

Pace University Office of Finance and Administration

Expense Policy Guidelines dates July 1, 2023

Updated as of July 1, 2023

POLICY STATEMENT

This is the Pace University's policy for the reimbursement of business expenses and travel. Policies executed by colleges, schools, departments, and units can be more restrictive than the University policy. Enforcement of the more restrictive policy will be the responsibility of the college, school, department, or unit. **In no case can a college, school, department, or unit have a policy less restrictive than the University policy.**

This policy affects all employees purchasing goods or services that include non-compensation business expenses such as:

- I. Intercampus Travel
- II. Meal Reimbursement
- III. Business Expenses for Conferences (hotel, meals, transportation, incidentals, tipping)
- IV. Gifts
- V. Gift Cards
- VI. Pace Corporate Card
- VII. Cell Phone
- VIII. Professional Business Expenses
- IX. Consultants
- X. Relocation Policy
- XI. Co-Sponsored Events
- XII. Post Awards and Grant Administration (non-operating)
- XIII. Policy on Compliance with the Foreign Corrupt Practices Act (FCPA) – *can be found on the F&A website*

SCOPE OF THE POLICY

This policy applies to any member of the Pace University community who initiates, processes, approves, or records financial transactions that involve University funds.

POLICY

STEWARDSHIP RESPONSIBILITY

- Pace University employees and faculty are expected to employ sound expense management practices and exercise prudent fiscal management in their stewardship of university resources. As such, individuals using University resources for business, travel expenses, and/or purchasing items owned by Pace University share the responsibility of ensuring that these resources are used appropriately, support the university mission, and comply with university policies, applicable laws and regulations, and donor restrictions.
- All faculty and employees of the university are expected to exercise due diligence when generating, reviewing, and approving Transactions that commit to the expenditure of University Funds.

CRITERIA FOR DETERMINING A PERMISSIBLE EXPENSE

- To be paid directly by the University or reimbursed to an individual, a business expense must be:
 - Necessary to perform a valid business purpose fulfilling the mission of the University.

- Reasonable in that the expense is not extreme or excessive and reflects a prudent decision to incur the expense.
- Appropriate in that the expense is suitable and fitting in the context of the valid business purpose.
- Necessary
 - An expense is necessary if there is a valid business purpose required to fulfill the mission of the University. The primary beneficiary of a necessary business expense is the University, not the individual. A necessary expense is a minimum purchase or service required to achieve a valid business objective.
- Reasonable
 - Reasonable means that the amount being spent reflects the value that normally would be spent in that specific situation. An expense is considered reasonable if it is not extreme or excessive and reflects a fair and prudent decision and action to incur the expense. A cost may be considered reasonable if the nature of the goods or services acquired, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.
 - Major considerations involved in the determination of the reasonableness of a cost are: (a) whether or not the cost is of a type generally recognized as necessary for the operation of the institution; (b) whether or not the individuals concerned acted with due prudence in circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government, and the public at large; and (c) whether or not the cost represents fair value for the good or service provided.
- Appropriate
 - Costs are appropriate if they are suitable or fitting for a business purpose. For a cost to be appropriate it is also presumed that there is a valid business purpose, which is normally the responsibility of the unit to determine.
 - The following questions should be considered when determining the appropriateness of costs:
 - Could the cost be comfortably defended under public scrutiny?
 - Would you be confident if the cost was selected for audit?
 - Would you be comfortable reading about it in the newspaper?
 - Would you be comfortable explaining to a donor that their donation was used this way?
- “Conflict of interest” is defined as a situation in which a university official, faculty, staff, or any of such person’s family or associates either has (1) an existing or potential financial or other material interest that impairs or might appear to impair that person’s independence and objectivity of judgment in the discharge of responsibilities to the university, or (2) may receive a financial or other material benefit from knowledge of information confidential to the university. Transactions between a supplier of goods or services and the university in which a conflict of interest exists are prohibited.

University Policies on Procurement and Expense Reimbursement

To avoid incurring costs for which you may not be reimbursed or committing the university to costs that cannot be paid using university funds, **your Budget Rep should be consulted before you incur the expense.** Certain expenses may be subject to specific procurement rules and requirements of the applicable federal, state, or local government.

Allowable and Unallowable Expenses

Certain expenses that the university deems legitimate and permissible may be deemed unallowable by the federal government. University funds may be used for such expenses, but they must be identified and segregated in the university’s general ledger. Please refer to the **Post Award Travel and Reimbursement Requirements** (see Section

XII) for information and guidance regarding allowable and unallowable expenses associated with grants.

Violations

- Employees, faculty, and approvers are responsible for compliance to this policy, which is subject to audit.
- Expenses submitted for reimbursement that are deemed in violation of this policy may not be reimbursed to the employee/traveler.
- Additionally, employees/travelers may owe Pace University an amount equal to the total of discrepancies or unallowable expenses paid by the university.
- Repeated or egregious violations are subject to other disciplinary actions including cancelation of Pace Corporate Card

I. TRAVEL REIMBURSEMENT BETWEEN UNIVERSITY LOCATIONS

There will be no employee reimbursement for travel between University locations (all New York City Locations, White Plains, Pleasantville, Valhalla) for staff at the level of Vice President and above and Deans except when mandatory University-wide meetings are held and no video conference or Zoom functionality is available (inclusive of Board of Trustee Meetings, Board of Trustee Committee Meetings, Operations Committee for non-members, Faculty Council Meetings, and Administrative Staff Council Meetings only).

Please be advised that travel between Westchester campuses (to/from Valhalla / Pleasantville / White Plains) is not reimbursable for employees at all levels.*

* Exception (s): The criteria for the inter-campus travel exception includes staff members that require routinely and timely travel between campuses and/or offices to expedite and facilitate their daily work responsibilities which can only be accomplished in person (e.g., members of Facilities, Security, and ITS). These employees will include the details of the required travels when providing documentation for reimbursement. All other exceptions will require pre-approval by Regina Beatty (rbeatty@pace.edu) on a case-by-case basis only when in-person attendance is required.

PLEASE NOTE: Zoom should continue to be utilized over campus-based meetings when applicable.

II. MEAL REIMBURSEMENT

Faculty/Staff

- There will be no reimbursement for meals (breakfast, lunch, or dinner), coffee, or snacks that include only university personnel (inclusive of staff and/or faculty).

Students

- Meals with students (staff or faculty with students) will only be reimbursed on a case-by-case basis and will be subject to pre-approval from Regina Beatty (rbeatty@pace.edu).

Business Meals

Business meals are defined as meals with individuals from outside the university with the direct intent and ability to assist with the university's mission. *Please refer to Section XII for the specific policy on meals that are not travel related governing grants.*

To be reimbursed for a business meal, the following information must be submitted:

- Names of individuals entertained for the meal and the company they represent
 - There should be no more than four Pace University hosts per external guest for business related lunch or dinner meetings or events (excluding students)
 - Meals, including students, should have an attendee listing attached to the expense
- Business reason for the meal along with the expectation of the benefit to the university
- An itemized receipt inclusive of the gratuity limited to a maximum of 20%
 - The concept of reasonableness should apply to the cost of business meals. Events such as training, professional development, hosting speakers and guests, workshops and conferences are examples of events where business meals may be a reasonable expense. Whether meeting on or off campus, the normal guideline for allowability would be the average cost of a comparable meal at a university facility, or from dining services catering.
 - Except under rare circumstances, meals should not exceed the following thresholds (per person) if operating funds are being used, excluding tips and tax:
 - Up to \$35 for breakfast or lunch
 - Up to \$75 for dinner

Please note: the university does not pay for or reimburse for alcoholic beverages. If a receipt is submitted with alcohol, please deduct before submitting the report.

Other Meals

- Recognizing that departments may hold staff and/or faculty events (inclusive of meetings, retreats, holiday celebrations, and gatherings), one full meal will be reimbursed **twice per fiscal year**. The reimbursement is capped at a maximum amount of **\$40 per person per event** and will be dependent on the availability of funding.

Alcohol

The purchase and use of alcohol places significant legal exposure on the university. Therefore, the use of alcohol for business meals and entertainment is not allowed and the purchase of alcoholic beverages is not reimbursable.

III. BUSINESS EXPENSES FOR CONFERENCES

Online classes or remote attendance, if available, should be considered first. All conference requests will be dependent on the availability of funding and require pre-approval by the Dean or VP.

For administrative employees, attendance at conferences requiring a flight and hotel should be limited to two employees from the same department per conference (exceptions must be granted in advance by the Dean or VP and documented for required continuing education for licenses/certifications or other business needs).

There will be no reimbursement for travel from an alternative hotel site to the conference hotel nor will there be any reimbursement for meals or other incidentals incurred at the alternative hotel site when such meals are included as part of the conference.

Please note that any supplies purchased pertaining to covid protocol (including but not limited to masks, hand sanitizer, testing kits) are not reimbursable.

Hotel Reimbursement

Hotel room charges during approved conferences that require overnight stay will only be reimbursed at the lower of; the rate received from the conference hotel or the rate from an alternate hotel (requires pre-approval from the Dean/VP based on business need). **Please note that only standard hotel room rates will be reimbursed.**

- Mini bar charges are not reimbursable unless they constitute/replace a meal.
- Non-business days: there will be no reimbursement of any additional hotel charges for any time or stay outside the required conference agenda (early arrival or later departure costs or any additional day stays). The only exceptions are when travel is at a lower total cost if the traveler stays over a weekend or holiday, with department approval in advance and/or when traveling more than 8 time zones, travelers may arrive one day ahead of the event (for example, the conference starts on Monday, it is ok to arrive on Sunday). The traveler must document the reason for this extra expense to support the non-business-day payment.

Meal Reimbursement

The university's daily meal allowance* is an accommodation to reimburse employees for reasonable meal costs when away from their home residence. The university's policy includes a daily meal allowance of a maximum \$75 per day for domestic travel and \$85 per day for international travel (inclusive of tax and tip). **Any expense more than the meal allowance will be the responsibility of the employee with the following inclusions:**

- An itemized receipt must be submitted to receive reimbursement
- Gratuity limited to a maximum of 20%
- The university does not pay for or reimburse for alcoholic beverages

*Please note: An itemized receipt is still needed if you are taking the daily meal allowance.

Please note that the meal allowance will be updated each calendar year based on the average rates determined by the GSA for domestic and international travel.

Travel & Transportation

By Air

If traveling by air, reimbursement will be made only for economy/coach class tickets. Extra leg room seats will be determined by the respective unit and based on budget availability and require pre-approval by the Dean or VP.

Baggage fees reimbursed at the standard rate (50 lbs or less) for the first bag only.

Transportation to and from the airport will also be reimbursed.

Travel by Rail

If traveling by rail, reimbursement will be made for economy/coach class tickets.

By Car

If you elect to rent a car, please contact Enterprise (corporate account). Only the cost of the rental car and any applicable gas and tolls will be reimbursed. Please check with your personal insurance coverage to see if rental cars are covered.

If you elect to drive your personal vehicle, reimbursement will be made for your mileage at the current IRS rate. Please note that this will cover both fuel and depreciation of your vehicle.

Tolls and parking are reimbursable; however, please make sure you obtain a valid receipt.

Incidentals

The following incidental expenses will be reimbursed for approved business travel needs:

- A temporary international voice or data plan added to a personal cell phone (see Section VI)
- Internet access (e.g., hotel, airline)
- Passport and visa fees
- Immunizations and travel related prescriptions

Tips Guidelines – Cash/Credit

The following would be considered reasonable and appropriate and can be claimed for reimbursement:

- Porters/bell person, etc.: \$2 per bag upon check-in/check-out
- Maid Service: \$2 per day
- Meals: maximum of 20% (if not included in the charge)
- Car service: if using a non-contracted service, 15-20% is appropriate

PLEASE NOTE: Cash tips over \$50 (not preferred in any circumstance) given to an individual/bus driver, tour guide must have a receipt from a receipt book or a note stating the individual received the amount given with their signature to be considered for reimbursement.

IV. GIFTS

Gifts and flowers to any university employee are not reimbursable, except for the following:

- Births and adoption
- Bereavement
- Retirement
- Severe illness or surgery

Gifts for the reasons above should not exceed \$85 for full-time employees. Gifts for part-time employees are not reimbursable. For employees with greater than 10 years' service, retirement gifts up to \$200 will be reimbursed (dependent on budget availability and with Dean/VP approval). **Contributions can be solicited from friends and fellow workers to cover the expenses of other occasions.**

V. GIFT CARDS

The purchase of gift cards will be limited to the following divisions – Human Resources, OPAIR, Student Organizations, Honors College, and Enrollment Management. Gift cards purchased should be for the face value only (maximum card value of \$50) and should not have an activation fee (excludes all Mastercard, American Express, and Visa gift cards). Gift cards can only be purchased after the individual has been identified and must be reconciled within 10-days after the purchase has been made. Any exceptions to this policy must receive prior approval from Regina Beatty (rbeatty@pace.edu) prior to purchase. Please refer to [Finance & Administration website](#) the tax implications and reconciliation procedures of gift cards distributed to faculty/staff/students employed by the university.

VI. PACE CORPORATE CARD

Pace corporate cards will only be issued to individuals who have recurring university business expenses whereas a

purchase order cannot be used to pay for the expense. Cardholders will be required to follow the Business Cardholder Guidelines as defined on the [Finance & Administration website](#).

If a Pace Credit Card is accidentally used for a personal purchase, the expense must be reconciled, and the university must be reimbursed by check or money order within 10-business days. Please include the report ID and interoffice mail to Regina Beatty, Valhalla, NY.

If a fraudulent charge is made on the Pace Credit Card, please contact Bank of America (BOA) immediately. Please note that all fraudulent charges must be reconciled.

Please note: If an employee is a Pace credit card holder, all Pace University business expenses are to be charged to this card. Personal card use should not be used and only used with the permission of Regina Beatty (rbeatty@pace.edu).

VII. CELL PHONE

Effective January 15, 2019, Pace University will no longer pay or reimburse employees for cellular services plans on iPads or laptop computers except for specific circumstances approved by EVP/CFO. Employees may add a hotspot to their university-issued cell phone which will provide the same level of functionality and must be approved by a direct supervisor and approved by the dean or area VP.

Cell phones will only be issued to personnel on a case-by-case basis when certain eligibility requirements are met: 1) all deans and VP's; 2) 24/7 access employees whose day to day responsibilities require routine response to urgent university business at any time of the day or night; 3) employees whose job requires routine field work and the need to communicate real-time with the office to give or receive direction, or 4) other business cases proposed and justified by a direct supervisor and approved by the dean or area VP.

For all eligible employees who prefer to use their own cellular plan, the university will reimburse the lesser of the monthly charge or up to a maximum of \$55/per month and up to an additional \$25 fixed for each approved travel occurrence when the employee travels internationally. The employee's cellular statement will be required to be submitted for reimbursement. The \$55/per month amount and additional \$25 fixed international reimbursement are based on charges that would be included on the university's cellular plan. Employees who do not meet the above criteria will not be reimbursed for any personal cellular or wi-fi charges. Eligible employees who use their own phone will not be reimbursed for the purchase of new cell phones, cell phone repairs, or any cell phone accessories (including but not limited to cases/covers, screen protectors, insurance).

VIII. PROFESSIONAL BUSINESS EXPENSES

The following professional business expenses will not be reimbursable:

- Individual subscriptions to newspapers
- Individual subscriptions to trade journals
- Individual professional fees (e.g., professional licensures, continuing and professional education/training) will be evaluated on case-by-case basis and will be subject to the availability of funds.

Please note that there are university subscriptions that all pace employees are eligible to access free of charge. Please visit the [Pace University Library website](#) for details.

IX. CONSULTANTS

All new outside consultancy agreements (defined as someone who is employed externally, whose expertise is provided on a temporary basis, for a fee) over \$5,000 will need to complete the new consultant pre-approval template ([Finance & Administration website](#)) a minimum of 10 days prior to the need to engage with the new consultant.

More timing may be required if the originating unit has not provided the requested information or addressed the areas noted before submission to VP/Controller Joseph Capparelli (jcapparelli@pace.edu). In addition, submission requires sign-off by the respective department head at minimum.

Please Note: Outside consultants do not include guest speakers or lecturers compensated by an honorarium for a university speaking engagement.

X. RELOCATION POLICY

Expenses related to the relocation of employees are deemed business expenses only when they are deemed appropriate and reasonable and are authorized by a university employee with the appropriate level of signature authority.

Federal Tax Guidelines

All relocation or moving expenses are deemed taxable income for federal tax purposes to the employee under IRS guidelines. Regardless of whether the relocation expenses are paid directly by the university to the vendor or are issued as reimbursement to the employee, the university is required by law to include payments for these expenses as income in the employee's W-2 form and to deduct appropriate federal withholding taxes on this income from the employee's paycheck.

Types

- Direct payments to vendors
 - For direct payments to vendors (such as moving companies) a purchase order should be done, and the invoice should be submitted to ap with the po# for processing. Payments paid directly to a vendor will be included as non-cash taxable income in the employee's pay. Taxes will be withheld accordingly and reported on the employee's form W-2.
- Reimbursements to employees
 - Authorized reimbursements are paid to an employee for moving expenses paid from the employee's personal funds. A request for reimbursement should be submitted by the approving budget representative through payroll (help desk ticket) including the following supporting documentation:
 - 1) actual bill paid to the moving company (receipt), and 2) copy of offer letter stating amount of relocation expenses to be reimbursed.

Taxes will be withheld accordingly and reported on the employee's form W-2.

Relocation amounts should be limited to a maximum of \$5,000 and based on the distance – examples include:

- 100-500 miles \$2,500
- 501 miles or more Up to \$5,000 (max)

XI. CO-SPONSORED EVENTS

Effective July 1, 2023, the waiving of space rental fees will no longer be an option for co-sponsored events and

must be paid for by the third-party organization or Pace University school, division, or department. *Please note space rental fees of co-sponsored events are already significantly discounted and the fee charged is used to cover administrative, maintenance, and replacement costs of the spaces used.*

Please be advised, the benefit of a co-sponsored event is reviewed and approved through Pace University's co-sponsor event application process. Co-sponsored events must promote enrollment, advance academic programs, cultivate potential donors, and/or enhance brand identity. Applicants must submit a 25Live request, receive confirmation of space availability and confirm rental fees with Special Events prior to completing the application process. The 25Live record confirmation number, along with space rental fee estimate, is required to complete the application.

If you have any questions on co-sponsored events, please contact Heather-Leigh Wells (hwells@pace.edu) or Tom Murray (tmurray@pace.edu).

XII. POST AWARDS GRANTS ADMINISTRATION

1) Overview of the Grants Office

The Grants Office supports the PIs and the Budget Representatives by being a single point of contact to ensure a seamless portfolio coverage. It supports the PIs and their departments in the execution of sponsored project by:

- (1) developing/updating and disseminating grant execution procedures and policies
- (2) assisting the PIs and the Budget Representatives in the grant financial management
- (3) assuring compliance with the University and the sponsor policies

• Develop/Update and Disseminate Procedures and Policies

- The procedure for setting up a grant award through the Grants Office, Finance and Planning, is posted at [Grant Policy](#).
- The policy for financial management of sponsored agreements is posted at [Financial Management policy](#). This policy establishes guidelines for financial management on sponsored awards which are consistent with federal, state, local and private sponsor regulations. This policy is intended to comply with the requirements from the Office of Management and Budget (OMB) Uniform Guidance (UG) as well as requirements from the non-federal sponsors. This policy goes together with the Pace University's policy on financial reporting and procedures, which is posted at [Financial Reporting Policy & Procedure](#).
- Additionally, the Pace University's [Allowable Cost Policy for Federal Grant](#) ensures that all costs to federal and non-federal grants are allowable and conform with sponsor's terms and conditions, OMB's Uniform Administrative Requirements, and Cost Principles and Audit Requirements for Federal Awards, as applicable. Pace University's Finance and Planning has the authority to approve or reject costs based on allowability and reasonableness in accordance with these policies.
- The Grants Office periodically reviews and updates above documents, as needed.

• Assist in the Grant Financial Management

- The Grants Office assists the PIs and the Budget Representatives from grant initiation through closeout to minimize the administrative burden on the PIs. The assistance includes proper interpretation and implementation of grant execution policies and procedures and working with the sponsors such that the grant execution conforms with the applicable requirements and guidelines. For assistance, please contact the Director, Grants Reporting and Compliance, in a timely manner.

- **Assure Compliance with the University and the Sponsor Policies**

- The Grants Office team reviews the grant expenditures quarterly to create invoices. Through this process, the team verifies that expenditures are in line with the sponsor requirements to protect the interests of the Pace University and the PIs. The team also conducts a closeout review to confirm that all the expenditures are allocable to the grant. The review and closeout policy is posted at [Award Closeout Procedure](#).

2) **Financial Policies Governing Grants**

The financial policies governing grants serve as the primary rules to follow (i.e., university policies are secondary) and must be strictly adhered to. If you have any questions regarding the eligibility of expenses and what is allowed/disallowed, please contact Nandini Topudurti at ntopudurti@pace.edu

Please remember to submit all required documents and detailed receipts to the Budget Rep within 10-business days of the business travel completion.

Required information before travel or other expense reimbursement:

Does your travel benefit your research or the grant and the Pace University?

Justification of travel or other expense reimbursement

- How does the travel expense reimbursement benefit the grant?
 - Acceptable travel justifications must answer, "What? Why? Who? When? Where?"
 - **Example:** Presented a paper to share research with colleagues/peers at the XXXXXX Conference October XX - YY, 20XX in City, State, Country

Required information after travel:

1. Time spent in travel status.

What date & time did you leave for grant related travel?

What date & time did you arrive back from grant related travel?

2. Proof of conference proceeding or meeting

- Invitation or print out showing dates and location of event

3. Agenda or schedule of events showing which meals were provided as part of the registration

4. Receipt of airfare

- Economy seating only (may not exceed coach class fares. U.S. flag carriers should be used where available)

5. Conference registration receipt

6. Lodging receipt showing balance of \$0 and proof of conference approved lodging rates – [\(Reasonable Rates\)](#)

- Names and affiliation of person(s) sharing lodging, if applicable
- Internet charges are not reimbursable on a grant (can be charged to Operating budget*)

7. Car rental and gas receipts -

- GPS or child seats are not reimbursable.
- Premium or luxury cars are not reimbursable unless it is a free upgrade and proof is provided.

8. Parking receipts
9. Toll receipts

Approved Travel Dates - One day before and one day after the conference is provided for business travel. Travel status begins when the employee leaves headquarters, their residence, or other authorized locations to go directly to their destination. Travel status ends when employees return directly to headquarters, their residence, or other authorized locations after completing grant-related business.

- * Any charges on the operating budget must be preapproved by the Budget Reps.

Per Diem - University employees on approved business travel are eligible to receive meal per diem reimbursement for the time spent in travel status.

Domestic: \$75/day

International: \$85/day

PLEASE NOTE: When not on travel, meals are not allowed on the grants unless included in the sponsor approved proposal/budget.

Allowable Miscellaneous Expenses

- Toll, parking, ferry, bridge, road, and tunnel fees
- Baggage transfer and handling
- Registration fees for conferences, seminars, workshops, etc.
- Fees for the use of business center facilities, such as computer use, and photocopying
- Ground transportation such as shuttle service, taxis, rental cars (including gas)
- Mileage for personal vehicles

Unallowable Miscellaneous Expenses (examples)

- Alcoholic beverages
- Tips
- Coat check
- Collision damage waiver insurance for domestic motor vehicle rental
- Commuting expenses between an employee's residence and headquarters.
- Personal entertainment charges such as movies, mini-bar charges, personal phone calls, spa/health clubs, sightseeing, tours, etc.
- Locksmith charges
- Late check-out and room guarantee charges.
- Living expenses at official headquarters
- Non-grant-related expenses
- Parking tickets or other traffic violation fines
- Personal automobile accident insurance
- Spouse/ family travel expense
- Tobacco products
- Towing of a personal automobile that is being used for university business travel.

If you have any questions regarding university travel under grants, please contact Nandini Topudurti at ntopudurti@pace.edu.