# Purchasing, Credit Cards & Expense Reimbursement

## Purchasing and Payment Policy

Northland will maintain purchasing policies that are consistent with responsible internal controls and sound business practices. The Chief Business Officer (CBO) and the Business Office (BO) are responsible for the purchasing and payment functions of the College. These functions are delegated throughout the College departments at the discretion of the CFO in accordance with this policy.

### Method of Purchase and Payment

Payments of Northland expenses may be made via check request, credit card, invoice, or expense report.

### Check Request

Accounts payable check requests are appropriate for replacement of lost payroll or accounts payable checks or for other rare circumstances when a check is needed outside of the normal accounts payable processing cycle. A check request form and instructions can be found at [Employees - MyNorthland](https://my.northland.edu/employees/#financial).

### Invoice

### Vendors not paid at point of purchase with a credit card will provide an invoice for payment. These invoices should be reviewed for accuracy, coded with the correct account number to be charged, signed to indicate that goods or services have been received and then should be routed to [accountspayable@northland.edu](mailto:accountspayable@northland.edu).

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### Credit Cards

College credit cards are issued to only those employees who will need this vehicle to conduct business on behalf of the College and who have completed a Cardholder Agreement Form. Having the use of a Northland College credit card is a privilege that can be suspended for abuse of that privilege.

College credit cards may be used for Northland budgeted expenses. The BO will determine the credit card limits based on department budget, business purpose and CBO approval. The following transactions are not allowed on Northland credit cards: unbudgeted goods or services, cash advances, IT equipment purchased by non-IT personnel, payments to individuals, gasoline for personal vehicles, lease payments, split orders to circumvent single purchase limits, goods or services for personal use and alcohol purchases that have not been approved by the President’s office in advance.

The BO will provide a tax exemption certificate to each credit card holder. Purchasers must use the College’s tax exemption where applicable when making purchases on behalf of Northland. The tax exemption must not be used where the purchase is for the personal benefit of an individual.

#### Documentation and Approval Requirements

Cardholders are required to process monthly billing statements by using the on-line processing procedures (statements are viewable on-line the day following our statement date), verify that the charges are legitimate, enter the correct account numbers, attach receipts and other applicable supporting documentation, and route for supervisory approvals for all of the activity listed on the statement. Supporting documents include detailed receipts and any additional documentation as noted in the travel and expense reimbursement portion of this policy document for like expenses.

Cardholders are required to complete the electronic process denoting general ledger account numbers and if applicable, project codes for all transactions within 5 calendar days of the monthly statement date to allow for timely posting of the expenses to proper accounts. Cardholders are required to pay the BO for any inadvertent personal charges within 48 hours of discovering the mistake, but no later than 48 hours of the monthly statement date. Repeat occurrences of personal charges on Northland credit cards will result in loss of credit card privileges.

Cardholders are required to immediately report charges to the credit card made by mistake or due to fraudulent use of the card to the business office.

Charges for which there are no receipts may be considered taxable income to the cardholders according to IRS regulations.

#### Accounts with Minimal Activity

Credit cards with no activity for twelve consecutive calendar months may be cancelled as not needed.

#### Suspension of Privileges

Failing to turn in the complete credit card documentation timely three times in a row will result in a suspension of credit card privileges for thirty days. The cardholder’s leader will receive notification prior to suspension taking effect. The cardholder’s leader may provide a written pleading to waive suspension or reinstate privileges, which must be approved by the CBO.

### Travel and Expense Reimbursement (Expense Reports)

Expense reports must be completed using the form found at [Employees - MyNorthland](https://my.northland.edu/employees/#financial) and must be submitted within one week of the later of the end of the trip or incurring the expenses. Note that late expense reports may be subject to taxation. Travel expenses such as airfare or lodging will not be reimbursed in advance of the occurrence of the travel. The following information is required as applicable for expense reimbursement:

* Specific business purpose
* Date of expense or departure and arrival times for travel
* Itemized receipts
* Origination and destination locations for travel
* Written explanation or out of the ordinary expenses
* Signature
* Approval of department head - note that approval cannot be made by someone who is the beneficiary of the expense. If department members are traveling together, shared expenses should be incurred by the most senior member of the group to avoid conflicts of interest in the approval process.

#### Hotels and Lodging Reimbursement Requirements

Reimbursement is available for moderately priced, single occupancy accommodations not to exceed U.S. General Services Administration lodging per diem rates as identified on www.gsa.gov. Reimbursements can exceed limitations if the hotel is the location of a conference or for pre-approved and documented exceptional circumstances.

Hotel and lodging receipts must list a summary of charges for each night and show final payment and a zero balance due.

#### Meal Reimbursement Requirements

Reimbursement is available for three meals and incidental (taxes, tips, etc.) expenses not to exceed the U.S. General Services Administration meal and incidental per diem rates as identified on [www.gsa.gov](http://www.gsa.gov) for full days of travel. Travelers can submit grocery or convenience store receipts for food items consumed in lieu of meals during travel. Tips are allowed and may not exceed 20% of the cost of the meal. Travel days are prorated to 75%.

Alcoholic beverages are generally not reimbursable expenses. Federal regulations prohibit reimbursing any expenses for alcoholic beverages with federal funds. Reimbursement for alcoholic beverages from College funds are allowed only as entertainment expenses as approved by the President’s Office and must be itemized separately to be excluded from federal indirect cost calculations.

Original meal receipts must accompany the reimbursement request for each meal, regardless of the amount of the meal, and meet the following requirements:

* **Date/time that corresponds to the period of travel.**
* **Must be detailed so as to identify the items purchased. (Tear tabs or un-itemized credit card receipts are not sufficient.)**
* **Identify the establishment and location of the purchase.**
* **Purchaser must document the name of any guests, their business affiliation and the business purpose of the meal.**

#### Mileage Reimbursement Requirements

Reimbursement is available for round trip mileage at 40 cents per mile, for use of a personal vehicle on a business trip. Gas is not reimbursable when requesting mileage reimbursement. Point-to-point miles and daily vicinity miles at the destination must be reasonable. Reimbursements must include confirmation on distance by maps.google.com, maps.yahoo.com or state maps.Travelers must provide explanations for mileage that significantly exceeds the distances calculated through maps.google.com, maps.yahoo.com, or state maps. Miles driven or indirect routes taken for the traveler’s convenience or discretion are not reimbursable.

#### College Vehicles

Travelers are encouraged to use a college vehicle from the motor pool or departments that make them available for use. When using a college vehicle, travelers must purchase gas with the gas card provided with the vehicle (or credit card if the gas card is not available).

#### Transportation and Other Reimbursement Requirements

Air Travel – Travelers must seek the lowest appropriate airfare for all domestic and international flights. Reimbursement request for fares above “coach” require prior approval from the appropriate budget manager or supervisor and explanation. Itineraries are not valid receipts. Valid receipts show evidence of payment.

Parking - Long-term parking should be used for travel exceeding twenty-four hours.

Car Rental – Reimbursement is available for compact/economy models for one person, a single upgrade for two persons who are traveling together, and additional upgrades for three or more persons or if cargo space is a factor. The additional insurance is not reimbursable and travelers must take the option to return the vehicle with a full tank of gas

Taxi/Limousine/Shuttle/Public Transportation – Reimbursement is allowed for reasonable charges for other transportation.

Entertainment Expenses

IRS regulations allow for reimbursement of certain entertainment expenses provided to a customer or client, including meals. The expenses must be common in the higher education setting and helpful/appropriate to the College’s mission.

Entertainment expenses that the traveler incurs in other than a clear business setting must have as a central purpose the active conduct of business. Business must take place during the entertainment and the traveler must have more than a general expectation of producing income or obtaining a specific benefit for the College.

If business does not take place during the entertainment, the entertainment must be associated with the higher education environment and a substantial business discussion must precede or follow the entertainment.

Unreasonable entertainment expenses (i.e., lavish or extravagant, under the circumstances and considering the College’s mission and higher education environment) are not reimbursable.

The following information is required (written on the back of the receipts or documented separately) for reimbursement of entertainment expenses.

* Business Purpose/Agenda
* Names of attendees
* Location of meeting
* Date of meeting

Non-Reimbursable Expenses

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| * **Expenses not related to College business.** * Cancellation charges (unless justified—at no fault of employee). * Car repair or towing for personal vehicle. * Child care. * Contributions (charitable or political). * Costs for additional people in room. * Cost of indirect routes or side trips. | * Credit card interest charges. * Dry cleaning (unless out of town 5 nights or more). * Fees for upgrades of air, hotel, or car rental. * Fines (traffic citations, parking tickets, other). * Grooming, nail, or hair salon expenses. * Health club fees. * In-flight entertainment or discretionary fees (headphones, phone/internet use). | * Kennel fees. * Laundry (unless out of town 5 nights or more). * Medicines. * Personal entertainment. * Personal losses (stolen/lost cash or property). * Phone charges * Travel costs of spouse or family members. |