

Policy Statement for Travel Advances & Travel Expenses

Introduction

This document outlines travel policies in general terms. This policy is not intended to cover every possible situation. More restrictive policies may be set at the department or school level. However, it is the responsibility of the department or school to document, communicate, and enforce any restrictions they impose.

It is essential that Washington University has a strong accounting control environment and guards its image as a careful steward of charitable and public funds. Given the decentralized nature of the University, Senior Management relies heavily upon individual judgment at all levels of the organization in determining when expenses are necessary and reasonable. Unauthorized trips, expenses that do not comply with University policies, or expenses deemed to be excessive may not be reimbursed.

Employees will be reimbursed for approved travel-related expenses upon submission and approval of a travel expense statement. Direct payments to vendors via check requests are not allowed except for registration fees. There will be circumstances that require central purchase of travel, for example Non-University Personnel. There may also be occasions where the central purchase of some travel expense is appropriate, such as paying for the conference fee for several persons attending the same event. See Non-University Personnel section for additional information.

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Reimbursement Process

Travel expense statements must be completed in a timely manner (generally no longer than 15 days) after the completion of the trip. Travel expense statements submitted more than 60 days after the completion of the trip require exception approval. See Exception Approval Requirements section for additional details regarding exception approvals.

Employees must use the travel expense statement provided by Financial Services. The form can be printed and completed manually or it can be completed in Microsoft Excel (located at aishelp.wustl.edu, Accounts Payable, Request Forms). Employees must sign the travel expense statement, which certifies that costs he/she incurred for the trip comply with all aspects of the travel policy and/or any sponsoring agency requirements, if applicable.

Travel expense statements must be signed by someone who is at least one level higher than the traveler or by a designee approved by the Controller's Office. Principal Investigators (PI's) can sign for travel paid on their research grants. PI's cannot approve their own travel expense

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statements. By signing the travel expense statement, the approver is indicating that he/she reviewed all expenses to be reimbursed to the employee and that they are in compliance with all aspects of the travel policy.

For purposes of travel expense statement approval, Faculty should have the Dean or Department Chairman / Division Chief sign their expense statements. When it is not practical for the Dean or Department Chairman / Division Chief to sign expense statements, a designee approver should be coordinated with the Accounts Payable Manager and approved by the Controller's Office. Travel expense statements for Deans, Executive Vice Chancellors and other Senior Management reporting to the Chancellor will be signed by the CFO or the Controller in the CFO's absence.

Individuals approving travel expense statements should explain all policy exceptions or conditions requiring exception approval and are responsible for obtaining the appropriate exception approval signature. See Exception Approval Requirements section for additional details regarding exception approvals.

Once the travel expense statement has been approved, it should be used by the department to create an on-line travel report (TR) document in the Administrative Information System (AIS). After the on-line TR document has been approved on-line by the department, the original travel expense statement and supporting documentation for reimbursable expenses must be sent to Accounts Payable, Box 1056. All trip expenses must be recorded on the travel expense statement including prepaid expenses and procurement card expenses. As a best practice, the supplemental procurement card expenses form should be used to detail procurement card activity. If the supplemental form is not completed, all procurement card expenses should be clearly marked on the travel expense statement. If a trip is paid for entirely by procurement card, a travel expense statement must be completed and approved. It is not necessary to enter this travel report in AIS; however, the statement and documentation must be retained in the department. Travel advances, check requests, procurement card expenses, and other reimbursed amounts should be deducted from the total expense using lines 18-22. The original procurement card receipts should be kept in the department or school procurement card files. Original supporting documentation is required for all employee reimbursable expenses except for per diem reimbursement of meals and incidentals. Supporting documentation must be taped (not stapled) to an 8 ½" x 11" sheet of paper, single side only. The document number must be written on the upper right hand corner of the travel expense statement, as well as on the individual sheets of supporting documentation. Documents will be returned to the requestor if not properly prepared. Copies should be kept for department records.

Employees should never approve their own on-line travel report or travel advance documents.

Exception Approval Requirements

At times, because of unusual situations or special circumstances, it will be necessary to allow exceptions to the travel policy. Exceptions to the travel policy resulting in additional expenses to the University may be treated as taxable income (added to gross wages) to the employee. These expenses must be coded as other travel (budget object code 36-87).

When an exception to the policy is necessary, a brief explanation of the exception must be noted on the travel expense statement and exception approval must be obtained from the Dean or Vice

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Chancellor who has responsibility over the employee's department. If responsibility is delegated to someone other than the Dean or Vice Chancellor, it cannot be delegated to the person who approves the Travel Report and the designee must be coordinated with the Accounts Payable Manager and approved by the Controller's Office. The exception approval must be an original signature and include the printed name and title of the person signing the exception. Exceptions for Deans, Executive Vice Chancellors, and other Senior Management reporting to the Chancellor, will be approved by the CFO or the Controller in the CFO's absence.

Supporting Documentation

Supporting documentation is defined as an original document from the vendor that contains the price. Monthly credit card statements and canceled checks alone will not be accepted as supporting documentation.

Washington University does not reimburse travel-related expenses based on an estimated amount. Supporting documentation is not required when requesting reimbursement of meals and incidentals using the per diem method. Supporting documentation is encouraged for all actual reimbursable expenses, regardless of amount; however, it is only required for individual expenses of \$30 or more. Any individual transaction of \$30 or more without a receipt requires exception approval. For a trip of seven or fewer days, exception approval will be required if the total of all expenses for which there are no receipts submitted is greater than \$210. For longer trips, this limit may increase by \$30 per day. See Exception Approval Requirements section for additional detail regarding exception approvals.

Foreign Receipts: Employees are encouraged to use www.oanda.com to obtain the average exchange rate for the applicable time period. In addition, receipts for hotel, rental car, airfare, etc., should be labeled as such in English. A copy of the print screen with exchange rate must be included with the travel expense statement. A copy of a monthly credit card statement with original receipts is acceptable to show actual conversion amounts. Fees related to exchange of currency, ATM fees for foreign currency transactions, etc. will be reimbursed.

Entertainment Expenses: Per the University's entertainment expense policy and IRS regulations, entertainment expenses must contain the following additional supporting documentation:

- Date and place of event.
- Specific purpose of the event or reason for expenditure. Failure to document a valid business purpose could result in amounts paid being reported as income to the individuals attending the event.
- Names and titles of people in attendance and their relationship to the University. For individuals from outside the University, this documentation should include occupation or other information relating to the person or persons entertained (e.g. donor), including name, title, or other designation, sufficient to establish a business relationship to the University. For large parties or receptions (12 or more attendees), the number of people in attendance and the makeup of the group is acceptable.

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Reimbursable Travel Expenses

It is Washington University's policy to reimburse employees for necessary, reasonable, and approved travel-related costs and activities based on actual expenses incurred.

Airfare

- The University will reimburse the cost of standard commercial coach or equivalent airfare. Cost in excess of standard coach will not be reimbursed except for individual flight segments of 5 or more hours or when there is a medical need of an employee. Documentation, no older than 12 months, from a doctor, must be submitted with the travel expense statement. For flight segments greater than 5 hours a one class upgrade will be reimbursed.
 - Cost in excess of standard coach is not allowed, unless for a documented medical need, as Federal direct or indirect costs per The Cost Principles for Educational Institutions (OMB-A21 guidelines). If incurred, they must be charged to a departmental account as travel, other (budget object 36-87). Support for allocation between coach rate and excess cost must be attached to the travel expense statement.
- Air carrier selection should not be biased by the employee's frequent flyer affiliation. The University does not reimburse employees for tickets obtained via frequent flyer miles earned.
- Employees are encouraged to make reservations well in advance to secure the lowest fares and should select the least expensive airfare available.
- Reimbursements for costs of travel on non-commercial airlines (including chartered flights) shall not exceed the cost of standard commercial coach airfare. Quotes for standard commercial coach airfare must be submitted with the travel expense statement.
- With a valid reason, fees associated with changing flights or destinations are generally reimbursable. In general, these fees may not be charged to a sponsored fund. However, the employee may provide and Sponsored Projects Accounting will consider a written justification as to why the entire amount should be allowed.
- Itinerary should be attached to the travel expense statement. The document should include the agency used to make the reservation, date(s) and price of flight(s).
- Airfare is allowed to be purchased with the procurement card. Airfare paid by the procurement card must be included on a travel expense statement (line #2) and deducted from amount to be reimbursed to employee on line #22.
- Special Rule for Sponsored Projects: The cost principles for Federally sponsored projects require that travel on U.S. flag air carriers (or service provided under a code share agreement with a foreign air carrier) be used to the maximum extent possible when commercial air transportation is the means of travel between the United States (including the territories and possessions of the United States) and a foreign country, or between foreign countries. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference. Tickets (or documentation for an electronic ticket) under a code share agreement with a foreign carrier must identify the U.S. flag air carrier's designator code and flight number. (Please refer to the Fly America Act Frequently Asked Questions on the SPA website for additional information and examples of allowable code share arrangements at http://www.spa.wustl.edu/faq/FlyAmericaFAQ_0408.pdf). Travel on non-United States flag carriers must be within the individual grant or contract regulations and an appropriate reason stated on the travel report. If a U.S.-based carrier is not available, please contact the Sponsored Projects Accounting department.

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Lodging

- Employees should seek out moderately priced accommodations to minimize the cost to the University. Many hotels offer educational discounts or reduced rates to University employees.
- Itemized receipts for all lodging expenses must accompany the travel expense statement.
- Reimbursement will be made to the employee at the single occupancy rate. Additional accommodation costs over and above a single occupancy rate will generally not be reimbursed. Costs associated with upgrades in accommodations will generally not be reimbursed unless standard accommodations are not available.
- Lodging is allowed to be paid with the procurement card. Lodging paid by the procurement card must be included on a travel expense statement (line #3) and deducted from amount to be reimbursed to employee on line #22.

Meals (including beverages and gratuity costs)

Reimbursement for meals is based on the actual meal expense method or meal and incidental expense per diem method. Estimates will not be reimbursed. Travelers may not request reimbursements based on actual expenses for one portion of the trip and per diem for the remainder.

Actual Meal Expense Method

- Itemization of actual meals (breakfast, lunch, and dinner) is required when the total for the day is greater than \$50. Alcoholic beverages are not allowed as Federal direct or indirect costs per The Cost Principles for Educational Institutions (A21 guidelines). If purchased, they must be charged to a departmental account as travel, other (budget object 36-87).
- Employees should seek out moderately priced restaurants and dining rooms.
- If meals are covered by registration fees, an additional meal charge will not be reimbursed, unless there is an exception for a dietary, religious reason, etc.
- Entertainment Expenses – Meals that include the entertainment of an individual other than another employee are considered entertainment expenses. Entertainment expenses are not allowed as Federal direct or indirect costs per The Cost Principles for Educational Institutions (A21 guidelines). If incurred, they must be charged to a departmental account as entertainment expense (budget object 35-53). Alcoholic beverages associated with entertainment events should be recorded to budget object 35-53.
- Social and entertainment expense while traveling and catered events are allowed on the procurement card. Entertainment business expense paid by the procurement card must be included on a travel expense statement (line #10) and deducted from amount to be reimbursed to employee on line #22.
- Local social and entertainment expenses are not allowed on the procurement card.
- Special Rules for Sponsored Projects – Individual meal charges greater than \$50 are normally considered to be excessive by the sponsoring agency. If the cost of one meal exceeds this amount, the sponsored fund should be charged the \$50 and the remaining amount may be reimbursed from other funding sources, per the department's policies. In certain instances, the employee may provide, and Sponsored Projects Accounting will consider, a written justification as to why the entire amount should be allowed.

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Meal and Incidental Expense Per Diem Method

- Reimbursement on a per diem basis is the payment of a flat sum to cover meal and incidental expenses each day in lieu of actual costs. With per diem, the traveler is not required to provide receipts for meals and incidentals.
- Per diem rates and rules are based upon Federal guidelines in order to prevent taxable income to the traveler. The university will reimburse using the General Services Administration (GSA) per diem rates for destinations within the Continental United States (CONUS). Foreign travel will be reimbursed using the State Department per diem rates. Travel to Alaska, Hawaii, Puerto Rico and Guam will be reimbursed using the Department of Defense per diem rates (add amount in 'Local Meals' and 'Local Incidental' columns to arrive at the correct per diem rate). The website links are listed below.

Domestic (General Services Administration) <http://www.gsa.gov/perdiem>

Foreign (State Dept) http://aoprals.state.gov/content.asp?content_id=184&menu_id=78

Alaska, Hawaii, Puerto Rico and Guam (Department of Defense)
<http://www.defensetravel.dod.mil/perdiem/perdiemrates.html>

- Incidental expenses included in the per diem rate include fees and tips given to baggage carriers, bellhops, hotel maids, etc. The per diem rate for foreign travel also includes laundry and dry cleaning.
- If per diems are claimed, the traveler must print out the location and per diem rates from the government's website as documentation. Because rates for foreign locations may change as often as every month, the traveler must be careful to ensure that the applied rate is appropriate to the actual dates of travel.
- Per diem rates must be adjusted under the following circumstances:
 - For the day of departure and day of return (from/to your home city), the reimbursement rate is limited to 75 percent of the total daily per diem rate based on the location where the traveler is most likely to incur the meal expense.
 - If a meal has been paid as part of a registration fee or conference, the traveler must reduce the total daily per diem for the meal (15 percent for breakfast, 25 percent for lunch and 60 percent for dinner).
 - If a traveler selects the per diem method but hosts a business meal with others (non Washington University employees), the university will reimburse this particular meal based on a receipt. The traveler must reduce the total daily per diem for the meal (15 percent for breakfast, 25 percent for lunch and 60 percent for dinner).
 - If the traveler is an invited guest of a third party, the traveler must reduce the total daily per diem for any meal provided (15 percent for breakfast, 25 percent for lunch and 60 percent for dinner).
- No per diem may be claimed for one-day travel (when there is no overnight travel).
- Travel throughout the trip could put the traveler in several cities with differing per diems. The traveler is eligible for the meal and incidental expense per diem in effect for the location where he or she spends the night. For the final day of travel, the per diem in effect will be that of the prior night's stay but is limited to 75 percent of the rate.
- Per diems are not applicable to relocation travel. Receipts for actual expenses must be used on the Moving Expense Report for relocation travel and house hunting.
- When claiming per diem, the traveler cannot use the Procurement Card for meals and incidentals.

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Automobile Rental

- Employees should seek out moderately priced automobiles to minimize the cost to the University.
- Gasoline expenses will be reimbursed based on actual gas purchases, not mileage.
- Additional insurance including collision damage waiver coverage should be declined and will not be reimbursable when traveling for University business within the United States, Canada, or a U.S. possession. The University's automobile liability insurance policy covers all sums for which the University or an employee becomes legally obligated to pay because of bodily injury and property damage to a third party arising out of the operation or use of a University vehicle, a non-owned, hired or leased vehicle rented or leased in the United States while on University business. When renting/leasing vehicles outside the United States, Canada, or U.S. possession, collision and liability insurance should be purchased.
- Car rental expense is allowed to be paid with the procurement card. Automobile rental paid by the procurement card must be included on a travel expense statement (line #4) and deducted from amount to be reimbursed to employee on line #22.

Use of Personal Automobile

- Automobile expenses will be reimbursed at the current Internal Revenue Service (IRS) mileage rate, when a personal automobile is used. Reimbursement based upon actual expenses is not allowed. Supporting documentation must include the business purpose and actual mileage.
- Use of a personal automobile for business purpose is prohibited unless the employee maintains liability insurance on their automobile which meets the minimum statutory requirement for their state of residency. If a personal automobile is used, the individual's personal auto insurance is primary. If the individual's liability coverage limits are exceeded, the University's insurance acts as excess insurance. The University's insurance does not cover the cost to repair the employee's vehicle; however, if the employee carries collision insurance on their vehicle, the University will reimburse the employee the amount of their collision deductible, or the cost of repair, whichever is less. If the employee does not carry collision insurance on their vehicle, or the amount of their collision deductible is zero, no contribution will be made by the University, should a loss occur.
- When a personal automobile is used by the employee for convenience on a work related trip, a more comprehensive review of all costs of flying versus driving should be considered. In addition to airfare, other costs to be considered are taxi or rental car from the airport, airport parking, etc. The reimbursement for the business use of a personal car should be limited to the total costs associated with flying. It is the department's responsibility to include detailed supporting documentation in the travel report to justify that it is less expensive to use a personal car than fly.

Registration Fees

- Costs associated with required registration fees for business related conferences, seminars, training courses, and classes related to employee training and training materials are reimbursable. When incurred, they must be charged to budget object 36-05, Registration Fees.
- Registration fees can be reimbursed through a travel report or fees can be paid directly to the vendor via check request. Registration fees are allowed to be paid with the procurement card. Registration fees paid by the procurement card must be included on a travel expense statement (line #6) and deducted from amount to be reimbursed to employee on line #22.

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Ground Transportation (including parking fees)

- Cost associated with ground transportation includes taxi cabs, subways, tolls, etc. Reasonable business related ground transportation and parking costs are reimbursable.

Incidental Expenses

- **Laundry** - Laundry services and valet services which can not be deferred until completion of the trip may be claimed as a reimbursable expense. Valet/laundry charges during trips less than five days are not normally reimbursable. Such expenses claimed on the travel report are to be supported by receipts or other documentation regardless of amount. The meal and incidental per diem rate for foreign travel also includes laundry and dry cleaning therefore it cannot be claimed as a separate expense on the travel report.
- **Telephone/Internet** - Telephone cost incurred for business calls, faxes, and modem access fees, are reimbursable. Personal phone calls, within reason, are reimbursable but may not be charged to a sponsored fund.
- **Tips** - Tips associated with baggage handling, storage and other services are reimbursable except when the per diem method for meals and incidentals is used.
- **Fees associated with International Travel** - Fees associated with International Travel (i.e. visas, passports, inoculations, currency exchange, etc.) for the employee are allowable when they are a specific and necessary condition of fulfilling a work assignment involving a foreign country on behalf of the University.
 - **Special rule for Sponsored Projects** - Fees for passports can not be charged to a sponsored fund. If purchased, they must be charged to a departmental account.

Other

Items of an unusual nature should be discussed with the Accounts Payable department and / or Sponsored Projects Accounting before the submission of expenses. Expenditures that are not otherwise covered in this policy may be considered a reimbursable expense. Accounts Payable may require additional approvals for these expenses, as well as other expenses that appear to be unreasonable or excessive.

Special rules may apply to non-resident aliens when Washington University is paying for the travel. Please refer to <http://tax.wustl.edu/Payments to Foreign Individuals and Companies.htm>.

Non-Reimbursable Travel Expenses

The following travel related expenses are considered personal and are not considered a reimbursable business expense.

- Personal entertainment expenses including in-flight movies, headsets, books, magazines, newspapers, health club fees, hotel pay-per-view movies, in-theater movies, greens fees, ski passes, social activities, honor bar charges, etc.
- Babysitting, house-sitting, pet-sitting and kennel fees.
- Personal grooming including haircuts and shoeshine services.
- Incremental travel costs including airfare, lodging and meals for spouses or other persons accompanying an employee. See Spousal Travel under Travel for Non-University Personnel for additional detail.
- Late fees related to personal liability credit cards.
- Traffic fines, court costs, parking violations, and auto repairs.

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- Over the counter medicine or prescription medicines.
- Airline club fees.

Travel for Non-University Personnel

The travel policies stated in this document also applies to individuals who are not only University employees, but non-employees, students, guest lecturers or researchers, consultants, and prospective faculty and staff who are reimbursed by the University for University approved business travel. No commitment for reimbursing such expenses should be made before ascertaining that the University's travel policies authorize such activities. For recruitment / relocation activities, please consult with the Tax Department.

To ensure compliance, the department is responsible for informing guests of the University's travel policy, prior to their visit. To request reimbursement, the department arranging the travel is responsible for having all forms properly completed and processed with original receipts.

Spouse Travel

Incremental travel expenses of a spouse or other person accompanying an employee will not be reimbursed unless both conditions listed below are met.

1. There is a legitimate business purpose for their attendance. Documentation such as an invitation requesting them to attend or an explanation outlining the bona fide business purpose must be provided with the travel expense statement. When there is no legitimate business purpose for a spouse or other person accompanying an employee, the incremental costs for that person should not be paid for or reimbursed by the University. Incremental cost associated with a spouse or other person to accompany an employee on research collaborations, conferences, or similar activity should not be paid for or reimbursed by the University.
2. Prior written approval is obtained from the appropriate Dean, Vice Chancellor, or Executive Vice Chancellor and attached to the travel expense statement. An appropriate Medical School department chair may also approve such travel. The Executive Vice Chancellor for Administration or the CFO can approve a request for spouse travel from the Chancellor.

Reimbursable incremental costs should be clearly noted on all supporting documentation and charged to Other Travel, budget object 36-87.

Travel Advances

Travel advances are intended to cover out-of-pocket costs for employees traveling for an extended period of time or to reimburse employees for up-front costs, such as airfare or registration fees paid months in advance. Travel advances will not be approved more than 30 days prior to the trip unless the employee needs to pay travel expenses before the trip has been taken or is taking back-to-back trips. Check requests should not be used to reimburse employees for travel related expenses.

Travel advances are requested via an on-line travel advance (TA) document. The travel advance should be requested under the name of the employee and should not be combined with advances for other individuals. Travel advances may be given to non-employees participating in University business related travel, but should be rare. Advances payable to a company or business entity are not allowed.

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In certain circumstances, non travel related advances may be necessary. These will be approved by Accounts Payable on a case by case basis and should be rare.

Travel advances must be substantiated by filing a travel expense statement in a timely manner (generally 15 days) after the completion of the trip. After 30 days, the advance will be considered delinquent. Additional travel advances may be disapproved if an employee has delinquent advances. The University is required by IRS regulations to report all unsubstantiated advances as taxable income to the recipient. Therefore, advances greater than 90 days delinquent may be added to the employee's gross wages and the appropriate tax will be withheld from their next paycheck. The amount of the travel advance will be treated as an expense to the department.

Business Travel Accident Insurance

The University provides business travel accident insurance to employees traveling on University business through a travel accident policy with a principal sum benefit of \$250,000 for loss of life or permanent total disability occurring as a result of an accident during University business travel. Dismemberment benefits are paid as according to schedule. Additional travel insurance is not an authorized reimbursable expense.

The University's business travel accident insurance policy and workers' compensation insurance do not automatically cover employees if the aircraft is owned, leased or controlled by Washington University. Chartered flights are considered "leased" flights, and thus employees are not automatically covered by the University's business travel accident or workers' compensation insurance. If special coverage needs are required, contact the Insurance Department, in advance, to make arrangements for this coverage.

In addition, the University's business travel insurance policy does not cover situations if:

- An employee is the pilot or crew member or
- If the aircraft is being used for crop dusting, spraying, or seeding; fire fighting, sky writing, sky diving or hang gliding, pipeline or power line inspection, aerial photography or exploration, racing, endurance tests, stunt or acrobatic flying, or any operation which requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on) or
- If the aircraft does not have a certificate of airworthiness or
- If the aircraft is flown by a pilot without a valid license.

Questions regarding insurance coverage should be directed to the Insurance Department.

Expenses Identified for Indirect Cost Purposes

In addition to those expenses noted through this document, the following expenses must be segregated to comply with Federal indirect cost guidelines per The Cost Principles for Educational Institutions (OMB-A21 guidelines):

- Alumni Activities (36-87)
- Student recruiting activities (36-47)
- Trainee Travel (36-06)