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Ursinus College Travel and Related Expense Policy

Purpose

This policy ("Policy") is intended as a guide for Ursinus College (the "College") employees or for those non-employees traveling on behalf of the College for travel and related expenditures performed in the course of their responsibilities. Ursinus College will reimburse faculty and staff for travel and entertainment expenses ("business expenses") incurred in the performance of their job duties or other assigned responsibilities relating to appropriate College-related operations. Business expenses include those directly paid by using a College-issued credit card through JPMorganChase Bank ("Credit Card") as well as direct reimbursement to individuals who incur them on behalf of the College.

The responsibility to follow this Policy rests with the employee, approving supervisor and the supervising senior officer (President or Vice President) who certifies compliance with these guidelines (or reasonable exceptions). Accordingly, reimbursement should be sought and authorized for only reasonable and customary College-related expenses, which conform to College policy. The burden of determining whether a particular expense is reimbursable rests with each individual prior to incurring the expense. It's incumbent on the individual to provide proper documentation supporting all expenditures.

The primary focus of this Policy is on business and travel expense reimbursements because those expense reimbursements are the focus of Internal Revenue Service ("IRS") accountable plan rules. Business and travel expenses that are reimbursed following IRS accountable plan rules are not subject to income or employment taxes (e.g., federal income tax withholding, social security taxes or Medicare taxes).

The IRS requires that accountable plans include all three of the following elements:

- There must be a **business connection** for the expense; that is, you must have paid or incurred deductible expenses while performing services as an employee of the College.
- There must be a **reasonable accounting** for the expense by the employee regarding the amount, time, use and business purposes of the expenses, within a reasonable period of time (not to exceed 30 days). Original receipts must be provided as supporting documentation.
- When cash is advanced to an employee for travel or entertainment purposes, excess cash and supporting documentation must be returned to the Business Office within 15 days after completion of the trip.

Failure to comply with these requirements could result in an employee having to report as personal income, the costs incurred for his or her business related travel and/or expenses.

Reimbursement should be sought and authorized only for expenses that conform to this Policy, are ordinary, necessary, and reasonable both in amount and relative to its purpose. Any Ursinus employee conducting College business should always exercise the highest level of professional judgment at all times.



Responsibilities

This Policy is necessary to comply with federal and state tax laws and third party sponsoring agency regulations (such as private and government grants). It is intended to ensure consistent and fair treatment between individuals and departments throughout the College and the uniform reporting of financial results. In general, the cost of travel, accommodations, entertainment, and other related business expenses should be governed by what is reasonable and appropriate to the purpose served. The College respects the personal integrity and discretion of each member of its faculty and staff and conducts expense account affairs accordingly. The following information outlines responsibilities of various parties to the process:

Traveler/Employee:

The individual incurring business and/or travel expenses bears the responsibility to:

- Verify that all expenses being paid or reimbursed by the College are valid and conform to this Policy document and understand that requests lacking required documentation and/or business purpose will be questioned and may not be reimbursed;
- Not engage in any misuse, abuse or perceived inappropriate transactions while conducting College business;
- Attest that expenses submitted for reimbursement have not been previously paid through expense reporting previously submitted, via a cash advance, or by an outside agency or other third party;
- If provided a cash advance, submit all supporting documentation and return any excess advance funds within 15 days of completion of travel.

In documenting travel and entertainment expenses, the traveler/employee is to:

- Complete and sign an expense report (or complete the on-line Credit Card statement);
- Provide the proper account number to be charged for each expense;
- Provide an explanation of all expenditures, using the standard Travel and Entertainment Expense Form, located on the Business Office website¹ and;
- Forward all necessary supporting documentation to the approving department head/budget manager for review and approval.

Be mindful that the business purpose of an expense may be obvious to the traveler/employee, but not to the approving supervisor, Business Office, or a third-party reviewer; it's important to fully document the business purpose.

¹ The on-line Travel and Entertainment Expense Form is available under the Forms section of the Business Office website at <http://www.ursinus.edu/netcommunity/page.aspx?pid=3304>.



Authorizer/Approver

Individuals authorized to approve business and travel expenditures of others are also responsible for the administration of this Policy. They are responsible to:

- Verify that the traveler/employee attested to the above responsibilities;
- Attest that the purpose of the expense is valid and directly related to Ursinus College business;
- Request from the traveler further documentation or explanation for the expenses that appear to be excessive or unusual in relation to the nature of the business travel and;
- Approve employee expenditures on a timely basis.

Understand that while the Business Office may review and question business and/or travel expenses incurred, the primary responsibility for the appropriateness of expenditures rests with the traveler/employee and the individual responsible for approval of the expense reports.

Business Office

The Business Office reviews and accounts for business and travel expenses. At its discretion, the Business Office may question and disallow any expense/reimbursement that is not consistent with the guidelines outlined in this Policy, for reasons such as:

- Information regarding business and/or travel expenses incurred not supported by accompanying supporting documentation, or does not include a detailed documented purpose;
- Expenses not reviewed/approved by the appropriate approver; or
- Expenses not in compliance with this Policy.

The College's adherence to this Policy is routinely reviewed by external auditors.

Key Compliance Matters

The IRS and federal regulations require certain standards to be met when documenting, recording and submitting reimbursable expenses. These include:

- Submitting expenses for reimbursement within a reasonable time limit;
- Documenting the specific business purpose of an expense;
- Providing original receipts as proof of payment and;
- Segregating unallowable or excessive expenses; these will not be reimbursed by the College.

Reimbursement Submission Time Limit:

The IRS requires travel expense reimbursements to be reported within a reasonable period of time. The determination of a reasonable period of time will depend upon the facts and circumstances, but the general expectation is defined as follows:

- If the employee is issued a College Credit Card, the expectation is that expenses are to be reported by the traveler/employee through the on-line system and approved similarly by the direct supervisor with supporting documentation submitted to the Business Office with 15 days from the end of the month in which the expenses have incurred. Further information is provided within the College's Credit Card Policy.
- If the traveler/employee requests direct reimbursement of travel/entertainment expenses, the expectation is that the expenses will be documented and approved and forwarded to the Business Office, in conformance with this Policy, within 15 days after the travel/entertainment took place.
- If the employee received a cash advance, full accounting and documentation with approval from the supervisor is due to the Business Office within 15 days after the related expenses were incurred. Any excess advancement must be returned within this same time frame. Per IRS regulations, if an employee does not follow these guidelines, the advance will be treated as compensation and thereby would be reported on the College's W-2 as taxable wages. See the section on Travel Advances within this Policy for further guidelines.

In addition, in order to adhere to generally accepted accounting principles, the traveler should be mindful of the College's June 30th fiscal year end, and all travel and entertainment expenses for that year must have actually occurred during that fiscal year. All items services, such as hotel, transportation, meals, etc., must have been performed within that fiscal year.



Business Purpose

All expenses must be documented as for a valid business purpose that is necessary and reasonable in order to conduct College business. A business purpose must be documented for all expenditures in which a traveler/employee is requesting reimbursement.

The documented business purpose must be specific and thorough. For example:

- “Travel to Washington, DC to attend EDUCAUSE conference on cyber security on MM/DD/YYYY” is an appropriately documented business purpose. “Travel to New York for conference” is not.
- “Travel to Lancaster, PA to attend career fair at ABC High School on MM/DD/YYYY” is an appropriate description of a business purpose. “Out of town recruiting expenses” is not.
- Travel to Allentown, PA with specific sports team on MM/DD/YYYY to compete against XYZ College” is an acceptable description of a business purpose. Simply stating “Game travel expenses” is not.

Be mindful that the business purpose of an expense may be obvious to the traveler/employee, but not to the supervisor, the Business Office or a third-party reviewer.

Receipts for Proof of Payment

Except for personal mileage or tolls paid from an E-Z Pass device discussed below, the traveler/employee is expected to obtain original receipts for all expenses for which they plan to be reimbursed. An original receipt may take various forms, including cash register receipts, toll receipts, hotel statements, etc. At a minimum, a receipt must identify:

- The date of the purchase;
- The vendor name;
- Itemized list and unit price of the purchased item and;
- The total amount paid.

For meals, the receipt must document all food and drinks purchased. In addition, the traveler/employee must list all attendees, including job title, company name when applicable, or whether or not the attendee was a student, alumni or potential donor. There must be a legitimate documented purpose for the meal.

In circumstances in which the traveler/employee is unable to obtain an original receipt that contains all the required information, documentation should be provided that demonstrates as many of the items as possible along with a detailed explanation as to why the receipt is missing. The supervising approver and the Business Office have the authority to accept or deny this documentation.

Note that there is no “de minimus” threshold for not submitting receipts to support the travel and entertainment expense.



A receipt in a foreign language/amount is considered acceptable documentation, with the US dollar conversion amount noted on the receipt. If the receipt does not provide the conversion, conversion can be provided by the traveler/employee indicating and documenting the conversion rate on the date of the business expense. Responsibility lies within the traveler/employee to certify that the conversion rate is appropriate.

The following website is recommended to be used to determine the exchange rate for the dates in question:

<http://www.x-rates.com/historical/>

Please provide a printout of the exchange rates for the dates of the travel/entertainment as supporting documentation.

Employees who are issued a Credit Card should use the card for foreign transactions. If traveling out of the country, please contact JPMorganChase (the phone number is on the back of the card) who will ensure that your Credit Card authority is enhanced to include international transactions.

As indicated previously, mileage to and from a business trip in a personal car will be reimbursed to and from your home to the destination less the normal commute from home to the College. Supporting documentation should be provided by using mapping software or an on-line mapping website, such as Google Maps or MapQuest. See the section within this Policy below on Automobiles for additional information regarding mileage.

Government Grants

For travel and entertainment expenses to be charged against a Federal grant, the Federal Government will not reimburse certain expenses, termed “unallowables”, and has set forth guidelines prohibiting these costs from being charged to Federal grants and contracts, either directly or indirectly. The limitations placed on these costs by the Federal Government are often more stringent than the College’s and will not allow reimbursement for alcohol, entertainment, personal expenses, flowers, gifts or excessive costs, including first or business class travel or lodging or meals over the designated College thresholds, etc. Therefore, expenses to be reimbursed from a government grant will follow the more stringent rules of either the granting agency or this Policy. Please call the Associate Controller of Grants and Contracts in the Business Office if you have any questions regarding allowable travel expenses.

E-Z Pass Documentation for Tolls:

When a traveler uses E-Z Pass in their personal automobile for the payment of tolls, a detailed list of tolls taken from an E-Z Pass statement with documentation of the business purpose of travel should be provided as documentation.



Confidentiality of Critical College Information

When traveling on College business, the traveler must be mindful of their responsibility of maintaining confidentiality of all College-related data, information and records. The College's policy regarding confidentiality of information is provided at <http://campusweb.ursinus.edu/intranet/apps/ShowPolicy/default.aspx>. Whenever traveling on College or personal business, they should be aware that information stored on their laptop, phone or on their person is vulnerable and that all attempts must be made to secure this information. Laptops and phones should be secured with passwords and efforts must be maintained to ensure that these tools are safe and secure.

Failure to Comply with this Policy

Whether the individual incurring business and travel expenses is doing so via the College-issued Credit Card, a travel advance or out of pocket costs to be reimbursed, the individual is expected to be considerate of the fact that they are representing Ursinus College and that their actions are a direct extension of the College. Any deviations or violations of this Policy may be subject to disciplinary actions including a verbal/written warning, revocation of their Credit Card privileges (where applicable), up to and including termination from the College.



Air/Rail Travel

Employees/travelers must book the lowest price nonstop coach class air/rail fare available that reasonably meets the traveler's schedule. If the traveler wishes to maximize comfort and convenience for domestic travel (i.e. upgrade to business or first class), the traveler is responsible to pay the difference between the lowest price nonstop coach class fare and the final fare. Appropriate documentation of such arrangements should be submitted to the College along with the business or first-class ticket.

For travel to Alaska, Hawaii and destinations outside of North America or for necessary medical reasons (accompanied by appropriate supporting documentation), air travel other than coach class is allowed if the situation warrants and only with approval from the supervising senior officer (President or Vice President).

On-line receipts documentation for airline electronic tickets (E-Tickets):

In order to meet the IRS requirements that a flight was taken and paid for by the traveler, documentation support with E-tickets requires an itinerary reflecting airline, flight numbers, departure/arrival dates and times, and a receipt listing the total flight cost, payment method and evidence of full payment. The itinerary/receipt requirements may be satisfied by the same summary document depending upon the method used by the airlines or travel company. As indicated previously, additional travel insurance is not to be reimbursed to employees traveling on College business.

Automobiles

Use of Personal Automobiles

Use of the traveler/employee's personal automobile will be reimbursed at the College-standard mileage rate. The College's ties its standard mileage rate to the IRS's standard rate. The Business Office will send announcements to the campus as the mileage rate is revised. The mileage rate is designed to cover gas, oil, and fixed costs such as insurance and depreciation. The total mileage reimbursement is not to exceed the cost of available round-trip economy or discounted airfare; the traveler/employee will be reimbursed at the lower amount.

- Travel by automobile is permitted only if this mode is in the best interest of the College;
- Reimbursement for two or more persons traveling in the same automobile shall be limited to the mileage reimbursement paid to the driver;
- Parking costs will be reimbursed if properly substantiated by receipts;
- Bridge, tunnel and road tolls will be reimbursed if properly substantiated by receipts;
- The current reimbursement rate will be periodically updated as necessary as the IRS rate changes and will be communicated to the College by the Business Office; and
- The total amount of mileage to be reimbursed is the total miles traveled less the individual's normal commute from their home to the campus;
 - For example: if an employee lives 10 miles from Ursinus College (20 miles round-trip) but drives 50 miles to/from the destination of the trip, the employee will be reimbursed for 30 miles total. (50 miles less their 20 mile "normal" commute).
- Documentation of the mileage must be supported by the use of mapping software or a website (such as Google Maps or MapQuest)

Automobile Rentals

Rental of an automobile is permitted when necessary for an employee traveling on behalf of the College. Such rental of an automobile will be allowed and reimbursed on the following basis:

- A traveler/employee should only rent mid-size or smaller vehicles unless there are several travelers in the Ursinus group, in which case preapproval and a documented business reason should be obtained. Reimbursement will not be made for an unapproved car class upgrade and the individual will be responsible for the incremental costs;
- Although car rental agencies offer basic car insurance, travelers/employees must decline all additional insurance. Request for reimbursement for such insurance will not be reimbursed and will be the responsibility of the traveler/employee. The College insures rental automobiles. Travelers/employees should request a copy of the College's insurance card from Facilities in advance of the travel and travelers/employees should have this card in your possession when renting automobiles on behalf of the College. The College will not reimburse you for the coverage of your personal items in the rental car. If items are damaged or stolen from the rental car, your personal items will be covered under your



own homeowners or renters insurance policy. The College will not reimburse you for your own insurance.

- Mileage is not reimbursed on rental cars. Gasoline charges on a rental car will be reimbursed with submission of an original receipt and rental agreement.



Lodging

The College will reimburse travelers/employees for lodging for each day an employee is required to be away from home for College-related business. Reimbursement is limited to room fees and occupancy taxes and must be documented by an original itemized hotel bill and receipt. Confirmations of hotel reservations are not an acceptable form of documentation. Reimbursement for lodging may not exceed the normal rate for a standard room. If an individual is attending a convention or conference, use of the convention or conference hotel is appropriate. Often the hotel will provide a discounted conference rate. However, when this is not offered travelers should request the educational rate where available.

Note that if meals are charged to the hotel room, they should be reported, coded and documented separately as business meals.

For guests visiting the campus on College business, the College has made arrangements for direct billing and reduced rates with the following local hotels:

Courtyard Marriott

600 Campus Drive
Collegeville, PA 19426
484-974-2600

Hampton Inn & Suites

100 Cresson Boulevard
Phoenixville, PA 19460
610-676-0900

Staybridge Suites

88 Anchor Parkway
Royersford, PA 19468
610-792-9300

Meals and Entertainment

The College will reimburse travelers/employees for reasonable, non-excessive meal expenses (breakfast, lunch or dinner) incurred while traveling away from home or entertaining on College business. Travelers will be reimbursed for actual and reasonable costs properly documented by original receipts. Travelers may also be reimbursed on a per diem basis if required by a grant or contract.

According to IRS guidelines, meal and entertainment charges for business guests are reimbursable on a tax-free basis when the names, positions/titles, and the organizational affiliation of the guests(s), along with the business purposes are indicated when submitting expense reporting. Original receipts must be submitted for any individual meal or entertainment purpose.

For a business meal, the receipt must document all food and drinks purchased. In addition, a list of all attendees (including job title or company when applicable), their connection to the College (including whether they are students, potential donors and/or alumni) must be included as well as a legitimate business reason for the meal.

Tips

Tips are reimbursable for normal services associated with business travel such as food services, porters, taxi, etc. Tips included on meal receipts will be reimbursed. Tips should be reasonable and commensurate with the services provide, but are capped at no more than 20%.

Business Meals and Meetings when not traveling

Employee Only Business Meals

In cases where Ursinus employees meet over a meal when they are not traveling, the cost of the meal is considered a personal expense unless the primary purpose of the meeting is to conduct College business and there is a substantial business need to meet over the meal. Generally, these requirements are met when it is not possible for one or more employees to meet during working hours and the purpose of the meal is to conduct College business in accordance with a formal agenda. IRS regulations do not allow for payment of meal expenses incurred by employees who are not traveling away from home (e.g. their travel does not require an overnight stay) unless the above criteria is met. These business expenses are permissible when the name(s) of the meal attendees have been documented; including the details of the food and drinks consumed and the business purpose of the meal is documented and justified.

It is permissible to incur expenses for meals when traveling to a local conference, seminar, workshop, presentation or other similar group meeting involving employees when it extends through the usual mealtime(s). Such meals must be reasonable in nature and the purpose of the meeting must be documented accordingly to ensure that it is an appropriate business expense.



Other Business Meals

Expenses for dining involving non-College personnel are considered business expenses when the purpose of the meeting is to conduct College business and when it is necessary or appropriate to have the meeting in conjunction with, or during, a meal. Expenses for such meals should be kept to a reasonable level. The typical business meal might involve interviews of prospective employees, discussions with vendors, consultants, donors, students or other individuals with whom the College does business. Meals for meetings of organizations and groups at which agenda items pertain to College business are reimbursable under this Policy with proper documentation.

Independent Contractors, Students/Recruits, and Other Non-Employees

This Policy also applies when the College has agreed to cover the cost of travel, room and/or board and other expenses of non-employees, unless the relevant contract with the non-employee requires otherwise. Non-employees may include job applicants, seminar speakers, consultants, lecturers, and other individuals. Non-employees must adhere to the same reasonableness standards and submit required receipts or other documentation supporting expenses. It is the responsibility of the department that contracts or meets with non-employees to ensure that they are aware of this Policy.

For non-employee expenses funded by a sponsored grant or contract, the individual incurring the business expense should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed, as well as the guidelines within this Policy. Federal or sponsor restrictions are the responsibility of the designated department head or Principal Investigator (in the case of Federal grants) that has supervisory oversight of such individual activities.

Miscellaneous Business Expenses

Other expenses that are incurred during business travel, including but not limited to supplies, publications, equipment, photocopying charges, etc. purchased for business use are considered business expenses. The payment for these types of miscellaneous business expenses must also include proper documentation and business justification in accordance with this Policy. However, the expectation is that these instances would be rare and should be avoided during business travel. All purchases should be made by Ursinus College through the normal purchasing processes. Property and equipment used in the normal course of business should belong to the College and as such, purchases should not be made by the individual employee.

Miscellaneous Travel Costs

Other travel expenses may include, but are not limited to:

- Business telephone calls;
- Hotel internet service fees (when the usage of the internet can be documented for College work/business);
- Fees for passports and visas, if specifically obtained in order to perform work for or on behalf of the College;
- Fees for currency exchanges;
- Necessary laundry and dry cleaning charges after completing 5 consecutive days of business travel; and
- Expenses associated with baggage handling and storage, including excess baggage charges and tips.

All such expenses must be specifically identified when submitting expense reporting and documented in accordance with this Policy.

Personal Business Conducted During Period of Travel

Personal expenses, as well as any incremental travel costs incurred for personal business during the course of a College business trip, are the responsibility of the traveler. The College will not pay or reimburse travelers for expenses that are inherently personal in nature. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the traveler conducted personal business at some point during the trip. For example, gas and mileage charges for out-of-the-way travel to visit friends or relatives are personal expenses.

Personal expenses may not be charged to the College, even if the intention of the traveler or a third party is to later reimburse the College for these expenses. Using the College as a conduit for personal expenses may result in disciplinary action.

Schedule A included within this Policy represents a list of expenses that are considered personal in nature and are not reimbursable by the College. Schedule A is NOT all-inclusive.

Travel Advances

The College will provide travel advances to employees traveling on authorized College business to cover reasonable costs, such as taxi fares, tips, and other business expenses. Travel advances must not be used to cover personal expenses. The size of a typical advance is limited to \$100, but this can be above this limit if a reasonable estimate of the amount of cash necessary to conduct College business is provided to the Business Office.

Each travel advance is the personal obligation of the traveler. Thus, the traveler is responsible for any lost or stolen advance money. The traveler is responsible for securing approval for the advance and must provide original receipts after the travel occurs to support the travel/entertainment expenses. The traveler/employee is to forward the receipts and approval as well as return any unused balance of the advance to the Business Office within 15 days of the completed travel/entertainment.

Advances will not be granted to employees who have an uncleared prior travel advance unless a senior officer (President or Vice President) certifies that extenuating circumstances warrant the second advance.

The Business Office may revoke the right to obtain travel advances when necessary to avoid perceived abuse.

Employees must immediately return any unused travel advance funds to the Business Office when a trip has been canceled or has been postponed.

Uncleared Travel Advances

The Business Office monitors uncleared travel advances and sends email notifications to travelers if the advance is not cleared within 15 days of travel completion. If an individual fails to substantiate the business expenses covered by the travel advance within 60 days after completing the travel, the College will report these payments as taxable income to the employee on Form W-2.

SCHEDULE A

The following are examples of expenses that are generally not reimbursable by the College unless approved by the supervising President or Vice President:

- Airline, car rental and travel insurance in addition to the amount already provided through the College;
- Alcoholic beverages, except as appropriate to meetings related to fund raising, relationship cultivation, business meetings with non-employee guests or other business purposes;
- Annual fees for personal credit cards;
- Any portion of air travel, train travel, auto rental, mileage, hotel costs, or meals for personal use;
- Baby sitter fees, kennel costs, pet or house-sitting fees;
- Cellular or air phone usage (except when documented with an appropriate business purpose);
- Clothing;
- Doctor bills, medicine and other medical services;
- DVDs, in-room movies, and other entertainment related products;
- Gifts to others (unless it can be specifically documented that the gift was for a business purpose);
- Limousine services;
- Membership dues, including airline club dues and country club dues;
- Monthly internet line charges from an employee's personal residence unless appropriate business purpose is documented;
- Personal entertainment (e.g. sporting events, movies, concerts, museums);
- Personal expenses such as magazines, snacks, haircuts, cigarettes, reading materials, toiletries, etc.;
- Sales taxes paid when exemptions are available.
- Saunas, massages or exercise facilities;
- Spouse/partner or other companion travel expenses, when the spouse or other companion's presence is not required by the College;
- Theft, loss or damage to personal property not covered by the College's insurance policies;
- Traffic fines, court costs, parking violations, automobile repairs, EZ-Pass violations;
- Transportation from home to office to home;
- Unused hotel or travel reservations not properly cancelled;
- Upgrades for air travel, hotel or car rental;
- Valet parking