

New York University

University Policies

Title: Expense Reimbursement
Effective Date: July 15, 2004
Revised Date: June 27, 2016
Issuing Authority: University Chief Financial Officer
Responsible Officer: University Controller

Policy

New York University reimburses employees for necessary and reasonable approved expenses they incur in the conduct of University business.

Purpose of the Policy

New York University employees incur various types of expenses as they perform tasks and duties that support the operations of the institution and further its missions. This policy is to ensure that employees who incur valid business expenses are reimbursed in a fair and equitable manner; that business expenses are reported, recorded, and reimbursed in a consistent manner throughout the University; and that the University complies with all applicable federal, state, and local rules and regulations.

Scope of the Policy

This policy applies to any member of the University Community who initiates, processes, approves, or records financial transactions that involve University funds. This policy does not apply to NYU Langone Medical Center (or its component parts: NYU Hospitals Center, its affiliates, and New York University School of Medicine), NYU Shanghai or NYU Abu Dhabi.

Definitions

These definitions apply to these terms as they are used in this policy:

Accountable Plan Rules

In order to be considered an accountable plan by the IRS, expenses incurred by employees or independent contractors must have a business connection, the individual must adequately account to the University for these expenses within a reasonable time (60 days) and the individual must return an excess reimbursement or allowance within a reasonable time (60 days). If all three conditions are met the reimbursement can be excluded from the individual's taxable income.

Approver

The individual granted the authority to review and approve (or reject) transactions that require the use of University funds. The physical signature (on forms) or electronic signature (in AP Workflow, i-Buy NYU) of the "Approver" signifies that the "Approver" has verified the request for compliance with applicable University policies.

Business Expenses

Charges for goods and services that foster or support the missions of the University.

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.

Discretionary Funds

Unrestricted funds allocated by the University to a school, department, or unit that may be used for expenses that further support their various missions in accordance with the Business Expenses Policy of the University.

Gross Income

Refers to items of value received by an employee from the University, including compensation as well as those reimbursements employees receive for business expenses they incur that do not meet the "accountable plan" criteria.

Initiator

An individual who generates a business transaction. The initiator should be in compliance with all University policies when executing a transaction.

NYU

The University and all University Affiliates, and includes the schools, colleges, institutes, and other administrative units of the University, all University Affiliates, and the Global Network University sites, as such terms are defined in the Policy on Policies.

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 policies and procedures of the University, along with other relevant external guidelines and restrictions.

Stewardship

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

Transaction

A commitment by the University involving the exchange of money or property, an obligation to perform services requiring payment or use of University resources, or the assumption of a liability (e.g., indebtedness) or potential liability, currently or in the future (e.g., NYU agreeing to indemnify another party).

University Community

All NYU faculty, including visiting faculty; researchers, including persons participating in research at or under the auspices of NYU; employees; professional staff, including medical, dental, and nursing staff; volunteers; fellows, trainees, and post-doctoral appointees; students; consultants, vendors, and contractors.

University Funds

All funds received from internal or external sources and owned by the University, which carry fiduciary responsibilities.

Procedures for Implementation

University Policies on Business Expenses and Procurement

It is the responsibility of everyone involved in the expense reimbursement process, from the individual initiating a transaction to the individual approving or processing requests for reimbursement, to know and understand all applicable policies. See "Related Documents" for a list of relevant University policies and other documents.

The **Business Expenses Policy** of the University, in particular, should be consulted for guidance on which expenses are legitimate or valid and thus may be incurred using University funds. Individuals who use personal funds for expenses for which they will seek reimbursement from the University are advised to refer to the policy **before** they incur any expenses to avoid incurring costs that may not be reimbursed. Individuals who approve or process requests for reimbursement are required to know and understand the policy, to ensure that University funds are used appropriately and to facilitate compliance with applicable University and government requirements.

The University's **Procurement Policies and Procedures Manual** should also be consulted for guidance on how certain types of purchases may be made.

Individuals who request, approve or process reimbursements are advised to check applicable policies issued by their school, department, or unit, as they might be more restrictive than the University policy.

General Procedures

Employees who incur expenses in the conduct of University business may request reimbursement through any of the following three methods (all are subject to exactly the same rules):

- 1) Reimbursement through the online *AP Workflow* tool (nyu.edu/apworkflow).

Reimbursement of business expenses may be requested through Accounts Payable by submitting a fully completed, adequately documented, and appropriately approved Expense Reimbursement Request in AP Workflow. AP Workflow is the University's automated tool for creating reimbursement requests and obtaining the required approvals. AP Workflow is accessible through the Work tab of NYUHome. Visit the [Employee Reimbursement & Advances](#) page of [NYU FinanceLink](#) for more information.

- 2) Reimbursement through the departmental imprest petty cash fund for student expenses.

A petty cash fund may be used to reimburse student expenses, not to exceed \$150, that are valid and for which appropriate documentation is supplied. If a valid receipt is not available and the expense is less than \$25, an explanation of the expense must be included on [EXP2000P](#) when receipts are submitted for replenishment of a petty cash fund.

See the [Petty Cash Funds Policy](#) for more information.

- 3) Reimbursement through paper forms.

A school or department may request an exemption from using AP Workflow from the University Controller. If such an exemption is approved, the school or department is required to use the Expense Reimbursement Form provided by Accounts Payable.

Student expense reimbursement requests should be submitted to Accounts Payable using the [Student Expense Reimbursement Form](#) (EXP2000S).

Documentation Requirements

In order to be considered an accountable plan by the IRS, expenses incurred by employees or independent contractors must have a business connection, the individual must adequately account to the University for these expenses within a reasonable time (60 days) and the individual must return an excess reimbursement or allowance within a reasonable time (60 days). If all three conditions are met, the reimbursement can be excluded from the individual's taxable income.

The University prefers to have receipts for all expenses submitted for reimbursement. It will, however, reimburse approved non-meal expenses under \$75 without receipts. Expenses related to meals, regardless of the amount, require receipts to be reimbursed unless a per diem is requested.

Appropriate Documentation for Common Business Expenses:

Airline/Rail	Passenger's ticket or valid receipt that confirms the trip details as well as the method and price paid.
Car Rental	Receipt for payment made.
Cell Phones	Monthly itemized bill

Conference / Seminar	Registration receipt, which should show name, date, venue, and registration cost for conference or seminar.
Foreign Currency	All expenses paid in foreign currency should be reported in U.S. dollars with the conversion calculation included in the supporting materials. Any fee paid for currency conversion is reimbursable and should be supported by the receipt provided by the establishment that processed the conversion.
Hotel/Lodging	The final hotel folio or itemized bill for lodging and expenses charged to the room. When hotels do not include charges for a room in the hotel folio, as in cases when hotel accommodations were not arranged directly with the hotel but purchased online through another website, the printout of your online transaction will serve as appropriate documentation.
Internet Connection	Vendor statement
Private Vehicles	Receipts for expenses related to the use of private vehicles for University business such as those issued by toll stations or parking facilities. Reimbursement requests should include the mileage calculation. For the current mileage rate, see the Standard Mileage Rate page on FinanceLink.
Telephone/Fax Charges	If made from home, the monthly bill detailing the calls or fax transmissions made. If made at commercial establishments, the vendor-generated receipt showing amount, date, and type of expense is required. If charged to the hotel room, these charges should be included in the final hotel folio.
Office Supplies (Incidental Purchases)	Request for reimbursement must include the original vendor receipt as well as an explanation why office supplies were purchased outside of the University's regular procurement methods.
Online Purchases	Printout of the page confirming the purchase or a printout of the page summarizing the type of purchase made, the date, and the amount.

Meals (Non-Travel)/Catering Related to Business Meetings or Events

1) Receipts

The best documentation for expenses related to meals and catering are original, itemized receipts showing detailed list of food and beverages purchased.

Restaurant tabs and credit card slips by themselves are not the best documentation for the reason that they cannot validate the types of expenses incurred. However, the University is cognizant of cases and circumstances where itemized receipts may not be available or obtainable. Some establishments may issue receipts that only provide a summary of expenses with the total charges; others issue only a customer's portion of a tab that indicates total charges. In such cases, the University will deem "appropriate"

documentation those "summary receipts" and tabs; and in cases where receipts are not available at all, those credit card slips generated when payment was made using a credit card. However, the following conditions apply:

- a) the expense report should include a notation that no alcoholic beverages are included in the expenses incurred; or,
 - b) when the expenses include alcoholic beverages, the report should specify the cost and charge it to account 65183.
- 2) Business Purpose

Also required for reimbursement of business meal expenses is the substantiation of the meal itself as having a business purpose. When reporting expenses, include the reason for the business meal, the names of individuals present, and their affiliations.

3) Gratuities

Gratuities for meals are deemed part of the meal cost and will be reimbursed by the University provided these are reasonable (do not exceed 20% of total meal cost).

Meals During Travel

1) Receipts

Individuals who travel on University business are reimbursed for meal expenses they incur in two ways: according to actual, substantiated costs, or at an established "per diem" rate. Travelers cannot switch between these two methods on one trip; the method travelers choose applies to all meal expenses incurred throughout a trip.

- a) Based on actual substantiated costs

When opting to be reimbursed based on actual costs of each meal, travelers are required to provide detailed receipts or other appropriate documentation for all meals taken throughout the trip.

- b) Based on "per diem" rate

The alternative to keeping receipts and other appropriate documentation for each meal during travel is the "per diem," or being reimbursed at an amount set as meal and incidental expense allowance for each day of travel. Per diem only applies when overnight travel is involved. It is permissible to utilize the combined meals and incidental expense rate when reimbursing based on the per diem method. Per diem rates for meals and incidental expenses are outlined as follows:

- The General Services Administration sets rates for travel within the 48 contiguous states. These rates can be found at <http://www.gsa.gov/portal/content/104877>.
- The Department of Defense sets rates for Alaska, Hawaii and U.S. Territories and Possessions. These rates can be found at <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>.
- The State Department sets rates for International Travel. These rates can be found at <http://www.state.gov/travel>.

When reporting meal and incidental expenses for reimbursement based on the per diem rate, you are required by the U.S. General Services Administration to prorate the meal and incidental expense allowance for the first and last day of your trip. The first and last calendar day of travel is calculated at 75 % of the locale's per diem.

A printout from the applicable website is required to support reimbursement using the "per diem" rate.

2) Business Purpose

Meals taken by employees during business travel are deemed "business meals." The business purpose of the trip also serves as the business purpose for the meals.

Missing or Inadequate Documentation

When the original receipts of expenses for which you are requesting reimbursement have been lost or cannot be obtained, you need to provide other documentation that may support the validity of your expenses.

When submitting documentation in lieu of original receipts, complete a **Missing/Inadequate Documentation Report**. Explain on the Report why original receipts are not available, and indicate other documentation that you are providing to support your request to be reimbursed by the University for the expenses you are reporting. Check the policy of your school, department, or unit as it may require that the Report be signed by an individual designated specifically to review and approve the Report before the request is submitted to the "Approver." Include this Report with your documentation in your reimbursement request.

Note: The "Missing/Inadequate Documentation Report" is intended to respond to valid, unavoidable instances where original receipts or appropriate documentation cannot be obtained or were lost. The Report is not required for the following:

- expenses under \$75 (except meal expenses)
- business meal expenses incurred in establishments that do not issue itemized receipts or for which original itemized receipts have been lost
- business travel meal expenses when the traveler has opted for the "per diem" method of reimbursement

Note: Schools are advised to review habitual inability to provide original receipts and other appropriate documentation.

Timing

Expenses incurred in the conduct of University business generally should be accounted for within 60 days after the date of expenditure, completion of event, or (when expenses are related to overnight travel) return from a trip in accordance with IRS regulations. All cash advances should be cleared within 60 days from the "end date" indicated on the Request for Advance Form (see "Clearing Cash Advances" section below).

Reimbursement requests submitted late may jeopardize the University's ability to satisfy the IRS "accountable plan" requirements.

Approval/ Authorization

In accordance with the University's [Signature Authority Policy](#), certain individuals have been granted the ability to review and approve requests for reimbursement of valid business expenses.

Cash Advances

The University allows a maximum of \$500 on a seven-day period to be issued as a cash advance to any University employee about to travel on University business. Exceptions to the \$500 limit must be approved by the Office of the Controller. The amount may be issued by check through Accounts Payable, or withdrawn from any participating Automated Teller Machine (ATM) using the T&E Card. You will be assessed a fee on your withdrawal; this fee is reimbursed as part of your business expenses.

Cash advances are intended for anticipated expenses that are best paid in cash, and for which the T&E Card may not be feasible (e.g., taxi fare, gratuities, etc.).

Cash advances may not be used for airfare, lodging, conference fees, or other substantial costs that can be paid using the T&E Card, or can be "prepaid" and invoiced through Accounts Payable. Because of tax implications, cash advances may not be used for service payments such as honorariums, or for gifts, prizes, or awards.

Cash advances must be cleared within 60 days from the "end date" of the trip or event specified on the cash advance request in APWorkflow.

Abuse of cash advance privileges may result in revocation of such privileges.

Cancelled Trips/ Events

Employees and students who have purchased tickets for trips that are subsequently cancelled should inquire about using the same ticket for future travel. Unused tickets or flight coupons have a cash value up to 12 months from the date of original purchase and must not be discarded or destroyed. The ticket must be kept by the school, department, or unit for future use of the employee, as tickets are non-transferable and name changes are not allowed.

The University will only reimburse those expenses related to a cancelled trip or event if the cancellation was due to circumstances beyond an employee's control. A memo explaining the cancellation should be provided with the reimbursement request in APWorkflow.

Other expenses related to events or trips that are cancelled or moved to later dates due to unavoidable or work-related reasons will be reimbursed. Such expenses include charges made by airlines for ticket modifications or by hotels for cancelled or no show reservations.

Contacts

Direct any general questions about the Expenses Reimbursement Policy or the Business Expense Policy to your department's administrative office. If you have questions about specific issues, call the following offices:

FinanceLink for:

- Accounts Payable Customer Service
- Insurance Issues
- Policy Clarification
- Procurement Customer Service
- Tax Issues

(212) 998-1111

AskFinanceLink@nyu.edu

Office of General Counsel for:

- Contracts, Leases, etc.
- Record Retention

(212) 998-2240

University Compliance Hotline

(877) 360-7626

Related University Policies

- *Business Expense Policy*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/business-expenses.html>
- *Conflict of Interest Policy*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/conflict-of-interest-policy.html>
- *Petty Cash Fund Policy*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/petty-cash-funds-.html>
- *Procurement Policies and Procedures Manual*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/purchasing-policies-and-procedures-manual.html>
- *Record Retention Policy*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/retention-and-destruction-of-records.html>
- *Signature Authority Policy*
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/signature-authority-policy.html>
- *Sponsored Programs Administration's Post Award Policies and Procedures Handbook*
<http://www.nyu.edu/research/resources-and-support-offices/sponsored-programs-administration-handbook.html>