

BUSINESS EXPENSE AND TRAVEL POLICY

Effective October 18, 2024

Policy Statement

This policy affects all employees purchasing goods or services or making hiring decisions.

The policy provides specific guidelines regarding personnel and non-personnel expenses, but the following guidance applies in all cases:

- Adhere to approved operating and capital budgets. If new priorities emerge that require unbudgeted expenses during the year, the department or unit is responsible for reallocating its resources to achieve critical priorities while remaining within its approved budget.
- Carefully scrutinize budgeted expenses to ensure they are required to achieve Juilliard's mission and is the best use of the school's limited resources.

Policy

Stewardship Responsibility

Juilliard employees must employ sound business practices and exercise prudent financial management in their stewardship of Juilliard resources. Employees are responsible for ensuring that usage is appropriate, supports the institution's mission, and complies with Juilliard policies, applicable laws, regulations, and donor restrictions. They must exercise sound judgment when generating, reviewing, and approving transactions that commit Juilliard funds.

Criteria for Determining a Permissible Expense

To be paid directly by Juilliard or reimbursed to an individual employee, a business expense must be:

- **Necessary** to perform a valid business purpose fulfilling the mission of the institution; and
- **Reasonable** in that the cost is not extreme or excessive and reflects a prudent decision to incur the expense; and
- **Appropriate** in that the expense is suitable and fitting in the context of the valid business purpose.

Necessary

An expense is necessary if there is a valid business purpose required to fulfill the mission of Juilliard. The primary beneficiary of a necessary business expense is the institution, not the individual. A necessary cost is a minimum purchase or service required to achieve a valid business objective.

Reasonable

Reasonable means the amount that typically would be spent in a specific situation. An expense is reasonable if it is not extreme or excessive and reflects a prudent decision and action to incur the expense. A cost is reasonable if the nature of the goods or services acquired and the amount involved reflect the sensible person's activity under the circumstances prevailing when the decision was made. Primary considerations involved in the determination of the reasonableness are (a) whether the cost is of a type generally recognized as necessary for the operation of the institution; (b) whether the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution.

Appropriate

Costs are appropriate if they are suitable for achieving a specific business purpose. For a cost to be appropriate, there needs to be a valid business purpose, which is usually the responsibility of the department head to determine.

Consider the following questions when determining the appropriateness of costs:

- Could the cost be comfortably defended under public scrutiny?
- Would you be confident if the cost was audited?
- Would you be comfortable reading about it in the newspaper?
- Would you be comfortable explaining to a donor that their donation was used this way?

Staff and Faculty Positions

Carefully evaluate the need to fill any new faculty vacancies and staff positions. Before submitting any job posting or otherwise recruiting to fill vacancies of any kind (or making offers of employment or contracted personal services), you must obtain the written approval of HR, Finance, and the appropriate member of senior staff.

Do not replace vacancies "as is" without a thorough assessment of all alternatives, including but not limited to:

- Eliminating low-value activities and, or automating routine tasks.
- Combining activities with another department or unit.
- Enhancing the role of an existing employee (with appropriate compensation adjustment and or promotion based on HR recommendation).
- Using part-time employees (especially students).

Expense Report Process

To request reimbursement, employees must submit a report of their business expenses within 30 days of the costs incurred using Cadence Expenses.

All items in the expense report must have a clearly stated business purpose per IRS regulations. Receipts and any other proof of expense must be legible and include clear and sufficient information to evidence the payment method, amount, date, place, and nature of the expenditure. An itemized receipt for all expenses must be provided, not just a credit card receipt.

The employee's manager submitting the expense report needs to promptly review and approve the information, ensuring compliance with this policy. In addition, Accounts Payable conducts a formal audit process. Additional questions/clarifications/requests may be required, and Accounts Payable can withhold reimbursement if the request does not follow the guidelines outlined in this policy.

Travel and Conferences

If you are considering traveling on Juilliard business, you should determine if the potential benefits of the trip justify the time, expense, and environmental impact after considering cost-effective and low-carbon alternatives, such as video conferencing.

In-person attendance at conferences should be limited to a maximum of three Juilliard representatives, and travel for any other purpose is to be limited to those essential to the activity. Such expenses must be preapproved in writing by the provost (for academic and artistic departments) or by your department's senior staff member (all other departments). The CFO or Controller reviews senior staff travel expenditures. Accounts Payable will not process invoices, credit card bills, or reimbursement requests without appropriate documentation. Exceptions to the above require the CFO's approval in advance.

Air Transportation

Employees must select the least expensive flight as practical. Employee should also expand the search options while booking the flight to search for the lowest fares from various airlines and schedules.

Eligible Classes for Air Travel Journey	Class of travel
Domestic	Economy
International—under 8 hours	Economy or Economy Plus*
International—over 8 hours	Business
Overnight flight	Economy Plus or Business*

- Book airfare at least 14 days in advance (30 days preferable).
- Reasonably incurred baggage fees may be reimbursed, up to one bag per flight.

*Exceptions based on roles and other work-related and unique considerations (e.g., overnight flights) must be preapproved by the appropriate senior staff member.

Ground Transportation

- Use the most cost-effective, safe, and efficient ground transportation. Ride-hailing services such as Uber and Lyft are acceptable modes of transportation.
- NYC/home-base airport transfers: Reasonable fare airport transfers to/from the home airport are reimbursable each way upon submission of receipts.
- International airport transfers: Taxis/Lyfts/Ubers are reimbursable by Juilliard upon submission of receipts.
- Domestic airport transfers: Taxis/Lyfts/Ubers are reimbursable by Juilliard upon submission of receipts.
- To/from hotel/location: Taxis/Lyfts/Ubers, trains, or a rental car (depending on the city) are reimbursable by Juilliard upon submission of receipts.
- Office commute: The cost of office commute is not reimbursable unless, in rare exceptions, an employee cannot safely use public transportation.

Lodging

Employees must make hotel reservations for a standard room at the lowest rate practical, but not higher than \$350 per night (excluding taxes). If the room costs more than \$350 per night, the

Juilliard Policies

employee should expand their search options. If the employee cannot find lower rates, they must obtain approval in writing from the appropriate senior staff member before booking the room.

Should the employee need to change or cancel the reservation, it is their responsibility to cancel the reservation in sufficient time to avoid charges. Juilliard will not reimburse any costs by the hotel for a “no show” due to an employee's failure to comply with this requirement. Cancellation charges that Juilliard drives are allowable.

Meals and Beverages While Traveling

Reimbursement will be allowed for the actual expense of meals and beverages (including alcoholic drinks) within a reasonable limit.

Juilliard will reimburse the cost of meals for your daily consumption, provided they are within the limits listed below. Please note: The school will not refund a meal already covered by another party (e.g., breakfast at the hotel).

When dining with other traveling employees or other Juilliard staff, the highest-ranking employee should pay the bill and submit the expense report.

Meals at which faculty, staff, students, and/or external parties are present to conduct substantial and bona fide school business are allowable to the extent outlined in this policy. The reimbursement request with required supporting documentation should include a list of attendees and their business relationship to the school (required by IRS regulations). Juilliard requires a detailed list of attendees for meals with 10 people or less. For a group of more than 10 people, a group description will suffice. The school expects the cost of business meals to be reasonable and \$100 or less per person (including tax and tip). When sound business reasons necessitate that business meals exceed \$100 per person, the excess cost of the business meal requires prior approval by the Controller. There is no longer a requirement to break out alcohol on business meals, but an itemized receipt from the restaurant is required.

The business meal may be incurred in conjunction with travel or unrelated to travel.

Meals Budget

The guideline amount per meal is as follows:

- Breakfast: \$25
- Lunch: \$35
- Dinner: \$75

Please note that the totals above do not include tips and taxes. Exceptions can be granted depending on the location and dining options available to the employees.

Indirect Travel for Personal Reasons

Business trips that include indirect travel for personal reasons or entertainment will be reimbursed only for the direct or business portion of the journey, based on accommodations used for business purposes. The employee should provide ticket stubs, hotel folios, and all other traveler's receipts covering the routing of the direct and indirect portions of the trip with the expense report and calculate the business and personal parts of the journey for proper accounting. Do not include travel expenses of personal companions in the expense report as the school will not reimburse those costs.

Non-reimbursable Expenses

Non-reimbursable expenses include, but are not limited to:

1. Air travel in business class for domestic or international flights less than 8 hours (unless overnight) or first class
2. Cost to upgrade a car, hotel, or flight (except as specified in 1. above)
3. Expenses of \$25 or more without supporting receipts (not required for business travel mileage)
4. Telephone or internet charges, including mobile phones or digital devices, except for rare exceptions based on the nature of the role (require pre-approval) by the appropriate senior staff. Reasonable costs for internet or phone usage incurred during business travel are reimbursable.
5. Gratuity (tips) over 20 percent of the charge
6. Fees for personal credit cards
7. Late fees, including Interest or penalties caused by an employee's delay in submitting expense reports
8. Dues to airline clubs or other memberships
9. Fines for traffic or parking violations while on Juilliard business
10. Costs incurred commuting to the office (rare exceptions if an employee cannot safely use public transportation)
11. Any spouse or partner expenses (unless preapproved by the CFO or Controller)

Parties, Receptions, Food

Departments should limit the number of Juilliard-sponsored events to those deemed essential and take care of order sizes, the number of participants, and frequency. Arrange meals or receptions paid by Juilliard only when unavoidable time constraints require them, when prominent school guests are involved, or other unique circumstances exist. Food should not be provided for routine staff/departmental meetings, even scheduled during or near a lunch hour.

Providing refreshments or modest meals at student gatherings is permissible, provided those sessions are essential to the business of the school. Such expenses must be approved in advance by the head of the department responsible for funding the event. Keep the costs of such gatherings or events to a moderate level and appropriate to the situation.

Expenses for a modest meal or light refreshments for functions relevant to employee morale— such as picnics or holiday gatherings—also may be reimbursed, provided the frequency and cost of such events are reasonable and appropriate. The standard of modest expense is equally crucial for events held off-campus.

Gifts or Commemorations for Other Occasions

Gifts including flowers to any Juilliard employee are not reimbursable, except for the following:

1. Births and adoptions
2. Bereavement
3. Retirement
4. Severe illness or surgery

Gifts for the above should not exceed \$125 for full-time employees (do not provide gift cards from the school for these occasions).

IT/Software Purchases

All IT equipment and software supporting Juilliard-related activities requires pre-approval by the IT department before purchase. Do not install unapproved software on Juilliard-managed computers, and only connect unapproved devices to the Juilliard guest Wi-Fi network.

Departments should submit new IT equipment and software requests via email during the annual budget cycle (ITpurchases@juilliard.edu). Where appropriate, IT will review the technology for security requirements, compatibility with technology standards, and redundancy before requesting senior management approval. If approved, the IT department will include the cost of the new software licenses in their budget for the year requested and the subsequent IT budgets unless otherwise indicated.

Submit all ad hoc requests for IT equipment and software outside the annual budget cycle to the IT department via email (servicedesk@juilliard.edu); approval will be subject to available funding and the rationale for the off-budget cycle requests. Employees can find the complete IT Procurement Policy here:

https://www.juilliard.edu/sites/default/files/juilliard_it_procurement_policy_090120.pdf.

Vendors and Service Contracts

Most departments procure services from outside vendors for one or more types of service. Departments should regularly review the relationships with vendors, contractors, and other service providers and reassess their needs annually. If the goods and services are still required, they should re-bid where other options exist and, or different service levels are possible, renegotiate with the current provider or switch to a lower-cost one. In addition, consider multi-year contracts only when the resulting cost savings are significant enough to justify the length of the commitment. All contracts need to be reviewed by Juilliard Legal Department (Legal@Juilliard.edu). Vendor selection must comply with the Juilliard Conflict of Interest Policy.

Furnishings

Route orders for nonessential furniture to the Associate Vice President for Facilities Management, who will review these purchases to determine if they are essential, cost-effective, and included in the Juilliard budget.

Performance and Production Related Expenses

Providing high-quality performance experiences for our students is at the core of Juilliard excellence. Planning for these performances should be done with artistic and educational values at the fore and keeping with approved budgets and the budget process. Departments should determine the number of performances, repertoire, and level of production values with this guidance in mind. Productions should be planned well in advance to avoid unnecessary costs.

Subscriptions and Memberships

The school will review its institution-wide subscriptions and memberships and eliminate those not essential. Cancel, reduce, or otherwise change subscriptions and memberships specific to your department that are not essential or are available through the Library. For those deemed necessary, departments should place their subscription orders through EBSCO, the library's subscription vendor for the school.

Training, Professional Dues, and Certification

Juilliard will reimburse Professional Memberships, Dues, Fees, Certifications, or Training if any of the following apply:

- Membership, certification, or training is directly related to skills required by the current position, based on the job description (for administrators).
- The expense is related to the employee's professional development and has been documented in advance and approved by the supervisor.
- The membership, dues, fees, or training serve a business purpose for the entire department or school beyond the individual's position and is not duplicative.

Shipping/Mailing

Departments should use U.S. mail for delivery, except for oversized packages, international deliveries, or when it is essential to ship overnight. UPS, for example, offers seven (7) levels, from “ground” to “next day early AM” (the latter is six times costlier than the former; FedEx has a similar spread). Thus, it is best to plan for materials that need to be transmitted outside of the school, keeping the high cost of the fastest delivery mode in mind. If you're unsure of the best solution for your needs, please consult the mailroom staff.

Conservation

Reduction of Paper Use

Paper production, distribution, use, and disposal require a large amount of energy and raw materials. Efficient tools like online platforms or apps minimize unnecessary use and waste of paper.

There are also additional costs associated with paper use:

- Cost of printers, printer toner, paper clips, folders, and pens.
- Storage costs.
- Time filing paper documents.

Meetings

- Circulate materials as digital attachments in advance and let participants know you will not provide hard copies.
- Encourage participants to use their laptop or device to take notes and refer to electronic notes and emails.

If you have to print

- Only print pages you need; use print preview to avoid unnecessary printing pages.
- Print in black and white, and double-side; color toner is more expensive and has a more significant environmental impact than black and white.

Unbudgeted Expenses

Before incurring an unbudgeted operating or capital expense, the department or unit must eliminate or postpone other expenditures to remain within their approved fiscal-year budget.