routes, excess costs, delays or luxury accommodations, unnecessary or unjustified in the performance of an assignment, are not considered exercising prudence. Personal items purchased while traveling are not reimbursable travel expenses.

Payments to individuals for reimbursement of travel expenses will be made only after the travel has occurred. Reimbursement to individuals cannot be made in advance. Requests for reimbursement must be made within 60 days after the travel has occurred in accordance with IRS policy for accountable reimbursement plans.

The Foundation may reimburse travel expenses for spouses or family members with the appropriate Dean or Executive Vice-President's approval. Such reimbursements are taxable to the recipient and will be subject to reporting on IRS Form 1099. These reimbursements will also be disclosed on the IRS Form 990 (a public document) if required by IRS regulations.

Air travel should be via coach class in almost all cases. First class travel is permitted only under special circumstances such as an unusually long flight or a passenger's physical limitations and requires advance approval from both a Dean or Executive Vice-President and the Foundation. First class travel will be reported on IRS Form 990 if required.

No reimbursement for overnight accommodations will be made within fifty (50) miles of the employee's official headquarters and/or residence.

For expenses incurred in a foreign country, see section 1.5 Foreign Currency.

9.2 Automobile Expense Reimbursement

The Foundation reimburses automobile expenses on a standard mileage rate basis only. Please see "Mileage" for more information.

9.3 Hotel

No reimbursement for overnight accommodations will be made within fifty (50) miles of the employee's official headquarters and/or residence. Reimbursements should be based on the single-occupancy rate. Charges for personal expenses incurred during a hotel stay (in-room movies, dry cleaning, etc.) are not reimbursable by the Foundation.

9.4 Meals

Meal expenses incurred while traveling will be reimbursed based upon actual receipts. The Foundation does not pay a per diem rate.

9.5 Mileage

The Foundation uses the standard mileage rate as set forth by the [Internal Revenue Service](#) for the reimbursement of vehicle expenses. Actual charges for repairs, maintenance, or gasoline used in a personal vehicle are not reimbursable. A lower reimbursement level may be set for specific colleges or departments as deemed necessary by the Dean or Department Chair. The Foundation will not reimburse for the use of a personal car within 10 miles of an employee's official headquarters and/or place of residence.

If a privately owned vehicle is used on official College business and an accident occurs, the operator's insurance is responsible for payment up to the maximum liability. Please consult the College in reference to any amount the College's insurance may be able to pay up to the College's maximum liability. The Foundation will not pay deductibles associated with insurance claims as a result of the use of a privately owned vehicle.

The Foundation will reimburse charges for gasoline only when its use is associated with a rental car. In accordance with IRS rules regarding accountable travel reimbursement plans, reimbursement for gasoline used in an employee's personal vehicle will be made using mileage reimbursement as stated above.

9.6 Per Diem

The Foundation does not pay a per diem rate for meal or travel expenses. Please see "Meals".

9.7 Personal Expenses

No reimbursements are allowed for expenditures of a personal nature. The Internal Revenue Service guidelines of reasonable and necessary business expenses are utilized in all cases of determination of appropriate reimbursements.