

Marywood University
Policies and Procedures

Travel and Business Expense Policy

Policy Statement:

I. PURPOSE

This policy is intended to provide a clear and consistent understanding of the University's travel and business expense policy. The policy applies to all faculty, staff, students and others who incur expenses while engaged in University business or related travel.

The policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with IRS and other government agency regulations. It pertains to travel and business expenses for all sources of University funds including, but not limited to, unrestricted, restricted, faculty incentive, research and discretionary funds, grants and contracts from all sources, endowment, student and plant funds. Where sponsor, agency, or other regulations are more restrictive than prescribed by this policy, the sponsor, agency, or other regulations will apply.

Policy:

Marywood University will be responsible for actual and reasonable expenses related or associated with University travel and business. While traveling on University business, students and employees should expect to receive service and accommodations that are both safe and comfortable, but not lavish or extravagant. Individuals should neither gain nor lose personal funds as a result of official travel or other business activities. In addition, spending should be well planned so that costs will not exceed budgetary limitations. Travel arrangements made for other than University employees, such as guest speakers, consultants and prospective employees should follow the same policy pertaining to University employees. Grants and contracts administered by the University may be subject to specific conditions. If conditions are not stated, the University's policies will apply.

A. Responsibility of all Faculty, Staff, and Students

It is the responsibility of each faculty, staff member or student who incurs expenses while engaged in University business, or who approves such expenses, to:

- Ensure that all expenses being paid or reimbursed by the University were:
 - incurred
 - are valid and reasonable
 - are fully documented
 - have not been previously paid via other means
 - serve a legitimate University business purpose, and
 - in full compliance with the provisions established in this policy.

By submitting expenses for payment by the University, the individual and his or her approver are attesting to the above. The requestor or approver may delegate responsibility for submission or approval of expense reports; but will always retain accountability for the expenses. Individuals preparing expense reports have the responsibility for applying the correct index/account to each expense to ensure compliance with sponsor, donor and University requirements.

Advances, reimbursements and charges that are not properly substantiated, documented and reported in accordance with this policy will be reported by the University to the Internal Revenue Service as income to the recipient.

The President, Provost, Deans, Vice Presidents and others of equivalent level will ensure compliance with this policy in their areas of responsibility and are encouraged to establish standards and a review process for extraordinary or questionable expenses.

B. Allowable Expenses

Airfare. Commercial air travel expense is allowable on the basis of the actual cost incurred by the traveler using normally traveled routes. All University approved travel will be at the most economical rates, not first class or business class. Coach or promotional fares are the only classes of travel allowed. Non-coach travel can only be utilized with strong business justification and the prior written approval of the traveler's Vice President or equivalent level, or Provost. Non-coach travel for employees at the Vice President, Provost or equivalent level must be approved by the President's Office.

Meals. Meals for employees, unless traveling out of town overnight, are not allowed. Meal expenses incurred during official business travel are allowable. The University provides two distinct methods for payment: actual cost or meal and incidentals per-diem. When both alternatives are available, students and employees should choose the method that results in the lowest cost to the University.

Per-Diem Meals

Domestic Per-diem Rates. The University will reimburse meal and incidental expenses based on the per-diem rate for the geographic region where the expenses are incurred. The University's reimbursement rate for domestic travel is based on the U.S. General Services Administration-maintained Web site of per-diems by geographic area, at: <http://www.gsa.gov/portal/category/100120>. Consult that site for the per-diem rate of the destination city or region.

Foreign Per-diem Rates. The University's rate for foreign travel is based on the U.S. Department of State web site which maintains a listing of per-diems by country and locality.

Per-diem Meal Reductions. Per diem reimbursement of meals and incidentals may not be appropriate on the first and last travel day, if multiple locations and partial day travel is involved. The University's meal and incidental per-diem will be reduced to account for meals furnished at no cost or nominal cost to the traveler. If meal costs are provided in the cost of a conference, those meals should be deducted from the per-diem rate following the reduction schedule below:

Meal Amount

Breakfast 20%

Lunch 25%

Dinner 55%

Meals Based on Actual Cost. Students and employees are generally entitled to support for three meals a day. On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of

travel. If meal costs are provided in the cost of a conference, corresponding meals outside of the conference are not reimbursable. The University, following IRS regulations, does not allow travel meal expense for one-day travel.

The University suggests the following meal guidelines when traveling:

- Total meal expense for the should generally be in line with the per-diem levels.
- Restaurant receipts are required regardless of payment method.
- Costs related to business meals should be reasonable and the choice of restaurant should reflect the nature of the function. Additional justification may be required in situations involving higher cost meals that exceed the per meal per diem rate.

When payment is made based on actual cost, meal receipts must include:

- The location
- Date of service
- Proof of payment
- Itemized listing of charges
- Gratuity amount (gratuities should be within accepted standards for the region)
- If payments were made on behalf of other individuals, the names of those individuals and their relationship to the University.

Alcoholic Beverages with Meals. Alcoholic beverages consumed while traveling or during business meals are not allowable.

Personal Vehicles. The use of employees' personal vehicles is reimbursable according to the mileage reimbursement policy of the University. Employees are responsible for carrying adequate automobile insurance coverage, and they should address insurance related questions regarding the use of personal vehicles for their jobs to their own insurance agents.

Vehicle Rental. A car may be rented only when it is either the most economical means of transportation or necessary due to the nature of the trip. Ordinarily, a compact, intermediate or mid-size car should be selected. Use of anything larger

than a 12-passenger van is prohibited due to safety concerns. Please refer to the *University's Vehicle Use Policy* before incurring any cost.

Lodging. The University will honor reasonably cost-effective reservations for lodging within the scheduled dates for University business. When planning for lodging, inquiry should be made to see if there is a corporate rate available that is less expensive than the convention rate.

C. UNALLOWABLE EXPENSES

Following is a representative list of expenses that are not allowable under this policy.

1. Personal entertainment
2. Hotel movie rentals
3. Cost of alcoholic beverages
4. Conference optional events such as golf
5. Costs for family members and personal friends
6. Cost or losses due to negligence or theft
7. Travel or flight insurance
8. Insurance, maintenance, repair and other costs related to personal vehicles
9. Traffic violation fines and parking tickets
10. Damage to any Vehicle or Property

D. RECEIPT REQUIREMENTS

Original receipts are required to support all expenditures, such as the cardholder's copy of credit card transactions, the passenger's copy of airline tickets, an original and detailed restaurant receipt rather than a check stub that lists only a total. Expenditures not supported by receipts will be acceptable in rare instances with a detailed written explanation signed by the employee's supervisor.

If receipts are lost or missing, photocopies of canceled checks, front and back including the endorsement is acceptable supporting documentation when the original receipts are not available. If a receipt equal to or greater than \$75 is not issued or is lost, submit a separate statement documenting the actual expense and why

the receipt cannot be provided. This statement must be signed by your supervisor. Supervisors should be aware that this practice is acceptable only on an exception basis and take steps to prevent any abuse.

E. PROCEDURES

Arrangements may be made through a travel agency, through online web providers or by going directly to a vendor such as a hotel, airline, etc.

Airfare. Individual travel reservations may be made through online sources or through a travel agency using a personal credit card, a Marywood University issued Purchasing Card, or a Marywood University issued purchase order.

When a Marywood Purchasing Card is used, submit a Credit Card Monthly Charges Report along with the original receipt to the Purchasing Department.

When a personal credit card is used, submit a travel expense report along with original receipts to substantiate costs.

When a University purchase order is used, obtain a purchase order before making the reservation final. Most local travel agencies will accept a purchase order.

Expenditures to stay an extra day for personal reasons are not allowable. Students and employees are encouraged to travel a day early or stay a day later when air and overall travel savings can be realized. Otherwise, students and employees should schedule their return flight for the day the conference or seminar ends. Additional meals and lodging associated with a longer stay are allowable if such costs are less than the airfare savings resulting from an earlier arrival or later departure. Additional charges for changes to flight arrangements must be reasonable and justification must be included with the traveler's receipts.

Air carrier selection cannot be biased by any traveler's frequent flyer affiliation. The lowest cost air travel will take precedence over frequent flyer programs. Exceptions may be allowed if the lowest-priced fair would:

- Require circuitous routing

- Require travel during unreasonable hours;
- Excessively prolong travel;
- Greatly increase the duration of the flight;
- Result in increased costs that would offset transportation savings;
- Be inadequate for the medical needs of the traveler.

Airline tickets not purchased through the Purchasing Card program should not be submitted for reimbursement until after the travel is completed. When making air travel arrangements, also consider the following.

Baggage. Excess baggage is not allowable unless accompanied by a statement showing that the excess baggage items are necessary for the business conducted or if the trip is for an extended period of time (generally 10 or more days). Should your baggage be lost or damaged, you must notify airline personnel and file a claim with the airline before leaving the airport. Damages and losses that are not covered by the airline may be covered by your homeowner's /tenant's insurance.

Neither the University nor the University's insurance policies will pay for loss or damage for personal property.

Early Boarding / Preferred Seating Fees. Additional fees for early boarding privileges and/or preferred seating locations are unallowable unless the arrangements are part of a "faculty or staff request for accommodation" plan that was previously approved by the President's Office. Evidence of the approval should be submitted with the traveler's airline receipts.

Personal Vehicles. A travel expense report listing mileage incurred for each day must be submitted when requesting reimbursement from the University. Other than the items specified on the travel expense report form, there are no receipt requirements for mileage reimbursement. When traveling more than. Although you do not have to use a rental vehicle, if you use your own vehicle to travel, you will only be reimbursed what the cost would have been if you used a rental.

Car Rental. Employees and students are responsible for making their own arrangements with the any reputable car rental firm. The employee or student must provide evidence of University employment

When a University purchase order is used, obtain a purchase order before making the reservation final.

When a Marywood Purchasing Card is used in lieu of a purchase order, submit a Credit Card Monthly Charges Report along with the original receipt to the Fiscal Services Office.

When a personal credit card is used, submit a travel expense report along with the original receipt to the Fiscal Services Office.

Transportation. Employees and students are encouraged to use public transportation if available and reasonable. Ride share receipts or public transit tickets/receipts may be submitted for reimbursement.

For electronic tickets, obtain proof of payment and, if requesting reimbursement of out of pocket travel expense, include proof of travel with the receipt.

Gratuities. Gratuities should be within accepted standards for the region.

Foreign Currency. Foreign currency payments that are not converted by a credit card statement must be converted to the U.S. dollar equivalent. If a traveler submits a personal credit card statement for reimbursement, any foreign currency payments will be reimbursed for the amount shown on the credit card statement.

The University has both foreign liability protection as well as out of country medical coverage and travel assistance. For policy details contact the Fiscal Services Office.

Conference Registration. Conference registration receipts must include a copy of the conference registration form or agenda that describes the conference subject matter, in order to support the appropriate business purpose of the conference. Evidence of required prior approvals, via email or other means, should be included with the related receipts.

Lodging. University personnel must book their own accommodations. An Accounts Payable check, a personal credit card, or a Marywood University Purchasing Card is acceptable.

If an Accounts Payable check is to be used, the employee or student should request at the time of the reservation, a confirmation on the lodging provider's letterhead, stating the name of the person staying, the confirmation reservation number, the date or dates of the stay, and a room rate per day including all applicable taxes. The employee or student must attach the documentation to a check requisition form signed by the authorizer of the budget to be charged, and submit it to the Fiscal Services Office. When the check has been issued, the employee or student can pick it up at the Student Account Receivable Office prior to departure. Any additional charges applied, i.e. parking, phone calls, or meal charges, will be paid for by the employee and the employee can request reimbursement of these expenses when they return from the trip.

When a personal credit card is used, a travel expense report forms with original receipts attached will substantiate costs.

When the payment is made with a Marywood Purchasing Card, the card must have been issued to the employee using it.

Travel Advances: When out-of-pocket expenses are expected to be significant, travel advances can be arranged. Advances should be requested using a Check Requisition and should be requested at least one week prior to expected travel in order to give ample time for the check to be issued.

Travel Reporting: After the traveler returns from the trip a Travel Expense Report Form must be completed within 21 days. Original receipts must be attached to substantiate all expenses except mileage and the authorizing signer on the budget should approve the report.

IMPORTANT NOTE: Travel advances should be reconciled and excess funds, if any, returned as soon as possible upon completion of the trip. IRS regulations require the university to report travel advances as additional income and to withhold appropriate income taxes on these advances unless the expenses are accounted for within a reasonable period of time. Reporting of an advance as income does not relieve the employee of the legal liability to account to Marywood University for the travel advance and to return unused portions. Therefore, if any advance has not been accounted for within 60 days after the traveler/employee has returned, the University will deduct the outstanding balance of any travel advance

from his or her payroll check. If any advance has not been accounted for within 60 days after the traveler, who is a student, has returned to the University, a charge for the outstanding balance of the travel advance will be added to the student's account. This allows the University to recover the advance from any salary owed the employee in case of termination of employment or failure to submit a travel claim.

A. PLANNING FOR INTERNATIONAL TRAVEL

There are various travel procedures and issues unique to international travel. When planning a trip beyond the borders of the United States, refer to the Coordinator of Multicultural Education/Study Abroad Advisor if faculty to learn about international travel assistance services and other helpful information.

B. POLICY EXCEPTIONS

Exceptions to the provisions of this policy must be approved by the President, Provost or equivalent level. The Vice President of Finance and Administration will approve any exceptions for the President, Provost or equivalent level. If there are extenuating circumstances, they must be explained in writing and approved by individual's supervisor prior to submitting the exception request. Exceptions must be explicitly justified as beneficial to both the University and the individual and may result in taxable income to the individual if the expense is classified as unallowable by the IRS.

II. RESOURCES

Procurement and Accounts Payable Policy [Link New Policy](#))

Vehicle Use Policy

International Insurance

III. HISTORY

Definitions:

Business Travel is defined by the IRS as movement on official business of the University from one's home or normal place of employment to another destination, and return from there either to one's normal place of employment or

home. Commuting between one's home and regular place of employment is not University business travel.

Reasonable means the amount that normally would be spent in that specific situation. The amount will vary depending on circumstances, but lavish or extravagant expense will not be paid for by the University.

Allowable Expenses include transportation, lodging, meals, parking fees, tolls and other necessary expenses incurred by University employees while traveling on approved University business.

Unallowable Expenses are classified as such based on federal law and regulations, most predominately Internal Revenue Service regulations for allowable business expenses.

Procedures:

Related Policies/ Committees:

Policy History:

5/12/2023: The President approved the revision of the policy by recommendation of the Policy Committee of the University at their May 12, 2023 meeting.

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**Mary Theresa Gardier Paterson, Esquire
Secretary of the University and General Counsel**