

Davis Technical College

Administrative Expense Policy

Effective Date: 29 November 2005

Administrative Policy

President's Council Approval: 16 August 2005

Revised President's Council Approval: 29 November 2005

1. Purpose

To provide guidance to Executive and Professional/Administrative employees of the Davis Technical College (College) regarding administrative expenses which are to be paid for or reimbursed by the College.

2. References

2.1. Davis Technical College Purchasing Policy and Procedures

2.2. Davis Technical College Executive Employee Credit Card Policy and Procedures

2.3. Davis Technical College Travel Reimbursement Policy and Procedures

CCH 2005 U.S. Master Tax Guide

3. Policy

3.1. Balance Between Benefits and Responsibilities - Executive and key Professional/Administrative employees of the College are often called on to attend meetings, professional functions, and community functions which are not generally attended by other College employees. Expenses are associated with these events and functions. In determining whether such expenses should be paid for by the employee or by the College, Executive and other key employees should use professional judgment. They should seek to find a balance such that the employee does not receive an undo personal benefit as a result of their job, but also so that the employee does not bear undo personal expenses as a result of the responsibilities of their job.

3.2. Guidelines - As a general rule, the College should pay for or reimburse to the Executive or key Professional/Administrative employee any expense which would be tax deductible to the employee as an ordinary and necessary business expense. According to paragraph 902 of the CCH 2005 U.S. Master Tax Guide, "An expense is necessary if it is appropriate and helpful to the taxpayer's business. An expense is ordinary if it is one that is common and accepted in the particular business activity."

3.2.1. Additional Guidelines Regarding Meals - As a general rule, for a meal to qualify as a College expense under this policy, the meal should be directly related to the active conduct of College business, or associated with College business by being directly before or after a substantial and bona fide business discussion in conjunction with an employee assignment. (See paragraph 910 and paragraph 914 of the CCH 2005 U.S. Master Tax Guide.)

3.3. Coordination with Travel Reimbursement Policy and Procedures - On occasion, an Executive or key Professional/Administrative employee will be required, due to their position or assignment, to incur costs for meals or other expenses which are greater than those allowed to be reimbursed by the Travel Reimbursement Policy and Procedures. When this is the case, the College will bear the costs for these additional expenses. However, when this occurs, these expenses will be paid by the College in lieu of those authorized by the Travel Reimbursement Policy and not in addition to those expenses. On the days when these types of expenses occur, the employee should submit actual expenses for reimbursement, rather than per diem.