

**To: All Faculty of Columbia Business School**  
**Cc: Divisional Coordinators**  
**From: Chris Mayer, Senior Vice Dean & Janet Horan, Senior Associate Dean for Finance and Administration**  
**Date: June 18, 2009**  
**Re: New Budget Policies for Columbia Business School**

The following changes in budget guidelines were developed by a faculty ad-hoc committee and were approved by the School's Faculty Executive Committee. Additional new policies regarding Business School events will be distributed under separate cover prior to the start of the Fall semester.

The objective of these policy changes to be sure that we are responsible stewards of tuition, gift and grant resources and that funds are spent in accordance with the School's mission and IRS regulations.

Please review these policies carefully, as you will be responsible for them, and the School will no longer be able to routinely approve exceptions. Aside from the COSTAR policy, which will be implemented a year from now, these policy changes go into effect on July 1, 2009.

**1. Spending limits for meals will be enforced as follows**

- \$100 for dinner with non-Columbia guest(s)
- \$50 for dinner alone or with Columbia guest(s)
- \$35 for lunch
- \$25 for breakfast
- Alcohol is not allowed when dining alone.
- Seminar dinners will be capped at a total of \$400 per meal, or \$100/person, whichever is smaller. This can be spent as 4 people at up to \$100/person, or 5 people at up to \$80/person, 6 people at up to \$66/person, etc.
- All of the above limits do not include tax or tip, which may be an additional amount.
- Faculty members will need to pay out of pocket for any additional expenses beyond the meal limits unless prior approval is requested or there are truly exceptional circumstances.<sup>1</sup>

**2. Tax exempt status for meals should be used whenever possible**

- Faculty should work with Divisional Coordinators to ensure that University tax-exempt certificate is used if at all possible. This allows 8% tax to be waived for all group dinners. Administrators can fax a form in advance to restaurants when they make the reservation to avoid confusion or embarrassment when paying the bill. A copy of the form is attached to this memo for convenience.

**3. Restrictions on business and first class travel and hotels**

- Business or First Class air travel is usually not allowed by Columbia University.
- Travelers must purchase the lowest available airfare when traveling on University business. This means the lowest coach airfare, which does not include a full coach class ticket with an automatic upgrade.
- Any Business or First Class travel requests, including upgrade fees, must receive advance written approval in order to be reimbursed. Business or First Class is never allowed for trips less than 5 hours.
- Business School exceptions are as follows:
  - Business Class travel for EMBA teaching is allowed without prior approval, subject to spending limits set by the EMBA program.
  - Business class travel on Amtrak is allowed without prior approval for the Acela train because coach class is not available. All other train travel must be in coach class.
- Hotel limits per night will be enforced at \$350 domestic & \$400 international.

**4. Expense Reports must be submitted within 120 days**

- The IRS will tax any reimbursement requests not submitted within the 4 month window.

---

<sup>1</sup> Explanations such as "speaker ordered expensive wine" or "extremely distinguished speaker" are not considered exceptional. Events that include donors will receive special consideration, but should be submitted for pre-approval if at all possible.

## **5. Limits on home offices and internet charges**

- University regulations allow faculty to maintain only one office (typically in Uris Hall).
- Therefore, furniture or equipment (printer, wireless network, office chairs or desks, etc.) for home office will not be reimbursed unless there are exceptional circumstances.
- An exception is allowed for home internet use, because some university housing includes internet service. Charges for home internet will be capped at \$40 per month.

## **6. Cell phone limits**

- Faculty and staff will be limited to a total of \$150 per month for cell phone and data usage. As before, the entire itemized bill must be provided.
- Faculty members may only charge expenses for a single phone or PDA to their COSTAR accounts. Exceptions must receive prior approval from the Dean's Office.
- We encourage cell phones plans through Operations at the Business School to take advantage of discounts. For such plans the limit will be enforced as an annual limit of \$1,800. Faculty will be billed personally for any excess charges.
- Expenses above these limits can be approved under extraordinary circumstances such as when there is foreign travel involved or if the calls can be demonstrated as work-related.
- Computer data cards are not included in this limit.

## **7. Food and refreshments for MBA students may not be billed to the School**

- Faculty may no longer charge food or refreshments for MBA students to instructional or COSTAR accounts.
- Faculty should avoid providing food and refreshments even when paid for personally.
- Exceptions must receive prior approval from the Dean's Office.

## **8. Restructured faculty computer incentive**

- Faculty members will have a \$1,500 computer incentive added to their COSTAR account every 4 years.
- Faculty will receive their first \$1,500 allocation when they are next eligible under the old system.
- There is no use-it-or-lose-it provision, nor any limitations on expenditures. COSTAR resources can be used to supplement the incentive.

## **9. Changes to faculty computer support**

- ITG will only support computers purchased through the School that are being used by faculty and staff members (not their families) for Business purposes.
- ITG will only support computers that are under warrantee. Faculty members should extend their warrantee to a 4 year for ~ \$ 200 to remain under warrantee for the final year of the new cycle.
- ITG will discontinue support of certain outdated or specialized software (especially e-mail products) and hardware without a teaching or research justification.

## **10. COSTAR: Changes do not take effect until July 1, 2010**

- Faculty members who have more than a full year's allocation of funding in their accounts will be asked to provide a short budget and research plan to receive their allocation for the following year.
- All reasonable plans will be approved, current balance will remain, and new allocation will be made.
- After 2 reminders, if a faculty member does not respond, the balance of their COSTAR in excess of one year's worth of allocation will be transferred to a divisionally-controlled research account.

### **Notes**

- Faculty members who have transferred outside resources into their COSTAR account with the expectation of saving funds indefinitely or spending funds on items that are no longer acceptable will be able to undo these transfers to the extent allowable from the previous source.
- COSTAR accounts are always subject to normal review to ensure adequate funding of research. Faculty are encouraged to speak to the Senior Vice Dean if their COSTAR account allocation is insufficient to fund their research. The School is committed to fully funding faculty research to the greatest extent possible.