

# EMPLOYEE EXPENSE REPORT GUIDELINES (SEMA4)

## EMPLOYEE EXPENSE REPORT FORM

Employees can view and print a pdf version of the employee expense report form. The form can also be found in the Business Office.

The employee expense form is located online at:

<http://www.finance.mnscu.edu/accounting/businessoffice/forms/index.html>

The expense reimbursement allowances by bargaining agreements are located at:

<http://www.finance.mnscu.edu/contracts-purchasing/contracts/reference/index.html>

## EMPLOYEE EXPENSE REPORT GUIDELINES

Please note: While the Business Office has made every attempt to address all issues or questions that may arise, there may still be special circumstances not detailed in these procedures. Please contact Donna Sampson, Purchasing Accounting Technician in the Business Office at 389-7287 with any questions you may have.

In compliance with state policy and board policy (<http://www.mnscu.edu/board/procedure/519p3.html>) the following procedures are to be used for employee reimbursement.

### Employee Meals when in Travel Status (35 miles or more from permanent work location).

- Breakfast – must leave home before 6:00 a.m. or have an overnight stay
- Lunch – may be claimed if employee is 35 miles or more from permanent work station and/or an overnight stay is required.
- Dinner – must return home after 7:00 p.m. or have an overnight stay.
- Times of departure and return must be indicated on the expense report for all meal reimbursement requests.
- Cost of meal includes tax and a reasonable gratuity, but must be within meal allowances to be reimbursed. Original receipts are not required but recommended, as meals should not be treated as “per diem” amounts.

Employees shall be reimbursed for the actual costs of the meals up to the maximum reimbursement amount.

Alcoholic beverages may never be reimbursed.

According to IRS Regulations, reimbursements of meals for travel, not involving overnight lodging, is taxable income. Therefore, when the expenses are paid, federal, state, FICA, and Medicare taxes will be withheld from the employee’s pay. The amount for the expense will be added to wages on the employee’s W-2 form at the end of the year.

Actual costs may be claimed up to the stated limits as allowed by the collective bargaining agreements (link noted above).

### Employee Meals When Not in Travel Status

- The criteria that must be met in order to be considered as Special Expenses are contained in System Procedure 5.20.1, at: <http://www.mnscu.edu/board/procedre/520p1.html>

- Meals may be claimed if you are less than 35 miles from permanent work station with an approved Special Expense Form. A Special Expense form can be found at: <http://www.finance.mnscu.edu/accounting/businessoffice/forms/index.html>
- If an employee pays for meeting-related meals or refreshments, the employee may be reimbursed through the Special Expense process as well.
- Meal reimbursement allowances are permissible as defined by collective bargaining agreements.
- Original receipts are required for any meals being purchased as a Special Expense. Credit card receipts, copies of checks, or copies of credit card statements are not acceptable receipts. If a receipt was not obtained or it was lost, an employee may complete an affidavit for the expense. (missing receipt form) Prior approval from the Supervisor is required to incur Special Expenses

#### Mileage

Current mileage rates can be found at <http://www.finance.mnscu.edu/contracts-purchasing/contracts/reference/index.html>

The mileage reimbursement rate is the current IRS mileage rate.

#### Travel

If an employee declines the use of the college vehicle (when available), the reimbursement rate will be \$.07 less than the IRS rate.

- ☐ Allowable mileage is the shortest distance (most direct route) from either the employee's home or permanent work location.
- ☐ Exceptions to the most direct route may exist and to the extent possible, should be discussed with supervisor prior to trip. All exceptions should be documented on the expense report and initialed by supervisor.

#### Out-of-State Travel / International Travel

Prior approval is required to travel out-of-state and internationally. The Authorization for Out-of-State Travel Form needs to be signed and approved by a Dean or higher-level administrator and the College President before incurring any financial obligations related to the travel (e.g. registering for a conference, making airline reservations, renting a car, etc.). Additionally and regardless of method of travel, the Authorization must be submitted to the President's office no less than 10 days BEFORE travel commences. A copy of the Authorization must be attached to your business expense form (SEMA4) when submitted for reimbursement. ***Out-of-state and international travel which occurs without meeting the aforementioned criteria may not be reimbursed.***

International receipts are required. Claims should be converted to U.S. Dollars at the exchange rate in effect at the time the travel occurred. For assistance in currency conversion you may use the website <http://www.xe.com/tec/>.

Employees should carefully consider the reasons to travel to countries for which a travel advisory has been issued by the United States Department of State, and cannot travel without prior approval of the Minnesota State Chancellor or SCC President. Check for Travel Warnings at:

<http://travel.state.gov/content/passports/english/alertswarnings.html>

The IRS rate will apply for travel to/from the airport for mileage from original departure point to airport using most direct route. Employees are encouraged to use the most cost-effective mode of transportation to and from the airport.

If employees choose to drive to out-of-state destinations, the reimbursement is limited to the lesser of actual costs of the “lowest round trip airfare”. A quote for airfare and related expenses for your travel dates should be included with the expense report.

#### In-State Travel (non-work days)

If an employee travels outside of normal working hours or on a non-work day and departs from home, the employee is entitled to mileage from their home location to the destination with miles figured using the most direct route. Return mileage on non-work days will be reimbursed to home location.

#### Lodging

Lodging should be reasonably priced and is limited to the single room rate. Ask for State of Minnesota government rate.

If two employees share accommodations, each may claim one-half of the lodging expense.

You cannot be reimbursed for expenses incurred by another employee even if you did in fact pay for his/her share. All employees are required to submit his/her own expenses. (This applies to all expenses.)

#### Signatures

All expense reimbursement requests must have original signatures from both the employee and supervisor. The person authorizing the reimbursement must have the appropriate delegation of authority for approving the expense.

#### Receipts

Original itemized receipts are required to be attached for all expenditure reimbursements with the exception of mileage, metered parking or meals. Any reimbursement request which requires a receipt that is turned in without a receipt will require an affidavit to be attached. Affidavits can be found

at: <http://www.finance.mnscu.edu/accounting/businessoffice/forms/index.html>

Affidavits are to be used on rare occasions and should be the exception rather than the rule.

#### Timely Submission of Expense Reports

The IRS requires employee business expenses to be submitted for reimbursement within 60 days after the expenses were incurred. If not submitted within the 60-day time frame, the expenses become taxable to both the employee and employer. Because of this additional expense, monthly submission of expenses reports is expected for all reimbursement requests. All travel reimbursement requests should include:

- Out-of-state travel approval (if applicable)
- Meeting agenda or itinerary
- appropriate web-based mileage (GoogleMaps, Mapquest, etc.) for mileage
- Employee ID number, which is the same number you use to log onto employee self-service site to view your pay stub and W-2.

### Employee Travel Procedures

- All travel at the college's expense must be incurred for the primary benefit of the state or the college.
- Prior to creating any travel arrangements, all travel must be authorized and approved by the supervisor; Out-of-state travel must be approved in writing by the President or designee. A signed copy of the approval form must accompany any reimbursement request.
- All supervisors must verify that an adequate budget is available to pay the travel expense prior to authorizing travel for an employee. Supervisors should request cost estimates to ensure funds are available, employees should provide an agenda if available.
- Travel arrangements should be made with the goal of maximizing the use of campus financial resources. Purchase orders or credit cards can be used for all airfare, lodging, and conference registration costs. Arrangements should be made early enough to take advantage of purchase discounts when possible. Travel insurance coverage is not a reimbursable expense.
- Upgrades are not permitted or reimbursable, and lost baggage or excess baggage fees are not allowed as well.

### Completing the Form – Common Omissions and Mistakes

Home Address – need street and city.

Work Address – 1920 Lee Blvd, North Mankato MN or 1225 Third Street SW, Faribault, MN

Cost Center Number – may enter more than one but specify dollar amount to each cost center.

SEMA4 ID# or Employee ID# - same number you use to log onto employee self-service site to view pay stub and W-2.

Bargaining Unit – used to determine correct meal rates.

Dates – always need the dates of travel and /or date items purchased.

Times – need departure and returned times for meal reimbursements.

Location – need where you left from and went to.

Reason for Travel – required

Trip & Local Miles – need breakdown, mapquest.com

Meals – should be by day not lumped together. Needs to be actual amount spent up to reimbursement limit.

Lodging – do not include parking, internet access or other charges on the hotel receipt.

Check boxes – In state Travel or Out of state Travel