

Reimbursement of Expenses

- Authority** This Guide Memo was approved by the Vice President for Business Affairs and Chief Financial Officer.
- Applicability** The policy applies to all individuals who incur expenses in the conduct of official University activities.
- Summary** This Guide Memo outlines policy on reimbursing individuals for expenses incurred on the University's behalf. Section headings are:
1. REIMBURSEMENT POLICIES
 2. REPORTING EXPENSES

1. REIMBURSEMENT POLICIES

- a. Reimbursable Expenses** – The University authorizes reimbursement of reasonable and necessary expenses incurred by individuals in the conduct of official University activities. Both the person who incurs the expenses and the person who approves reimbursement of expenses are responsible for ensuring that all requests submitted relate to University business, are eligible for reimbursement, and that the expenses are reasonable and necessary. For purposes of determining economical purchases, the price paid by the individual is compared with the price that would have been paid by the University in a similar situation. When the price paid by the individual exceeds that which would have been paid by the University, the lesser amount will be reimbursed.

The following are reimbursable expenses:

- (1) Retail purchases of supplies, books, and other low-cost items. These items are the property of Stanford University, as are any reimbursable purchases. (See Guide Memo 36.6, Petty Cash Funds, http://adminguide.stanford.edu/36_6.pdf, for petty cash reimbursements.)
- (2) Travel expenses and expense associated with professional meetings are authorized within the policies and limitations established by the University and by specific sponsored project or agency regulations. University travel policies are in Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf.
- (4) Business meals may be reimbursed when:
 - There is a bona fide and substantial Stanford business purpose,
 - The participants are actively engaged in Stanford business,
 - Appropriate and permissible funding sources are available,
 - The expense is properly documented (who, what, when, where, why) and the amounts charged reflect good judgment,
 - The expense has been appropriately approved at a local level in accordance with the requirements of the policy.

Documentation of business meals must include:

- Receipts verifying the amount of the expense when in excess of \$75,
- The date of the expense and name and location of the meal,
- The business purpose,
- The names of the participants and their titles or other information establishing their business relationship with the individual incurring the expense.

Business meal expense guidelines are available at: http://fingate/docs/bus_meal_exp_guide.pdf

- (5) Expenses incurred by University employees on behalf of others, either employees or non-employees, may be paid from University funds if the expenditures have a direct connection with University functions and purposes.
 - (6) Expenses for official University purposes incurred at the Stanford Faculty Club and billed to members may be reimbursed, subject to the regular reporting and approval requirements.
 - (7) Reasonable expenses for improvement of working conditions, employer-employee relations, and employee performance are appropriate. Examples of items in this classification include in-house publications and employee morale activities such as a holiday party, summer picnic, anniversary celebration or retirement party. It is important to identify in the Oracle Financials reimbursement request the purpose of employer-employee relations expenditures and the names of individuals or groups involved.
- b. **Sources of Funds for Expenses** – Expenses may be paid personally and reimbursed by the University, or by charging the expense and submitting an invoice for payment. Most minor expenses should be reimbursed from petty cash (see Guide Memo 36.6, Petty Cash Funds, http://adminguide.stanford.edu/36_6.pdf). Occasionally, it may be necessary to receive an expense advance for unusual transactions (see Guide Memo 36.3, Expense Advances, http://adminguide.stanford.edu/36_3.pdf).
 - c. **Non-reimbursable Expenses** – The University does not allow reimbursement for costs incurred for amusement, social activities, or entertainment (however, see sections 1.a(4) through (6) above); Stanford Faculty Club dues for individual members; social or travel club dues; University parking permits for employees or students; traffic citations for either personal or University vehicles; personal services or personal purchases; interest charges for late payment of bills; or any costs specifically disallowed by school or department policy.
 - d. **Capital Purchases** – There are a number of special requirements for purchasing capital equipment, as well as for recording its purchase, whether or not the equipment is charged to a government grant/contract, a gift fund or general funds. To ensure that these requirements are met, capital equipment must be purchased using a Purchase Requisition (see Guide Memo 54, Requisition Processing, <http://adminguide.stanford.edu/54.pdf>). No employee or non-employee will be reimbursed for the purchase of a capital item. This includes payments for individual components that together constitute a piece of capital equipment. The only exception is the use of petty cash for small fabricated parts where the Fabrication Number is included on the Petty Cash receipt and on the Petty Cash Reimbursement Request (see Guide Memo 36.6, Petty Cash Funds, http://adminguide.stanford.edu/36_6.pdf). Any exceptions to this policy must be granted in advance by the Director of Procurement or the Associate Controller for School and Department Operations.

2. REPORTING EXPENSES

Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf, section 14 contains basic policy for reporting expenses. Although Guide Memo 36.7 is stated in terms of travel and travelers, the policies apply equally to other expenses and those incurring the expenses