

Employee Business Expense Reimbursement Policy

Updated as of: November 1, 2017

I. Policy Statement

This policy pertains to employees who incur business expenses on behalf of the University and require reimbursement for those expenses. It is designed to be fair and equitable to both the purchaser and the University, and is subject to all other College/Department policies. This policy applies to all business expense reimbursements regardless of the method of disbursement.

1. Guiding Principle:

The University will reimburse faculty and staff for reasonable, necessary, and appropriate business expenses incurred while performing University business. When incurring expenses, faculty and staff are expected to act in an ethical, practical and fiscally responsible manner. Business expense reimbursement must clearly demonstrate appropriate use of funds supporting the University's mission and demonstrate full compliance with applicable Federal and State regulations, grant and contractual obligations, and University policies. All approved business expenses are the responsibility of, and granted at the discretion of, department heads and area Vice Presidents as defined in the Fiduciary Responsibility Policy.

2. General Considerations:

New Jersey Sales Tax: As a public research university of the State of New Jersey, NJIT is exempt from sales taxes for goods and services. For purchases required to be made outside of the University Procurement System, the [University Tax Exempt Form](#) should be used whenever possible. The University reserves the right to not reimburse sales tax for a transaction that would have qualified for a sales tax exemption if it had been processed through the standard University procurement process. For business-related meal expenses, sales tax as charged is reimbursable.

Eligible costs for federal grants and contracts are defined in [The Uniform Guidance 2 CFR 200.400 to 200.475](#); in certain cases, grants or contracts may have additional stipulations. Externally funded grants and contracts may contain specific rules, prohibited costs, constraints on direct costs, and requirements for the indirect cost rate (also known as "F & A rate" or "overhead rate") charged to such projects. As each grant or contract is unique, specific questions related to a sponsored research award should be addressed to the Office of Research.

II. Policy Eligibility

University funds may be used to reimburse for allowable business expenses which support the mission of the University. Authorized reimbursable expenses occur when the normal procurement process is not an option; for example, internet-only purchases which only accept credit cards for payment. Any University business expenses which are necessary, reasonable, appropriate, and not tied to compensation for work completed, are eligible for reimbursement, and must be submitted through **Chrome River**, the online expense management system or through Petty Cash if less than \$100. The following must be true for reimbursement:

- **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 a valid business purpose
- **Allowable** according to the terms of any federal regulation, sponsored contract, or NJIT business policy

III. Examples of Allowed Reimbursable Expenses

Meals

- If schedules require that meetings with external guests (non-University), during which specific University business discussions take place, are held over a meal time, the cost of the meal, gratuity, and applicable sales tax is an allowable reimbursable expense. To receive reimbursement, the following is required:
 - a list of attendees including title and affiliation, or identification of a discernable group,
 - the meeting purpose needs to be summarized,
 - the itemized bill and payment receipt.
- If schedules and deadlines require business meetings with internal colleagues occur over a meal, the expense is considered an exception and requires:
 - a list of meeting attendees, including title,
 - the meeting over a meal needs to be justified,
 - the meeting purpose needs to be summarized,
 - the itemized bill and payment receipt,
 - approval from the appropriate Dean or area Vice President.
- Per University guidelines, Gourmet Dining is the preferred vendor for food and beverages provided during on-campus events. However, when necessary, food and beverages provided by an external supplier during an on-campus University-hosted meeting or event are reimbursable provided all other policies are followed.

Professional License and Certification Fees- Licensing fees required to perform one's University duties are allowable at the discretion of the area Dean/Vice President. Examples are professional licenses which keep professional credentials current.

University memberships- Memberships in professional associations related to the University, College, or department are allowable expenses at the discretion of the area Dean/Vice President. Examples are industry organizations which are required to maintain University, College, or department accreditation.

Relocation expenses- Expenses related to relocation for new employees are reimbursable only when deemed appropriate and reasonable and authorized by the appropriate Vice President. A copy of the offer letter must accompany any expenses submitted for reimbursement. For specifications, conditions, and questions related to relocation expense reimbursement please contact the Human Resources Department.

Subscriptions- Appropriate publications and journals relative to the employee's responsibilities and intended to increase business research or educational knowledge are reimbursable.

Training- Training expenses on-site, off-site, and those utilizing online strategies which are appropriate and related to one's position at the University are allowable expenses at the discretion of the individual departments and approved in advance by the appropriate area Dean/Vice President.

IV. Examples of Non-Reimbursable Expenses

Alcoholic Beverages –As mandated by the Federal Government and the State of New Jersey, alcohol typically is not an -allowable expense. However, alcohol may be a reimbursable business expense in certain circumstances when there is an approved business justification made at the Vice President level. Alcoholic beverage reimbursement is not permitted on any grants, contracts or unrestricted funds without specific advance approval, or per the employee's employment contract.

Commuting- Employee travel to and from work is not reimbursable. If an employee elects to stay overnight, hotel or room fees incurred are not reimbursable. Exceptions due to unusual work requirements, deadlines, emergencies, etc may be approved in advance by the area Vice President.

Credit card fees- Annual or monthly fees on personal credit cards are not reimbursable, even if the card is used for business purposes. Late charges or interest on personal credit cards that have been used to pay University related expenses are not reimbursable.

Goods for personal use- These would include items such as food, briefcases, flowers, coffee makers etc. are not reimbursable.

Clubs- Personal, recreational, or athletic memberships are not reimbursable.

Parking tickets or traffic violations- These are not reimbursable, even if incurred while conducting University business.

Personal services- These include child care, pet care, laundry/dry cleaning, or similar activities are not reimbursable.

Political contributions are not reimbursable.

V. Approvals and Fiduciary Responsibilities

NJIT is a public research university and as stewards of public funds, ensures that all financial transactions meet the applicable Federal, State and University rules, regulations, and policies. University resources are used to provide financial support to New Jersey Institute of Technology's mission and goals. These funds include tuition & fees, State and Federal appropriations, private gifts and donations, restricted state or federal funds, etc. These funds are expended to accomplish the work of the University including instruction, academic and student support, research, administration, and public service. The roles and responsibilities of University approvers of business expenses, regardless of funding source, are outlined in the [Fiduciary Responsibilities Policy](#). Repayments for any inappropriate employee reimbursements will be required.

VI. Audit of Business Expense Details

To ensure proper internal controls are in place, randomly selected business expense reimbursements will undergo "internal audit" review monthly. Questions will be directed to the individual and supervisor and if necessary, the appropriate Vice President.

If reimbursed expenses are found to be fraudulent or in violation of University business policies, the initiator and the approver of the expenses may be subject to disciplinary actions, including personal reimbursement or legal action, up to and including suspension or loss of employment.

EFFECTIVE DATE OF POLICY

This policy takes effect upon adoption, and supersedes and revokes any former reasonable accommodation policies and procedures.

REVIEW:

Holly C Stern 11/14/17.
Holly C. Stern, Esq. Date
General Counsel
Vice President for Legal Affairs

APPROVAL:

Joe S. Bloom 11/15/17
Joe S. Bloom Date
President

Fadi P. Deek 11/14/17
Fadi P. Deek Date
Provost & Senior Executive Vice President

Edward J. Bishop, Sr. 11/14/17
Edward J. Bishop, Sr. Date
Senior Vice President for Finance & Chief
Financial Officer

Andrew P. Christ 11-14-17
Andrew P. Christ Date
Vice President for Real Estate
Development & Capital Operations

Kenneth Alexo, Jr. 11/14/17
Kenneth Alexo, Jr. Date
Vice President Development & Alumni Relations

Donald H. Sebastian 11/15/2017
Donald H. Sebastian Date
Senior Vice President for Technology &
Business Development
President & CEO of NJII