



Policies and Procedures

Policy Title:
Travel & Business Expense Reimbursement

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Responsible Office: Business Office
Responsible Office: Vice President for Finance

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Scope

This policy and its related procedures are applicable to all University representatives (including employees, students and job applicants) regardless of the source of funds supporting such travel or expenses.

Policy Statement

To communicate a common process to properly reimburse all individuals traveling or seeking reimbursement of expenses based on Internal Revenue Service regulations.

Reason for the Policy

To create a system by which reimbursements of business related expenses to employees, students

and job applicants are processed in a uniform manner.

Definitions

Accountable Plan: Expense reimbursement or allowance arrangements are not considered taxable income if they are made under an accountable plan as defined by the Internal Revenue Service.

Under these rules, three tests must be met.

1. Expenses must have a business connection to the employer.
2. Expenses must be substantiated to the employer within a reasonable period of time.
3. Any excess reimbursement or allowance must be returned within a reasonable time.

Non Accountable Plan: Is a reimbursement or expense allowance arrangement that does not meet one or more of the three rules listed under Accountable Plans. In addition, excess reimbursements not returned to the employer and reimbursement of nondeductible expenses will be treated as being paid under a non-accountable plan. Reimbursements made under the non-accountable plan are considered taxable wages.

Substantiation: Requires an employee to establish with adequate records such as receipts, account book, etc:

1. The amount of the expense.
2. The time and place of the expense.
3. The business purpose of the expense.

Policy Sections

5201.1 IRS Regulations

IRS regulations allow employers the option of using either an "Accountable Plan" or a "Non Accountable Plan" for the reimbursement or payment of business expenses. It is in the best interest of the University, its' students and employees to operate under the "Accountable Plan". Adherence to this policy will ensure the University is in compliance with the IRS guidelines. The "Accountable Plan" must include requirements for proper substantiation, a bona fide business connection and a timely return of amounts in excess of expenses. **Reimbursements and Advances not meeting these requirements are considered taxable wages to the individual receiving the funds and UNH will be required to withhold taxes on these amounts.** Consequently, the University will only reimburse individuals for expenses which meet the requirements of an "Accountable Plan".

5201.2 Travel & Business Expense Policy

Employees who need to travel should first seek approval from their immediate supervisor. This must be done by completing a “Request of Travel & Conference Authorization” form prior to incurring any expenses on behalf of the University. An approved Request for Travel & Conference Authorization is required when travel expenses are anticipated to be \$500 or greater. Travel arrangements should be the least costly, consistent with the itinerary and the business requirements of the trip.

Grants (Sponsored Programs)

University travel policy applies to all sponsored programs. However, if specific agency guidelines for a sponsored program are more restrictive than University policy, then agency rules shall apply. Individuals should be familiar with the specific cost allow ability provisions of their sponsored programs.

When completing the travel authorization and/or the expense report form, please provide a written explanation which justifies the benefits this expenditure has to a particular research project. The explanation should refer to a *specific research project* (grant speed key, grant title, and how the expense is necessary in order to accomplish the goals of the *specific grant project*).

Any expenses that are to be charged to a grant must receive approval from the Jill Marino Grants Department in the Business Office 203-932-7179 **prior** to incurring any expenses.

Expense Reimbursement (Students)

Undergraduate and graduate students may be reimbursed for expenses incurred on behalf of the University. Such reimbursements are not reportable to the IRS by the University as income to the student, provided documentation is submitted indicating that the travel, entertainment or non-travel business expenses relate to:

Official University business:

- A faculty member's project or research program;
- Presenting at a conference on behalf of the University (a photocopy of the conference program indicating the student is a speaker/presenter is required); or
- The student's employment at the University.

Expense Reimbursement (Non-employees)

In most instances, the University will reimburse non-employees (including job applicants, guest lecturers, and invited guests) for approved travel, entertainment and non-travel business expenses incurred on behalf of the University. UNH requires that non-employees provide an adequate accounting of these expenses. To ensure the timely and accurate

reporting of all University expenses, reimbursements should be submitted to the Business Office within 15 days from the date of travel.

Job applicants should complete an expense report for reimbursement for travel expenses incurred.

PCard Payment

All travel expenses must be paid for using a University of New Haven issued PCard. Use of a personal credit card is prohibited, Please contact the Business Office if you have not been issued a University of New Haven PCard.

Booking Travel

All travel arrangements and bookings should be directed through the Purchasing Travel Coordinator who will ensure compliance with established discount programs and this policy.

Transportation

Travelers should try to find the most reasonable form of travel. The University will reimburse a traveler for reasonable airfare, car rental, taxi, bus and train fares. Receipts must be attached to expense report.

Airfare

Reimbursement for all air travel will be at the lowest available rate – generally “coach class”. Purchase of airfare with a University PCard is encouraged. Any difference in cost for class upgrade will be at the expense of the traveler. However, a traveler may choose to travel “business class” if the continuous flight time in the air (i.e. excluding layovers) (one-way from point of departure to destination – actual time in air) exceeds 6 or more hours. Supervisor approval is required for the purchase of “business class” airfare. (Example – two connecting flights, one 4 hours and one 3 hours would not qualify for business class because the total continuous time in the air is not 6 hours.)

Car Rental

Only “Authorized Drivers” may rent a vehicle for University business purposes. An “Authorized Driver” is someone who successfully completes the University of New Haven’s Driver Safety Program. Please also refer to Policy 5810 “Vehicle Use Policy”. The cost of a car rental is an allowable reimbursable expense provided that such an expense is essential to the business trip. The University will reimburse the traveler the cost of the vehicle rental, based on the invoice paid to the rental company (IRS mileage does not apply). The traveler will also be reimbursed for any gasoline purchased separately that is not included in the rental company's invoice provided an original receipt is attached to the reimbursement request. Every effort should be made by the traveler to rent cars from car rental companies that have discount agreements or special rates with the University. Please contact the Business Office or Purchasing Department if you need help identifying

preferred rental car companies.

Any rental of a vehicle for University business within the United States, Canada or Puerto Rico SHOULD NOT include insurance through vehicle rental agencies. Insurance coverage SHOULD be obtained when renting a vehicle outside the United States, Canada or Puerto Rico.

Rental of 12 and 15 passenger vans is prohibited due to the possibility of serious accidents and injury to passengers. Please refer to Policy 5810 "Vehicle Use Policy".

Rail

Standard coach accommodations will be provided for rail travel less than six hours duration. First class fare will not be allowed unless the continuous rail travel is more than six hours in duration from station to station.

Other Transportation

Reasonable use of taxis, buses, airport limousines and similar transport to and from the airport, hotel and/or conference sites will be reimbursed.

Utilization of "Black Cars" or a personalized limousine service is prohibited.

Lodging

The University will reimburse the traveler the lesser of the actual bill for the lodging or the per diem rate as listed in the GSA General Services Administration website.

Personal Meals

Meals consumed by an employee while traveling locally are not allowable business expenses according to the IRS. This does not include meals when an employee is dining or entertaining other individuals for business purposes.

Business Meals

In situations where an individual is conducting business with one or more guests, reasonable meal expenses will be reimbursed. Business meals must be directly related to University business. Participants in the business meal and the purpose of the business meal must be documented on the expense report and on the original receipt.

All Other Expenses

The University will reimburse an employee or student for other necessary expenses (parking, tolls, registration fees, supplies) provided they relate to a bona fide university purpose and are supported by an original receipt

Employees may purchase miscellaneous minor items (books, supplies, instructional materials, etc.) and be reimbursed for their purchases.

The University will not reimburse individuals for personal expenses while traveling such as child care costs, kennel fees for pets, valet, laundry services, snacks, speeding tickets, parking fines, or other similar costs.

Travel expenses for the spouse and/or families of faculty and staff will **not** be reimbursed by the University.

Employees who attempt to circumnavigate the purchasing guidelines of the university by purchasing items/services personally and then filing an expense report will be denied reimbursement.

Distinguished Visitors

The University recognizes that certain invited guests may require upgraded travel arrangements. These arrangements will be an exception to policy and must be approved in advance by the Associate VP for Finance or the Provost's Office. Approved exceptions must be documented in writing on the expense report.

5201.3 Travel & Business Expense Procedures

Request for Travel

- All employees are expected to obtain travel approval from their immediate supervisor prior to incurring any expenses.
- A **Travel Authorization Form (Exhibit A and** available at <http://www.newhaven.edu/academics/19261/>) must be completed prior to travel if any of the following conditions exist:
 1. Travel where the estimated expense of the trip will exceed \$500;
 2. Travel where any portion of the estimated expense of the trip will be charged to a sponsored (grant) program.
- The purpose of the Travel Authorization form is to capture the entire expense associated with a particular trip. The form must be signed and dated by the employee and the appropriate financial manager. **The approved form must be sent to the Accounts Payable Office prior to making travel arrangements.**

- The approved total on the **Travel Authorization Form** will be encumbered to the department upon receipt by the Accounts Payable Office.
- If the travel is to be charged to a grant, the form must be signed by Grants and Contracts in the Business Office prior to submission to the Supervisor.

Travel Advances

- Travel fund advances can be obtained by completing the “Travel Advance” form (Exhibit B). Travel advances are only available to employees and students of the University and may be provided to travelers as deemed appropriate. Travel advances cannot be issued more than 30 days prior to an event or the date of travel. Travel advance funds must be accounted for by completing an expense report within 15 days of incurring an expense or from the last date of travel. The expense report must document how the fund advance was spent including original receipts. The original receipts must include a hand written description of the reason for the expense.
- Failure to follow these rules will result in the suspension of processing future advances and possible inclusion of these amounts as taxable income. The Business Office has the final authority in approving or disapproving travel advances.
- Students who receive a travel advance and then do not complete an expense report as required may have their financial aid reduced by the amount of the funds advanced.

Business Purpose

A clear and complete business purpose must be documented for each and every trip. The purpose should include the dates of the trip and enough supporting documentation to assist the approver, and any subsequent reviewer, to validate the business need for the trip. For example, when attending a conference or other event on university business, supporting documentation (such as the conference brochure, itinerary or letter of invite), listing the date(s) and purpose of the event, should be attached to the expense report.

Expense Report (Exhibit C)

Travelers are expected to submit an expense report to their supervisor with required supporting documentation immediately upon incurring the expense or returning from the trip.

The Business Office must receive all expense reports within 15 days of incurring the

expense or within 15 days from the last date of travel.

International Travel

Expense reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts and their conversions. Travelers must use the currency rates that were in effect when travel took place. Foreign exchange rates can be calculated at the following website:

<http://www.x-rates.com/cgi-bin/hlookup.cgi>

Lodging

To determine the maximum per diem rates that the University will reimburse, a traveler must use the GSA (General Services Administration) website. Please use the following link:

<http://www.gsa.gov/portal/category/21287>

Upon selecting a travel destination (State/City), the rates as provided in the GSA website are the maximum that will be reimbursed by the University. The traveler must include a print out of the GSA website that shows the per diem amount for the traveling destination. The GSA calculations do not include tax. When completing the Travel Authorization form, please be sure to estimate the taxes due.

However, when attending a conference, travelers may stay at the conference hotel even though it may not be the most economical option available.

The University will not reimburse travelers for in room movies, mini bar snacks, room service or cleaning charges. The traveler must include a detailed copy of the hotel bill with the expense report.

Personal Meals

Meals consumed by a traveler are reimbursable up to the maximum per diem rates as calculated by the GSA. To determine the appropriate per diem rates, please use the following GSA link:

<http://www.gsa.gov/portal/category/21287>

Upon selecting a travel destination (State/City), the rates as provided in the GSA website are the maximum that will be reimbursed by the University. To determine the breakout for breakfast, lunch and dinner, the traveler should select the tab "FY10 M&IE Breakdown". The traveler must include a print out of the GSA website that shows the per diem amount for the traveling destination.

The University will reimburse travelers the lesser of actual bill for each meal or the maximum per diem rate for each meal as indicated in the GSA website. In either case, the actual receipts must be included in the expense report.

When a traveler uses UNH funds or P-Card for meals, original receipts are required and should be attached to the expense report and the PCard reconciliation report Receipts must include hand written documentation of the business purpose for the expense.

Travelers may be reimbursed for tips however, the combined cost for meals and tips are not to exceed the established per diem rates.

Foreign Travel Expenses

Travelers can use the US Department of State website to determine the per diem rates for meals and lodging in foreign countries.

http://aoprals.state.gov/web920/per_diem.asp

Business Meals

Receipts must be provided for business meals and the names of the business guests and the reason for the business meal must be documented in writing on the receipt. Meals with employees, faculty, or staff are not considered business meals and are prohibited. Holiday parties, retirement parties, birthdays parties, etc. are not considered business meals and are prohibited.

All Other Expenses

To receive reimbursement for business meals and entertainment, the employee must attach a detailed receipt indicating the business purpose and must include a list with the names of all persons attending the function. The specific business purpose of the expense must be described in the travel authorization form and/or the expense report and the original receipt

Request for reimbursement for other necessary expenses (parking, tolls, registration fees, supplies) must include a business purpose and must be detailed in the expense report and original receipts must be included.

Request for reimbursement for miscellaneous minor items (books, supplies, instructional materials, etc.) must include a business purposes for the miscellaneous item. These items must be detailed in the expense report and original receipts must be included .

The University will not reimburse individuals for personal expenses while traveling such

as child care costs, kennel fees for pets, valet, laundry services, snacks, speeding tickets, parking fines, or other similar costs.

Travel expenses for the spouse and/or families of faculty and staff will **not** be reimbursed by the University.

Employees who attempt to circumnavigate the purchasing guidelines of the university by purchasing items/services personally and then filing an expense report will be denied reimbursement.

Mileage – Personal Use of Automobile

Travelers must document each leg of their business trip and substantiate the miles traveled. Traveler should provide documented proof of the miles claimed with either a mapquest.com print out or an odometer reading from their vehicle.

Point of Origin and Final Return for Travel

The IRS provides standards that define the beginning and end of business travel. These standards are useful in determining whether mileage from one's home or work office is to be used when reporting mileage for reimbursement.

- The “starting address” is the traveler's home or customary workplace, whichever is last visited before commencing the trip.
- The “destination address” is city and state in which the traveler is traveling to.
- The “return address” is the traveler's home or customary workplace, whichever is first visited after completing the trip.
- When travel begins or ends at the traveler’s home, reimbursement will be made for the total miles driven, less traveler’s daily commute to the University.
- Travelers will be reimbursed at the standard mileage rate issued by the IRS. The IRS mileage rate covers the cost of vehicle usage, including gasoline. The traveler will not be reimbursed separately for gasoline expenses since it is included in the rate. Travelers will be reimbursed for tolls and reasonable parking expenses that are documented in the expense report by an original receipt.

UNH’s insurance does NOT provide physical damage coverage for damage to personal vehicles used for university business. Your personal automobile liability insurance is your primary coverage when using your personal vehicle for university business.

Non-Reimbursable Items

- Airline club membership dues
- Airline upgrades
- Airfare, First Class
- Air phone usage
- Alcoholic beverages of any kind
- Annual fees for personal credit cards
- Auto repairs for rental or personal vehicles
- Baby-sitting or pet care services
- Barbers and hair salons
- Birthday party expenses and gifts
- Personal cell phone monthly fees
- Car rental insurance
- Clothing or toiletry items
- Corporate card delinquency fees or finance charges
- Club memberships for business, pleasure or recreation
- Exercise room fees or health club fees
- Expenses related to personal vacations or personal days taken before, during or after a business trip
- Gift Cards
- Gift Certificates
- Gifts
- Golf fees, ski lift tickets, spa charges, etc
- Holiday party expenses and gifts
- Items confiscated by airport security
- Issuance of passport or passport renewal
- Frequent flyer upgrades
- Laundry charges
- Loss or theft of airline/rail/bus tickets or any personal funds or property
- Meals where only a University of New Haven faculty or staff member is present
- Medical expenses while traveling
- Mini-bar items
- In-room or in-flight movies or game rentals/on-demand orders
- “No-Show” charges for hotels or any other reservations
- Optional travel or baggage insurance
- Parking tickets or traffic violations
- Personal entertainment, reading materials, or telephone calls
- Rental car options such as LDW, CDW, PAI, liability, etc within the US
- Rental car upgrades to premium and luxury
- Retirement party expenses and gifts
- Shoe shines

- Souvenirs/personal gifts or evening wear rentals
- Spouse/guest related charges while traveling
- Travel costs of an employee's spouse or dependents

Expense Reports

- All expense reports must be submitted within 15 days of completing a trip or within 15 days of incurring an expense. Failure to do so may result in denial of reimbursement or the possible treatment of reimbursement as taxable income to the employee.
- All expenses incurred on behalf of the University are to be certified as to completeness and accuracy by the traveler and are to be approved by their Financial Manager/Supervisor.
- The Accounts Payable Office will not reimburse a traveler any amounts which exceed the total approved amount from the **Travel Authorization Form**.
- The Business Office will review the expense report to ensure compliance with University policy and IRS Guidelines.
- All expenses incurred using a PCard must be documented separately by reconciling/reclassifying the PCard expenses, PCard expenses must also be documented on the expense report.
- No individual may authorize and approve his or her own travel expenses.
- If any portion of the expense report is charged to a grant, the traveler must secure the approval from the grants financial administrator (Grants Department in the Business Office 203-932-7179) **prior** to submittal to the Chairman/Supervisor.
- Amounts paid with a UNH PCard must be accounted for in the expense report. P-Card users must still complete their P-Card reconciliation and submit the required documents to the Purchasing Department in Part B.
- Amounts paid directly by the University – via accounts payable – must be accounted for in the expense report in Part B.
- Travel Advances received by travelers must be accounted for in the expense report in Part D.
- The Banner Index and account numbers must be filled out on the expense report prior to submission to the Business Office.

- On those occasions when personal travel is combined with business travel, the University will not reimburse any expenses associated with the personal part of the trip.

TRAVEL INSURANCE

- **Travel Accident Insurance and Travel Life Insurance**
Travelers will not be reimbursed for costs associated with the purchase of Travel Accident Insurance or Travel Life Insurance. Faculty and Staff are covered by the University's blanket accidental death and dismemberment insurance while on approved travel outside the community where they reside or normally work. This does not include commuting between home and normal work sites.
- **Travel Cancellation and Rescheduling Insurance**
The University does not reimburse travelers for trip cancellation insurance. Travel insurance should not be purchased.

COMMERCIAL RENTAL VEHICLES

Travelers driving in support of official University business must comply with the University's Vehicle Use Policy 5810. Policy No. 5810 requires completion of the University of New Haven's Driver Safety Program.

The University's designated vehicle rental agency should be used whenever possible.

Midsize, economy, compact or subcompact vehicles should always be rented. Reimbursement will be made for other types of vehicles in exceptional cases (e.g., several travelers are riding in one car, equipment being transported, etc.).

Travelers should rent vehicles in the University's name with the authorized traveler as the named driver. Under no conditions should the authorized traveler allow another person to operate their rental vehicle.

Travelers should not purchase a collision damage waiver (CDW) from the rental agency if the rental is in the U.S or Canada; coverage should only be purchased for international rentals.

Travelers must report all accidents to the Department of Public and Administrative Services within 24 hours, and immediately when any accident results in any personal injury or towing of a vehicle. The traveler should follow the rental agency accident report

instructions, in addition to forwarding a copy of the report to the Department of Public and Administrative Services.

TRAVEL TO HIGH RISK LOCATIONS

Travel to foreign destinations should be checked online with the U.S. Department of State (<https://step.state.gov/>) to see if the location is at a “High Risk” or if there are any trip advisories “cautions” prior to making any travel plans.

Travel Authorization Requests must specify if the travel destination is considered High Risk.

The Director of Public Safety must be informed if a travel destination is considered High Risk.

Travel to High Risk locations should be reviewed by Associate Vice President or higher to determine if the trip should be authorized.

Employees planning to travel abroad are encouraged to enroll in Smart Traveler Enrollment Program (S.T.E.P.). When you enroll in S.T.E.P. the State Department can update you with important safety and security announcements. By enrolling you will make it easier for the embassy or consulate to contact you in the event of an emergency. Remember to keep your information in S.T.E.P. up to date. When you enroll or update your information include a current phone number and e-mail address. Prior to traveling make sure that you have contact information for the nearest U.S. Embassy or Consulate where you are going. Consular duty personnel are available for emergency assistance 24/7.

Travelers to foreign locations should make a copy of your passport, student visa (if applicable), driver’s license, ATM cards and credit cards (front and back), making note of their customer service numbers, including the number to call from abroad. Keep copies in a separate location from your wallet or purse. Also leave copies of all documents at home with a family member. It is also a good idea to scan your passport and email it to yourself and your family.

This statement of policy and procedure is intended to be a guide in determining reasonable expenses for University business expenses.

5201.4 Forms

The following forms are online:

- Travel & Expense Reimbursement Policy
- Travel Authorization Form
- Travel Advance
- Expense Report
- Expense Report Continuation Page

<http://www.newhaven.edu/academics/19261/>

Persons seeking to be reimbursed must use the forms listed above. The use of any other forms will not be accepted by the Business Office.