

Expense Reimbursement Policy

Policy Statement

Pitzer College (the College) will reimburse an employee for, or pay directly to a College vendor, or pay via College purchase card, actual College business-related expenditures that are necessary for the performance of assigned responsibilities. This policy should be used in conjunction with the [College Travel Policy](#).

The College sustains and promotes an environment where each individual department is in the best position to determine what is needed to operate their programs, including which expenses must be pre-approved.

Guiding Principles

- The IRS does not allow for tax-free reimbursement of lavish or extravagant expenses. Employees are expected to use prudent judgment and ensure all expenses submitted for reimbursement are reasonable based on the facts and circumstances.
- Generally, employees should obtain prior approval for expenses from their supervisor. Expenses that have not been approved in advance may not be reimbursed.
 - However, departments may establish procedures or protocols for re-occurring expenses or other routine transactions that may not require consultation with a supervisor every time the expense is incurred.
- The College-related business purpose of all expenses submitted for reimbursement should be thoroughly documented. This is an IRS requirement. Reimbursement requests submitted with insufficient documentation of the College-related business purpose may be returned to the employee who is requesting reimbursement.
- Reimbursement requests that are not subject to the Travel Policy should be submitted within **30 days** of when the expense was incurred to allow time for review and approval. Requests submitted beyond **30 days** may not be reimbursed. Due to IRS requirements, any expense reimbursement granted beyond **60 days** of when the expense was incurred will be added to the employee's taxable income and is subject to applicable taxes/withholdings (or in the case of non-employees, reported as miscellaneous income on the IRS form 1099).
- Unless otherwise noted below, you must have documentary evidence of the expense such as receipts or invoices to be reimbursed.
- In some cases, failure to follow IRS regulations may result in significant IRS penalties to both the employee and the College.

How to Request Reimbursement

College employees should process expense reports via Workday to request a reimbursement for work-related expenses, reconcile purchase card purchases, or to clear most cash advances.

1. Contact your supervisor to obtain approval for the expense.
2. Submit the reimbursement request to Workday with the required expense receipts.
 - [Create Expense Report Process](#)
3. Expenses processed through Workday will automatically be routed to the appropriate individual for approval.

Authorization Responsibilities

It is the responsibility of those approving reimbursements to ensure that:

- expenses are incurred for the benefit of or are in the interest of the College;

- expenses are reasonable, **are not extravagant** and are incurred as outlined in this policy;
- the business purpose of each expenditure is clearly documented;
- documentation is complete, with **receipts or invoices** to include the name and business relationship for each person entertained and the nature of the business discussion, meeting, etc., resulting in the reimbursable expense;
- reimbursement claims are submitted no later than 30 days of when expense was incurred and are allowable under grant awards (if applicable).

Personal Automobile: The College will reimburse employees for mileage when a personal vehicle is used on official College-related business that is properly authorized, reasonable and appropriately documented. This does not include mileage for an employee's standard commute when traveling between their residence and the College. The College will reimburse employees at the IRS mileage allowance in effect on the date of travel. The College will not reimburse vehicle operating, maintenance or repair costs for personal vehicles (the IRS mileage rate is intended to incorporate these types of costs). The employee's personal automobile liability insurance is the primary coverage when using a personal vehicle on College-related business. **Employees should contact the Human Resources Office prior to operating a personal vehicle for College business to ensure they are on the College's Approved Drivers List**

Grant/Contract Funds (Alcoholic Beverages): It is important to remember that for Federal grants or contracts, regulations consider all entertainment costs (including meals at which alcohol is purchased) as unallowable direct grant expenses or in calculating the facilities and administrative overhead rate that is negotiated with the Federal government for indirect cost recovery. In order for the College to calculate the correct administrative overhead rate, purchases of alcohol must be segregated from other food items and charged to "Alcoholic Beverages," regardless of whether the meal is a travel meal or business meal.

Business Meals and Entertainment Expenses (Non-Travel): As defined by IRS regulations, entertainment expenses include any activity that provides amusement, entertainment, or recreation and **includes meals**, in which the main purpose is to promote or provide future College benefit. In general, a written statement of the amount, time, place/description, business purpose/benefit gained or expected to be gained and business relationship needs to be documented and attached to the receipt(s). Business relationship includes the occupation, name, title, or other description about the recipient. Both a detailed statement displaying all items ordered and evidence of payment in the form of a credit card sales draft and cash register receipt should be provided. Tips shall not exceed 20% of meal cost.

Payments for Services: Due to IRS reporting requirements, payments for services should not be made by an employee using personal funds on behalf of the College. The purchase of services can be processed through various options, including a requisition via Workday, a purchase order or supplier invoice via Workday or the use of the College's purchase card.

Non-Reimbursable Expenses

As noted above, expenses must be reasonable and necessary for the performance of job duties—that is, the individual must have paid or incurred expenses while performing services as an employee of the College. The following are examples of non-reimbursable expenses; this list is not all-inclusive/exhaustive:

Day-To-Day Expenses:

- personal vehicle expenses (e.g., car washes, maintenance, fuel, etc.)

- traffic or parking violations; library fines
- lost or damaged personal items (e.g., cell phone, computer, etc.)
- reward or gift card reimbursements (e.g. an employee uses a gift card to pay for office supplies)

Home Office or Home Deliveries

Materials purchased with College funds or to be reimbursed by the College should be delivered to a College address. In the event it is for home use for college business, it is important to register the item as a Pitzer asset. Please follow this link and go to the appropriate form (furniture or Computer Equipment): <https://www.pitzer.edu/information-technology/services/remotework/>

Remote Work Expenses

Employees who work remotely may submit expenses for reimbursement if such expenses are necessary for the performance of job duties. Such expenses may include:

- Computer equipment or software
- Office equipment and supplies
- Equipment to address ergonomic needs

Such expenses should be approved in advance by your supervisor. Employees should be aware that there may be cost limits or ranges on particular purchases, but for general guidance attempt to select items that are average to lower priced for the type of the item. Note that the College generally allows and encourages temporary use of College-owned equipment in remote work locations. Please complete the following forms and submit to the appropriate department listed to assist the College in tracking its inventory of equipment, including equipment purchased to support your remote work. More information, and the link to the appropriate forms can be found here: <https://www.pitzer.edu/information-technology/services/remotework/>

For those who have been required to work remotely, additional reimbursement for necessary upgrades to internet service may be available but there is no general subsidy for home internet service or utilities. Employees are encouraged to speak with their supervisor about any extenuating circumstances.

Generally, personal cell phone service will not be reimbursed. Employees working remotely should be able to use College-provided tools such as Zoom or Teams for live conversations.

Eligibility

This policy applies to all employees.