



Policies and Procedures Manual

Title: Financial: Travel and Entertainment Expense Policy
Policy Administrator: Assistant Controller
Effective Date: Mar-07-2009
Approved by: Vice President for Administration and Finance

Purpose:

This policy applies to travel and entertainment expenses purchased directly by the College as well as those reimbursed to employees or non-employees such as volunteers, students, or guests. This policy provides guidance on what is reasonable and prudent when incurring travel and entertainment expenses that are necessary for College-related activities. Adherence to these policies and procedures ensures consistent and fair treatment among departments throughout the College and uniform reporting of financial results.

This policy and related procedures are designed to conform with federal tax rules regarding accountable plans providing that expense reimbursements are neither reportable nor includable in an employee's compensation provided there is a business reason for the expense; the traveler substantiates the expense; and the traveler returns to the College any amount advanced in excess of the substantiated expense.

College Vice Presidents may adopt travel and entertainment expense policies that are more restrictive than the provisions of this policy for their division. Those policies, if adopted, may not conflict with sponsored agreements or federal regulations. Faculty members should refer to the Faculty Conference Travel Policy.

Policy:

1.0 Responsibility

Travelers are responsible for ensuring that they have the necessary approval from their department head to travel. Department heads are responsible for ensuring that funds are available to support the travel they authorize. The responsibility to observe this policy rests with the traveler and the Department Head who certifies conformance to these guidelines by approving the reimbursement request.

It is the responsibility of the traveler and the principal investigator to know the terms set forth in the award of a sponsored program regarding allowable travel expenses. Programs sponsored by third parties may have travel provisions that are more

restrictive than those contained in this policy. Travel cost on sponsored programs must be incurred within the period of the award or any authorized extension. All charges for travel under a sponsored program must be reasonable, necessary, allocable, allowable, and appropriate to and specifically benefit the intent and purpose of the award. The most restricted guidance applies when there is a conflict between College policy and award requirements. Travelers may check with the Controller's office if there are any questions.

2.0 General Policy for Travel Expenses

The College provides reimbursement for travel and entertainment expenses that are substantiated by appropriate documentation and properly authorized. The quality of travel, accommodations, entertainment, and related expenses are evaluated by what is reasonable and appropriate to the purpose involved. The College does not require sacrifice on the traveler's part where safety, comfort, and convenience are concerned, nor will it reimburse excessive spending.

2.1 *Travel Agency*

Employees traveling on College business may make all travel arrangements through the College's Travel Agency. Hours of operation, telephone numbers, and other necessary information may be obtained from the [Purchasing Department](#).

2.2 *Air Fare*

Consistent with reasonable planning, air travel will be booked at the lowest available fare. Airfare may be booked through the College's designated travel agent, on-line direct with the airlines, or by using on-line travel providers. With proper planning, the College can take advantage of discounted fares. Therefore, travelers are encouraged to plan trips in advance whenever possible in order to qualify for special reduced fares. Consideration must be given to the penalties imposed by the airlines when selecting an advance purchase fare; weighing the amount of the penalty for itinerary changes against any potential savings.

Criteria used to evaluate the lowest available airfare are:

- leaves or arrives within a 1-hour window on each side of the traveler's desired departure or arrival time;
- allows the traveler to choose airports; is a nonstop flight if requested by the traveler;
- does not require staying over Saturday night unless requested by the traveler; or
- the class is reasonably adequate for the medical needs of the traveler.

If the traveler wishes to maximize convenience (traveling first class), the traveler may participate in the cost of the trip, paying the difference between the lowest available fare and the final fare.

Frequent Flyer or other bonus awards will not be used as the deciding factor when selecting flights, hotels or other vendors providing travel services. The College will not

purchase frequent flyer miles or other bonus programs from travelers or reimburse them for tickets or hotels purchased with frequent flyer miles or other bonus award programs. Any membership fees to join frequent flyer or other clubs are considered personal expenses and will not be reimbursed by the College.

The Federal Aviation Act of 1958 ('Fly America Act') as amended requires all federal grantees to use U.S. Flag Carriers for air transportation of personnel for both domestic and foreign travel when using federally appropriated funds for travel. Federal appropriated funds means moneys directly awarded to the College on a contract, grant, or appropriated basis, or a subcontract in which the Federal Government is the original source of funding. The Act further provides that in the absence of satisfactory proof of the necessity to use a non-U.S. Flag Carrier, any expenditure of federally appropriated funds for foreign travel on other than U.S. Flag Carriers shall not be allowable. The expenditure of federal funds for service furnished by a non-U.S. flag carrier is allowable only when service by a U.S. flag carrier is considered unavailable.

An advance may be requested to reimburse a traveler for airline tickets purchased prior to the trip when the traveler chooses not to obtain tickets through the College's designated travel agent. These advances can be obtained no more than 60 days before the departure date and must be supported by a purchase receipt. The advance is settled when a Travel Expense Report is submitted with a boarding pass indicating that the travel has been completed.

2.3 Lodging

Holy Cross will pay only the actual room costs supported by the hotel bill for each day that lodging away from home is required for business reasons. Travelers are expected to use good quality, but reasonably priced hotels or motels whenever practical. It is understood that when attending a conference, travelers will stay at the conference hotel.

The minimum Corporate Rate or discounted conference rate should always be requested, and the original paid hotel bill should be attached to the expense report for reimbursement. In the event that an on-line travel provider (Expedia, Orbitz, Travelocity etc...) is used to book lodging, a portfolio detailing the stay must be requested and attached to the expense report. Prior to booking a hotel through any on-line travel provider, the traveler should contact the hotel to determine if the hotel's on-line rate is equal or less than that of the travel provider. In the event the rate is equal or less, lodging should be booked directly with the hotel.

A traveler is responsible for cancelling reservations by 6:00 p.m. local time of the hotel or earlier if required. Room costs due to failure to cancel will be deducted from a subsequent reimbursement. Travelers should request a guaranteed late arrival reservation on their credit card, if their arrival is expected to be after 6:00 p.m.

An advance may be obtained to reimburse a traveler for a hotel paid prior to the trip. These advances can be obtained no more than 60 days before the departure date and must be supported by a purchase receipt. The advance is settled when a Travel Expense Report is submitted with a portfolio detailing the stay indicating that the travel has been completed.

2.4 Meals

An individual traveler will be reimbursed for their meals during the travel period. The traveler may use one of two methods for meal expenses incurred in connection with travel of more than one day. The method selected must be used for the entire trip.

- **Actual Expenses** — The traveler may be paid for the actual costs of reasonable and necessary meals and gratuities. Tips for meals must not exceed 20% of the cost of meals. Any tip charges in excess of that amount will not be reimbursed.
- **Per Diem** — The traveler may be paid the applicable meals per diem rate discussed in section 2.5. This rate varies by geographic area.

In general, IRS regulations prohibit reimbursement for meals during travel not requiring an overnight stay. However, it is permissible to incur expenses chargeable to the College for meals provided as part of a local conference, seminar, workshop, presentation, or other similar group meeting when it extends through the usual mealtime(s). Actual receipts are necessary to support these reimbursements and such meals must be reasonable in relation to the nature, duration, and purpose of the meeting. In these situations, the business purpose should be documented in the form of an itinerary or conference agenda. At no time will breakfast or coffee breaks be reimbursed during any travel not involving an overnight stay.

2.5 Per Diem

Per Diem rates are applicable to overnight travel away from home and are established through Federal guidelines. The per diem rate is intended to cover meals, tips, and incidental expenses for a 24-hour period. When an overnight trip extends into a partial day, the per diem is prorated 20% for breakfast, 20% for lunch, and 60% for dinner.

The per diem rate is allowed only when the traveler is away from home overnight on business. The per diem method may not be used if the travel did not require an overnight stay. Per diems are limited to the number of nights away on College business. When meals are provided by others or in conjunction with a conference, the per diem rate should be adjusted based on the meals provided.

Current per diem rates can be found on the [GSA website](#) that provides a complete listing of domestic per diem rates. After selecting the state to which you are traveling, please use the "M&IE Rate" (meals and incidental expenses) shown for the city/country of your travel for use as the per diem rate for travel reimbursement. For travel to any city/country not specifically listed, please use the standard CONUS rate for meals and incidental expenses (M&IE) noted.

2.6 Conference Meal Reimbursement

Meals covered in the conference fee are not reimbursable. Meals authorized for reimbursement may be submitted at the actual cost with detailed receipt or proportionately (20% breakfast, 20% lunch, 60% dinner), through the flat per diem rate, per overnight stay (see 2.5 above). Attach a conference agenda to the traveler's expense report.

2.7 Conference and Seminar Discounts

When attending a conference that has a designated airline, notify our designated Travel Agency, identifying the carrier to ensure you obtain the special conference airfare. Our Travel Agency may be able to obtain a lower fare on an airline other than the conference's designated airline. The traveler may also contact the airline carrier, hotel, or conference provider directly.

2.8 Car Rental

The use of a rental car should be justified as an economical, business necessity and not as a matter of personal convenience. All rentals should be at the lowest possible rate per day. The College has access to corporate contracts. Contact the purchasing department at ext. 3644 for updated information. When traveling in groups, sharing of cars should be practiced to minimize costs.

2.9 Travel and Flight Insurance

The Travel Accident Insurance Policy covers all employees traveling on College business, either domestically or abroad at no cost to the traveler. Coverage applies only to trips on College business, not for an employee's personal travel. Flight insurance coverage to Holy Cross business travelers, using the College's travel agent, is provided through the Diners Club Corporate Travel System (CTS). Any additional insurance purchased by employees will be at their own expense.

2.10 Taxi and Other Local Transportation

The cost of taxis or other transportation to and from hotels, airports, or railroad stations in connection with business activities is reimbursable. Receipts are required except for trivial amounts (less than \$15.00). If available and practical, shuttle transportation to and from airports should be used. Long-term airport parking should be avoided.

2.11 Personal Automobile

The use of an employee's personal automobile will be reimbursed at a rate of \$.565 per mile. When traveling on College business, the actual mileage will be determined by the shortest distance between the College and destination, or the employee's home and destination.

2.12 Airport Shuttle Service

The College has a negotiated discount agreement with a local airport shuttle service. Contact the purchasing department at ext. 3644 for current rates.

2.13 Railroad

Train arrangements and reservations can be made through our Travel Agency. Just as in air travel, train fares will be charged to our business travel account and billed directly

to Holy Cross monthly. First class accommodations are allowed for all international rail travel.

2.14 Tips

Tips are reimbursable for normal services associated with business travel such as food services (see limitation under meals), porters, etc. Tips should be reasonable and any unusual amounts must be explained. Tips are only allowed as a reimbursable expense if the traveler has not selected the per diem. All incidental costs such as tips, porters, etc. are included in the aforementioned per diem rate.

2.15 Internet Use for College Business

The College will reimburse charges for internet usage while traveling, provided the usage is substantiated by a hotel bill or "internet café" receipt. Reimbursement will be limited to \$15 per day.

2.16 Spouse/Guest Travel and Entertainment

Travel and entertainment expenses for a spouse/guest are not reimbursable as a business expense.

2.17 Miscellaneous Expenses

Laundry, dry cleaning, and pressing services away from home are allowed when the employee is away in excess of five days, and when the expenditures are supported by out-of-town receipts and are reasonable in nature.

2.18 Parking and Toll Expense

Parking expenses require a receipt. Toll expenses require either a receipt or statement detailing the tolls. No receipt for trivial amounts (less than \$15.00) is required.

2.19 International Travel

International expenses include expenditures incurred for travel, meals, business meals and entertainment, lodging, airport taxes, exchange rate fees and other items necessary for the conduct of Holy Cross business. Because of the large amount of expenditures associated with international travel, all international travel must have the prior approval of the appropriate Vice President.

Currency exchange fees are reimbursable when supported by receipts and required for business travel. The College uses the following currency converter <http://www.oanda.com/currency/converter/>.

2.20 Approvals

All expense reports submitted for the reimbursement of travel expenses must be approved by the employee's immediate Supervisor/Department Head.

3.0 General Policy for Non-travel Meals and Entertainment

College employees may meet with a guest over a meal when they are not traveling. The cost of the meal will be considered reimbursable when the primary purpose of the meeting is to conduct College business and there is a clear and compelling reason to meet outside the worksite over a meal. Generally, these requirements are met when it is not possible to meet during other working hours and the purpose of the meeting is to conduct business in accordance with a formal agenda.

To be reimbursable, all expenses must be essential to the transaction of College business. The Internal Revenue Code requires the following details: the names of guests and employees present, cost, date, place, business purpose (brief description) and the business relationship of the individuals entertained. A detailed receipt must be submitted.

3.1 Gifts and Other Expenses

Expenses should be mission-related or support organizations where our students are involved. As a rule, the College will not provide reimbursement for gifts that are normally provided by Human Resources (e.g. flowers for deaths, employee awards, retirement awards, etc...). See the Awards, Gifts, Incentives, and Prize Policy for more detail. The following expenses must have Vice President approval.

- Advertisements in programs such as plays, sporting events, etc.
- Formal wear rental (Not allowed at Vice President and Department Head level).
- Office parties-Christmas, end of semester, etc.
- Gifts to vendors, contractors, suppliers, and charitable organization must be approved at the Vice President level.

3.2 Food or Refreshments for College Events

- **On-Campus Meals** – Departments and organizations should avoid ordering food or beverages for meetings attended exclusively by members of the College community (faculty, staff or students) unless the appropriate Vice President or the President has agreed in advance that there is simply no alternative to holding the meeting during a mealtime. The College requires that proper documentation for such meals, including the location, business purpose, and people in attendance be submitted in order to obtain reimbursement. The use of departmental meal cards also requires departments/divisions to maintain the same level of documentation and to submit their documentation to the Controller's Office on a monthly basis.
- **Off-Campus Meals and Entertainment** – Must be business-related and documented.
- **Recruiting Meals** – For off-campus recruiting meals, the College will cover the cost of the meal for the interview candidate and up to two College representatives. Departments should use discretion in selecting off-campus

dining venues and in making menu selections. For on-campus recruiting meals, discretion should be used in terms of the number of invitees.

3.2(a) To obtain reimbursement for the purchase of food, a [check request form](#), and original receipts should be sent to Accounts Payable. The check request should include a list of participants and description of and the purpose of the event.

3.2(b) Serving alcohol on campus requires the utilization of a "TIPS" trained bartender through Dining Service.

3.2(c) Faculty and Staff may be reimbursed for expenses incurred because of entertainment of students and/or colleagues in their homes. Permission of the appropriate Vice President is required. Under no circumstances will reimbursement be made for the purchase of alcoholic beverages.

3.2(d) Federal sponsored programs do not permit the purchase of alcohol for consumption under any circumstances. Under no circumstances will it be permissible to submit a reimbursement for the purchase of alcoholic beverages on a federally sponsored program.

3.3 *Local Lodging for Guests of Holy Cross*

Whenever possible or prudent, consideration should be given to those pre-negotiated rates available to the College or those special negotiated hotel rates provided by our designated Travel Agency. Contact the purchasing department at ext. 3644 for current contracted rates.

3.4 *Expenses not Paid by the College*

The following list is provided only as a guide and is not meant to be a complete list:

- Airline and travel insurance
- Portion of auto rental or auto mileage reimbursement for personal use
- Traffic fines, court costs and parking violations
- Unused room reservations not canceled through proper procedures
- Annual premiums for personal property insurance, or annual fees for personal credit cards including liability insurance for lost cards
- Personal expenses such as haircuts, reading material, snacks and sundry items
- Transportation from home to office to home
- Theft, loss or damage to non-business related personal property
- Contributions of College funds to public officials or candidates for public office
- Unauthorized membership dues, subscriptions or fees
- Baby sitter fees, kennel costs
- Doctor bills, prescriptions and other medical services
- Theater or in-room movies, unless away for 5 or more days
- Hotel, condominium, apartment, or house rental for vacation or relaxation purposes.

Procedures:

1.0 Reservation Procedures

When making travel arrangements with our Travel Agency, you will be asked for your department budget account number. All air and train travel is billed on a Business Travel Account (BTA) once a month. Hotel and car rentals are not paid through the BTA, these expenditures will be paid directly by the traveler.

2.0 Cash Advances

A traveler may request, in advance, funds necessary to cover anticipated out-of-pocket cash requirements, up to a limit of \$50 per day. The [Travel Authorization and Request for Travel Advance Form](#) includes a section where an anticipated cash advance may be estimated and approved by the Department Head. Once approved, the Travel Authorization Form is submitted to Accounts Payable where a cash advance is processed.

Once travel is complete, the approved [Expense Report](#) will be submitted to Accounts Payable. If the advance is larger than the expenses, a check made payable to the College of the Holy Cross must accompany the Expense Report. If expenses are greater than the advance, reimbursement will be issued to the employee. To allow for processing, advance requests should be submitted at least 10 working days prior to the departure date.

All travel advances must be cleared promptly (generally within 10 working days after the trip's completion). In the event an advance is not cleared in a "reasonable" time period, as defined by the IRS, the IRS requires the full amount of the advance be subject to wages and be recorded in the next scheduled payroll. In addition no further requests for Travel Advances will be honored.

3.0 Unused Air Tickets

Unused air tickets, purchased by Holy Cross, will be tracked by the travel agency and should be re-used whenever possible. Tickets purchased on-line should be re-used for College travel purposes only.

4.0 Completing the College Expense Report

All travel and entertainment expenses must be reported on the [College Expense Report](#). Original receipts are required for all expenses. The Expense Report should be completed in ink and signed by the traveler and authorized approver. The Expense Report should be submitted within ten days of completion of the trip.

5.0 Substantiation of Expenses

The following support for expenses will be required for all travel and in-town expenses:

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| a. Air transportation | Airline ticket, boarding pass or payment receipt |
| b. Car rental | Car rental agreement |
| c. Lodging | Hotel bill and, if credit card is used, include card receipt |
| d. Meals (employee) | Restaurant receipt if applicable |
| e. Expense with others | Detailed receipt and the name, position, company of the person(s) being entertained, cost, date, place, and business purpose |
| f. Telephone or Internet | Receipt or hotel bill |
| g. Taxi, local transportation | Receipt or bill |

Note: Photocopies of invoices, receipts, or restaurant stubs are not acceptable unless the original document was lost and a memorandum is attached to the Expense Report giving full explanation of circumstances.

A receipt is defined as a written acknowledgment that a specified amount, service, or product has been received. At a minimum, the name of the establishment, date and amount should appear on the receipt.

Any unusual items or special circumstances causing a policy deviation should be fully explained on an attached memorandum and properly approved.

Forms:

Travel Expense Report Form
Travel Authorization and Request for Travel Advance Form
Check Request Form

Related Information:

Per Diem Rates
Employee Travel Advance Policy
Currency Converter

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