


<p>Name of Policy: Travel and business expense reimbursement.</p> <p>Policy Number: 3364-40-03</p> <p>Issuing Office: Senior Vice President for Finance and Administration</p> <p>Responsible Agent: Controller</p> <p>Scope: All University of Toledo Campuses and applicable to all university related travel including all operating budgets, construction funds, federal, state and private grants.</p>	 <p>Original effective date: March 1, 2010</p>				
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(A) Policy statement

When on official business, university travelers will exercise the same care in incurring expenses that a prudent person would exercise on personal business. Reimbursement for in-state and out-of-state travel will be made for travel and living expenses (meals and lodging) incurred on official university business. Travelers must itemize travel and living expenses for the purposes of reimbursement on the “Employee Travel and Reimbursement Form.” Reimbursement will be dependent upon providing supporting documentation including original receipts of the expense incurred. Expenses that are submitted 180 days after the date the expense was incurred are not reimbursable.

(B) Purpose

To encourage the most efficient and economical means of travel for accomplishing the purpose of the trip and to standardize the reporting and documentation of expenses in accordance with federal and state laws and regulations.

(C) Procedures

(1) Authorization for travel and business expenses

Authorization. All travel must be authorized and approved by the appropriate president, vice president, dean, director, provost, or designee (executive officers). Executive officers may establish other travel regulations to be applicable to their areas of responsibility which fall within this general policy. The proper approval of the “Employee Travel and Reimbursement Form” constitutes approval of the itinerary as well as the accuracy and reasonableness of the request for

reimbursement. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements.

Advances. Advances of university funds for travel purposes are not permitted except for intercollegiate athletic team travel. Any request for exceptions to this must have the authorization of the senior vice president for finance and administration or designee.

Receipts and a copy of the deposit of any unused cash must be submitted to the university's accounts payable department within five business days after the date of conclusion of the trip.

(2) Reimbursable expenses

(a) Transportation

- (i) Common carrier. In accordance with the Ohio ethics commission advisory opinion number 91-010, Division (A) (4) of Section 2921.42 and Division (A) of Section 2921.43 of the Revised Code prohibit a state officer or employee from accepting or using, for personal travel, a discounted or free 'frequent flyer' airline ticket or other benefit from an airline if she has obtained the ticket or other benefit from the purchase of airline tickets, for use in official travel, by the department, division, agency, institution, or other entity with which she is connected." Therefore, any miles earned from university paid or reimbursed travel, although accumulated in the traveler's name, must be used for official university business travel. In order to assist with compliance with this ruling, airline tickets for university employees must be purchased using a university purchasing card ("P-Card") or through the purchasing department. University employees will not be reimbursed for out of pocket purchases of airline tickets.

Travel by coach air, rail, bus or other common carrier must be at the most reasonable available rate in the chosen method and time of travel. No reimbursement will be made at first-class rates where other accommodations are available.

In accordance with the "Fly America Act" (49 U.S.C. 40118), generally individuals charging travel to federal funds must use U.S. flag air carriers to the maximum extent possible when commercial air transportation is the means of travel between the United States and a foreign country or between foreign countries. Travelers not utilizing U.S. flag carriers must demonstrate compliance with the exception to this requirement that is provided under a bilateral or multilateral air transportation agreement to which the United States government and the government of a foreign country are parties, and which the department of transportation has determined meets the

requirements of the “Fly America Act.” This requirement will not be influenced by factors of cost, convenience or personal travel preference.

For any university travel, whether or not a reimbursement is requested, the travel itinerary issued with the ticket should be submitted with the “Employee Travel and Reimbursement Form.”

- (ii) Privately owned vehicles. The use of a privately owned vehicle will be reimbursed up to the internal revenue service (“IRS”) standard mileage rate at the time of travel per mile of authorized business travel. An exception may be a grant that authorizes less than the “IRS” standard mileage rate. The mileage rate is to cover all expenses incurred for using the privately owned vehicle except parking fees and tolls.

All employees are expected to follow the prudent person rule and use reasonable judgment in selecting the appropriate mode of transportation factoring cost, availability, safety, and efficiency. When possible, employees are encouraged to use the most economical mode of transportation. Employees need to factor the total inclusive costs of travel when determining the mode of travel. For instance, it may be less expensive for airfare and ground transportation (taxi, shuttle) when compared to personal vehicle mileage reimbursement, parking, and tolls. The university holds the right to reimburse at the less expensive mode of transportation.

Mileage will not be reimbursed for the following and should not be requested on the “Employee Travel and Reimbursement Form”: travel between work and home; travel from home to a point between a traveler’s home and primary work site; travel between the university campuses (Main Campus, Health Science Campus, Scott Park Campus, Center for the Visual Arts, Stranahan Arboretum, Lake Erie Research Center); and travel between buildings on the individual university campuses named above. Travelers interested in deducting mileage for tax purposes are encouraged to explore the matter with a tax advisor.

An individual who uses a privately owned vehicle on university business must meet liability insurance requirements of the motor vehicle financial responsibility laws of the state of Ohio. Any accidents that occur while a traveler is on university business should be reported immediately to the department of risk management at the university.

- (iii) Rental vehicles.

The university requires all purchases of rental vehicles to be made via a university P-card or through the purchasing department. University employees will not be reimbursed for out of pocket rental vehicle purchases.

All travelers are encouraged to use the least expensive mode of transportation. When other less expensive transportation is not available or appropriate, rental car expenses will be reimbursed. All employees are expected to follow the prudent person rule and use reasonable judgment in selecting the appropriate mode of transportation factoring cost, availability, safety, and efficiency.

In order for the individual or group attending an event to obtain a rental car, the traveler(s) must provide adequate written justification and receive advance written approval from the appropriate vice president. Reimbursement will be approved for rental of a compact or sub-compact vehicle, unless more than one person from the university will be using the vehicle on official university business, in which case an appropriate size vehicle for the number of people will be approved. This approval must be attached to the "Employee Travel and Reimbursement Form" when reimbursement is requested.

If a traveler decides to rent a vehicle in lieu of using a lower cost mode of transportation and does not follow the prudent person rule, the university holds the right to reimburse at a less expensive rate for transportation.

If it is necessary for the traveler to rent a car from a car rental agency, the traveler should select the insurance coverage from the car rental agency. For certain of the preferred agencies, if the proper code is input, the insurance is free of charge. Consult the purchasing department car rental website at: http://www.utoledo.edu/depts/purchasing/Contracts/Contracts/Vehicle_Rental_updated.html for preferred vendors and their terms. If it is necessary for a traveler to rent a car outside of the United States, the driver must purchase all local coverage as well as optional coverage. If the filing of an insurance claim becomes necessary, the signed rental agreement must be filed with the department of risk management.

- (iv) Transportation costs. Transportation costs, such as parking fees, tolls, taxi, gratuities, and airport limousine fares are reimbursable on an actual costs basis. Receipts must be obtained and submitted for any such individual expenses that exceed \$25.00.
- (b) Meal allowance
- (i) Personal meals. An individual who travels on an authorized, overnight business event may claim a meal allowance based on federal meal and incidental expenses per diem rates for the continental United States ("CONUS" rates) for each full day of travel. Personal meals will be reimbursed up to the per diem rate.

Same day travel: Meal per diems will not be reimbursed when an individual is attending a seminar, training session or other activity that does not require an overnight stay. However, if an individual returns from a one day event to the

university after 7:00 p.m., or flew out of town for only one day (to Chicago, Washington, D.C., etc.) and can provide a meal receipt, dinner reimbursement up to \$20.00 will be allowed. Meals approved without an overnight stay are considered a taxable fringe benefit and will be added to the employee's W-2 at year end.

Partial days of travel: Reimbursement when an individual travels on business during a partial day related to overnight travel is as follows:

Breakfast: twenty five percent of the federal per diem rate, must be on authorized travel status prior to 7:00 a.m.;

Lunch: twenty five percent of the federal per diem rate, must be on authorized travel status prior to 12:00 noon;

Dinner – fifty percent of the federal per diem rate, must be on an authorized travel status prior to 5:00 p.m. and must return after 7:00 p.m.

Tips and gratuity are included in the meal and incidental expenses per diem rates. A tip is fifteen per cent to twenty per cent of the associated meal, not to exceed twenty per cent.

Receipts for daily per diems, when paying out-of-pocket, are not required; however, itemized receipts are required for all meals purchased on the university purchasing card. Expenses over the per diem will be subtracted from the total amount to be reimbursed to the traveler.

No reimbursement will be made to an individual traveler for the actual cost of meals in excess of the appropriate reimbursement up to the daily allowance.

The daily per diem rates for various cities within the U.S. and outside of the U.S. can be found on the following accounts payable website:
http://www.utoledo.edu/offices/controller/accounts_payable/travel.html.

- (ii) Business meeting meals. Business meals with individuals not affiliated with the university will be reimbursed at actual cost upon submission of appropriate receipts. Business meeting meals must have a business purpose and must include two or more persons (at least one non-university employee). If there is a question regarding the business purpose of the trip, a dean or vice president must approve the expense.

Costs should be reasonable and customary for the location. The "Employee Travel and Reimbursement Form" must contain the date, place, business reason, persons in attendance and business relationship of persons entertained.

Business meeting and group travel meals reimbursements cannot use the per diem rate. All receipts are required.

- (iii) No additional reimbursement will be made for a meal that is provided at a conference as part of the registration fees.
- (iv) High cost cities: when travel is to a location designated by the internal revenue service as a high cost area, higher per diem rates may be used.
- (v) Reimbursement for cost of alcoholic beverages will not be authorized from university and/or grant funds.

(c) Lodging

The university requires all purchases for lodging to be made via a university P-card or through the purchasing department. University employees will not be reimbursed for out of pocket lodging purchases.

- (i) When travel on official business requires overnight lodging, more than fifty miles away from the traveler's home or headquarters, reimbursement will be made for the actual single room rate plus taxes per night. When in the state of Ohio, the traveler should inquire as to the availability of a state tax exemption due to the tax exempt status of the university. Claims for reimbursement must be supported by original hotel receipts. A credit card charge slip is not acceptable documentation for reimbursement.
- (ii) No reimbursement will be made for overnight lodging closer than fifty miles from the traveler's home or headquarters except in unusual circumstances described in a statement of explanation accompanying the request for reimbursement.
- (iii) The cost of lodging for members of the employee's family is not reimbursable.
- (iv) If a traveler extends the stay at a conference/seminar in order to save money on the airfare, then the university will reimburse the traveler's additional hotel expense, as well as meal per diems for the added days. Also, documentation showing that the extended stay saved the university must be provided (i.e., airfare without a Saturday stay versus airfare with a Saturday stay).

(d) Conferences and special meetings

- (i) Expenses directly included with a conference or special meeting, such as registration fees and banquets are reimbursable, without regard to the

standard limitations, providing they are reasonable and supported by original receipts.

- (ii) Registration fees will be prepaid directly by the university if such is required by the vendor. Accounts payable must receive the requisition for prepayment of registration fees seven working days in advance of the due date.
- (iii) Conferences and seminars that are being conducted by the university, requests for reimbursement of meeting rooms, catered meals or other special services must be submitted to the appropriate vice president prior to the event.

(e) Miscellaneous expenses

- (i) Other living expenses. Other expenses directly connected with the purpose of a particular business trip are reimbursable providing they are necessary, reasonable, and supported by original receipts.

Expenses for telephone calls will be reimbursed as follows:

- Business calls to the university from out of town location reimbursed at full amount.
- Personal calls, such as those to family, will be reimbursed at actual amounts not to exceed \$15.00 per day.

Expenses that relate to business activities (such as fax charges, duplication charges, secretarial services, etc.) will be reimbursed if the appropriate receipt is available. Purpose and reason for the expense must be documented on the "Employee Travel and Reimbursement Form."

- (ii) Non-meal tips and gratuities. A tip of twenty per cent or less of the cost of the associated goods or services, or the tip is customary and of a reasonable amount in cases where the tip cannot be associated to a specific cost. Examples include baggage handling (one dollar per bag), express check in, concierge service, and shuttle service. Tips for room cleaning are not reimbursable.
- (iii) Extended stay in excess of one week. Dry cleaning and laundry for extended stays in excess of one week are reimbursable. Receipts must be obtained and submitted with the "Employee Travel and Reimbursement Form."

(3) University purchasing card

Travelers are required to use the P-card for airline tickets, lodging, and rental car purchases or they must be purchased through the purchasing department unless reimbursement is authorized and approved by the appropriate president, vice president, dean, or provost.

Travelers are required to comply with the University of Toledo purchasing card policy and procedures.

(4) Reimbursement by a third party

If any portion of the traveler's travel expenses are to be reimbursed in full or in part by a third party, those components of the "Employee Travel and Reimbursement Form" must be noted. The university will reimburse the traveler for those travel expenses that are to be paid by a third party only after funds have been properly receipted from the third party. The controller's office must be notified when the reimbursement is received from the third party so the correct deposit of those funds may be made and prompt reimbursement made to the traveler.

(5) Non-reimbursable travel expenses

Personal expenses are not reimbursed and must be paid out-of-pocket. Such expenses are not directly related to the business travel, and may include personal entertainment such as hotel pay per view movies; refreshments made available in the hotel room; airline upgrades; purchase of additional personal travel insurance; and personal grooming.

(6) Reporting and documentation of expenses

(a) All reimbursement must be requested on the "Employee Travel and Reimbursement Form." The form must indicate dates, itinerary, other travelers, and reasonable itemizations; must be accompanied by original receipts or bills; business purpose of the expenditures; and must have proper authorizations.

(b) Traveler's certifications

By signing the "Employee Travel and Reimbursement Form," the traveler is certifying that all the statements made are true, the individual has the appropriate auto insurance coverage, the expenses incurred were in accordance with the university travel regulations and no claim of travel expenses was made whereby reimbursement will be received from a third party unless those funds have been properly receipted from the third party.

(c) Supervisor/department head approval of the "Employee Travel and Reimbursement Form" provides the authorization to pay the expenses listed by the traveler subject to review in accordance with this policy.

(d) The travel and business expense reimbursement policy is applicable to all university related travel including all operating budgets, construction funds,

federal, state and private grants. The grants accounting department must approve all travel reimbursements from grant accounts.

(7) Travel for non-university personnel

The University encourages employees coordinating travel for non-university personnel to comply with the travel and business expense reimbursement policy when those expenses will be paid or reimbursed by the university. These individuals include guests, lecturers, consultants, prospective faculty and staff, and students.

If a circumstance arises that is not specifically covered in the travel and business expense reimbursement policy, the controller's office should be consulted for guidance.

(8) Athletic department team travel

The University of Toledo athletic department (athletic department) will adhere to the above university travel policy for all travel not associated with pre / post season competition. The below athletic travel policies are to facilitate travel of essential athletic department personnel, athletes, and non-essential personnel for the purpose of attending athletic competitions in pre and post season.

(a) Mode of transportation for team travel

When considering mode of transportation athletic department employees are encouraged to compare all the costs associated with each mode of transportation and select the one that is most cost effective.

(i) Commercial airfare

The athletic department is expected to obtain the lowest available airfare that reasonably meets travel needs.

(ii) Charter planes (specific requirements)

(a) All charter services procured shall be subject to certification that funds are available and approved by budget department and the controller's office.

(b) All charter service requests will require benchmarking verifying that charter travel presents a cost benefit to the university for that particular event, or that the request provides a benefit to the students

(c) Time-share aircraft is authorized if an individual sport budget is sufficient to pay any applicable and operational costs and if any of

the conditions below apply:

- (i) Time is available to the athletic department in the time-share pool, either owned by the university.
- (ii) Such use will facilitate travel and keep student athletes from missing excessive class time.
- (iii) It will facilitate the recruiting image or funding efforts of the department.
- (iv) Commercial or charter services cannot otherwise accommodate the necessary schedule.

(iii) Charter bus service

The University should use whenever possible a charter bus service for travel that requires bus transportation. The athletic department will contact the purchasing department and follow university policy for contracting with a charter bus service.

(iv) Automobiles/minivans/large passenger vans

Coaches, assistant coaches, and graduate assistants may drive vehicles used for team travel, if the specific requirements are met. Drivers must comply with the fleet policy that can be found at www.utoledo.edu/policies.

Student-athletes may not at any time drive other athletes as part of team travel.

(b) Essential and non-essential travelers

(i) Essential travelers

Essential travelers are those who are pertinent to the actual competition this would include but not be limited to: travel squad, coaches, athletic administration, athletic sports trainers, team physician, and equipment personnel. Travel squads limitations are specifically set in the Mid American Handbook (MAC) handbook for each sport.

(ii) Non-essential travelers

Non-essential travelers will include spouses, dependants, friends, donors or university employees that are not traveling on official university business and are therefore not reimbursable.

(a) Spousal travel

- (i) Spousal travel at university expense must be preapproved by the president or designee on a request for spouse travel/attendance at entertainment form.
- (ii) This form should be sent to the controller's office for determination of the taxability of this potential payment. Spousal travel will be approved when the presence of the spouse on a business trip serves a bona fide "business purpose."
- (iii) Spouses traveling and performing only "incidental duties" are required to pay the costs of the airfare. The costs will be determined, by the average costs to travel by commercial air.

(b) Donors

Expenses for donors who are invited to travel with the team will be paid out of the foundation account.

(c) Non-essential travelers, excluding spouses

- (i) In the event that space on a chartered plane permits additional attendees these attendees that are non-essential travelers and have only incidental duties (see definition of incidental duties) will be required to pay for the costs of the trip prior to the event. The costs will be determined, by the average costs to travel by commercial air.
- (ii) A copy of the manifest delineating essential and non-essential travelers will be submitted to the controller's office. Reconciliation will be performed between the manifest and funds collected for non-essential travelers.

(c) Bowl travel and entertainment expenses

The University of Toledo needs to determine if there is taxable income attributable to any person's traveling to or attending a bowl game where the university has paid for that person's travel, room, meals, tickets, etc.

The University of Toledo request for spouse travel/attendance at entertainment functions form must be completed and approved by the athletic director prior to the event, for all travelers who do not present a business purpose.

The general rule is that any expenses incurred for a business purpose are excludable from the employees' taxable income.

Amounts expended on behalf of an employee must either be included in the employee's compensation or meet the requirements of a working condition fringe benefit.

Amounts expended on behalf of an employee's spouse, dependent, or guest is considered to be expended on behalf of the employee and must either be included in the employee's compensation or meet the requirements of a working condition fringe benefit.

Each section below explains what is involved in determining the taxability of each benefit.

(i) Airfare

The airfare of all of those attending the bowl for a business purpose is excludable as a working condition fringe benefit. The fair market value of airfare for those not attending for a business purpose is includable in compensation.

(a) Commercial flights

If on a commercial flight, the fair market value would be the price of a ticket.

(b) Charter flights

If on a charter flight, the regulations provide a valuation formula to determine the value of the flight. The calculation includes a terminal charge plus a cents per mile charge (if this applies to anyone we will need to get the current cents per mile rates and also the distance for the flight to calculate the amount of income).

(ii) Ground transportation

Ground transportation charges for those employees with a business purpose are excludable from their income.

If additional charges are incurred for spouses, dependents, or others who do not have a business purpose, such amounts would be includable in the employee's compensation.

If there is no additional cost for the transportation (e.g., cab fair is the same for one or two people), there would be no additional compensation to the employee.

(iii) Hotel

Lodging costs for those employees making the trip for a business purpose is excludable from their compensation.

If they are accompanied by others who do not have a business purpose for the trip, only the incremental costs associated with the additional guests would be includable in the employee's compensation.

- (a) For example, if the cost of a hotel room is the same for a single or double room and the employee's spouse accompanies him or her for a non-business purpose, there would be no additional compensation to the employee.

However, in the above example if there is an additional cost for the double room, the additional cost will be included as compensation to the employee.

- (iv) Event and game tickets

The costs of tickets for those attending the game or for those attending an event for a business purpose are excludable from income. Complimentary admissions may be provided to coaches and staff members within limits identified under NCAA bylaws.

- (v) Per diem or meal reimbursement

Per diems and meal reimbursements for those employees making the trip for a business purpose are excludable from their compensation.

Any reimbursement for accompanying guests would be includable in the employee's income unless the accompanying guest was attending for a business purpose.

- (vi) Business purpose

Employees attending the bowl game for a business purpose include all employees who are performing an integral part of their job function as part of the trip.

This group would primarily include, but not be limited to, the following

- (a) Coaches
- (b) Athletic department employees related to the team
- (c) Team physician
- (d) Sports trainers
- (e) Equipment personnel
- (f) Developmental personnel attending to cultivate current and potential donors and hosting University guests and other dignitaries at special events conducted at the bowl site.

(g) For example, it could also include employees from student affairs who are attending to organize and conduct events.

It is important for all employees to document their activities while on the trip to substantiate the business purpose of their travel, especially when a spouse has a business purpose for the trip.

We assume that any non employees attending at the expense of the University will be attending for a business purpose, but these people's business purpose will need to be documented.

If any of these individuals also bring dependent children who have no business purpose, there will be costs associated with such individuals that will be reportable as non employee compensation on a form 1099-MISC.

It is unlikely that the dependent children of an employee would attend the bowl for a business purpose.

(vii) Spouses

A limited number of spouses may have a business purpose for attending a bowl game.

(a) At some bowls special events are held where coaches' wives are expected to appear.

(b) The university may be holding fundraising events in which case the spouses of development personnel may be expected to attend.

(viii) Definitions

Business purpose. Attendance at a professional function or meeting with current/potential benefactors serves a legitimate benefit to the university, reimbursement of travel expenses will not be included in income.

Incidental duties. The IRS has ruled that when a spouse attends a meeting, conference or function as a companion and has no significant role or performs only incidental duties, the attendance does not constitute a business purpose.

Related Form: Employee Travel and Reimbursement Form

<p>Approved by:</p> <p><u>/s/ S. Scarborough</u> Senior Vice President for Finance and Administration</p> <p><u>March 16, 2010</u> Date</p> <p><i>Review/Revision Completed by: President's Senior Leadership Team, Senior Vice President for Finance and Administration, Controller</i></p>	<p>Policies Superseded by This Policy:</p> <p><i>01-015 Travel and Business Expense Reimbursement (former Health Science Campus Policy, previous effective date 7/01/03)</i></p> <p><i>3360-40-20 Policy on Travel (former Main Campus Policy, previous effective date 7/10/02)</i></p> <p>Initial effective date: March 1, 2010 Review/Revision Date: Next review date: March 1, 2013</p>
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