Benedictine University	**S.O.P. 103**
Revised	**06/01/2016**
Approval	**Date**

TRAVEL AND SUBSISTENCE EXPENSE REPORT

General

The purpose of this policy is to establish guidelines and the approval authority required for travel and subsistence expense reimbursement. This policy applies to all travel and subsistence expenditures initiated or incurred.

University policy and IRS policy are similar. For an expense to be reimbursable, it must be ***ordinary and necessary***. To further elaborate, the expense must be **reasonable, appropriate and helpful** to the conduct of University business. It is the University's policy to reimburse employees for ***reasonable*** expenses incurred in the performance of their duties. It is also the policy of the University not to support extravagant expenses nor underwrite personal vacations. Employees should use good judgment, be prudent and professional.

The traveler should obtain the approval of his/her Departmental Budget Manager prior to incurring any travel and subsistence expenses by completing a ***Request for Travel form***. Based on the dollar amount, Vice Presidential signatures may be required on the form. The Request for Travel form should be kept on file with the Departmental Budget Manager.

It is each employee's responsibility to minimize the costs of travel. Travel can often be completely avoided through better utilization of the telephone, fax, Internet or through satellite links. Advance planning is a must in order to secure the lowest airfare rates. Airfare reservations should be made at least 30 days in advance. **Reservations made less than 30 days require approval from the President and VP of Finance.**

Employee can make their own airline reservations and submit for reimbursement within 30 days of their business travel.

Travel arrangements can be placed with the University's preferred travel agency, LeTravel, at 630-690-9600. An Enrollment Profile form should be completed (one time) by frequent travelers and sent to the Business Office (Enrollment Profile forms are available in the Business Office). A copy of this form will be sent to LeTravel in order to facilitate processing by the travel agency.

Request for Travel

1. The Traveler should obtain approval from his/her Departmental Budget Manager prior to departure by completing a Request for Travel form. The form should include the necessary signatures prior to any formal travel planning.

2. In no case should an employee authorize his or her own Request for Travel form.

3. The Request for Travel form is available on the S: Drive **S:\University Info\Forms\Business and Finance.** You may also obtain forms in the Business and Finance Office.

4. The form should be kept on file with the Departmental Budget Manager with a copy sent to the employee.

Expenditure Guidelines

1. Airfare
   - 1.1. Domestic air travel
     - 1.1.1. All employees will travel coach class. Exceptions must be approved by Vice President/President
   - 1.2. International air travel
     - 1.2.1. International air travel will be coach class. Exceptions must be approved by Vice President/President
   - 1.3. Unused or cancelled flight coupon
     - 1.3.1. These must be returned to the travel agency **as soon as possible** so that they can be voided rather than charged and refunded later.

- 1.4. Frequent Flyer Programs
  - 1.4.1. The University recognizes Frequent Flyer awards as airline incentives for our employees who travel. Policy does require, however; that flight selection and hotel choices on business trips **not be made solely for the purpose of gaining such benefits**. The lowest practical rates will be the determining factor in all reservations. Should Frequent Flyer benefits become taxable in the future, employees will be responsible for any taxes due.

2. Family members
   - 2.1. When a family member accompanies the employee on University business trips, all family travel arrangements will be designated as "personal travel". Personal travel must be paid for in full directly by the employee.

3. Rental car
   - 3.1. Rental cars are allowed for overnight business travel.
   - 3.2. Gasoline
     - 3.2.1. Whenever practical, all rental cars must be returned with a full tank of gasoline in order to avoid a significant per gallon surcharge.
   - 3.3. Insurance
     - 3.3.1. Employees must not accept the collision damage insurance coverage offered by the rental company.

4. Lodging
   - 4.1. A mid-priced hotel or motel, such as Holiday Inn or Best Western must be used whenever possible. Preferably the selected hotel will be close to the meeting site in order to reduce transportation costs.
   - 4.2. Room rate
     - 4.2.1. Employees must verify that they are receiving the lowest possible room rate when registering.

5. Meals
   - 5.1. Out of town meals
     - 5.1.1. For each day traveling, the total cost of breakfast, lunch and dinner should not exceed $60.00.
   - 5.2. University business (In-Town)
     - 5.2.1. The intent of this section is to allow reimbursement to employees for meal expenses in the limited instances where they are required to incur such expenses in connection with the conduct of official University business. Every attempt should be made to keep the per meal cost within the limits indicated in 5.1.1.
     - 5.2.2. A bona fide business discussion must take place during, directly preceding or directly following the meal.
     - 5.2.3. **The name(s), affiliation, and business topic must be documented on the original receipt accompanying the Expense Report** with enough clarity to withstand any subsequent IRS scrutiny.
   - 5.3. Tips
     - 5.3.1. Tips should not exceed 15% of the price of the service provided. In many situations the gratuity is included in the bill; therefore, do not tip any additional amount.

6. Phone calls
   - 6.1. Business calls must be noted on expense reports as such. Caution should be used when calling from a hotel room as certain hotels have excessive surcharge rates. A Phone Card should be used in order to keep costs down. Many hotels inappropriately charge for long distance calls that did not go through, and hotel bills should be closely reviewed for such instances.
   - 6.2. One personal phone call, of reasonable duration, is allowed per day when traveling away from home.

7. Use of personal vehicle
   - 7.1. Employees will be reimbursed on a per mile basis for the use of their personal vehicles while conducting University business. The reimbursement rate will follow IRS guidelines and is intended to cover fuel costs and the service needs of the average vehicle. The current reimbursement rate is $.505 per mile.
   - 7.2. Reimbursement will not be made for personal mileage, such as commuting to and from work.

8. Use of University vehicles
   - 8.1. Employees using a University vehicle are not entitled to mileage reimbursement.
   - 8.2. Those driving University cars must:
     - 8.2.1. Log both business miles and personal miles.
     - 8.2.2. Submit business miles for fuel cost reimbursement at the University rate in effect.
     - 8.2.3. Report by January 15th each year:
       - 8.2.3.1. The odometer reading of the car as of 12/31 of the preceding year,
       - 8.2.3.2. Total business miles of the preceding year, and
       - 8.2.3.3. Total personal miles of the preceding year (including miles to and from work)

8.3. According to IRS guidelines, the portion of lease value of the vehicles attributable to personal miles is taxable to the employee. Personal miles are considered a taxable benefit to employees and will be reported as such. Mileage readings and reports will be audited.

9. American Express Corporate Cards
   9.1. Employees using corporate cards will use the same procedures for approval, documentation and reimbursement as described in this Travel and Expense Reimbursement Policy.

10. Miscellaneous
    10.1. The following items are considered personal expenses and are not reimbursable.
        10.1.1. Baby-sitter
        10.1.2. Barber
        10.1.3. Kennel Service
        10.1.4. Lawn care service while away on business
        10.1.5. Fines for infraction of law
        10.1.6. Movies inside hotel room
        10.1.7. Personal air travel/personal entertainment
        10.1.8. Cost of side trips for personal reasons
        10.1.9. Personal accident insurance
        10.1.10. Personal items such as clothes, toiletries, etc.
        10.1.11. Spouse's or other family member's expenses
        10.1.12. Club membership and usage for personal reasons
    10.2. The following reasonable and out-of-pocket expenses are reimbursable:
        10.2.1. Inoculations – as required for traveling
        10.2.2. Visa/Passport fees
        10.2.3. Business telephone calls
        10.2.4. Fax/Telex charges
        10.2.5. Parking, tolls, etc.
        10.2.6. Laundry and valet services if business trip is for 5 days or more.

Expense Report

1. Expenses must be itemized and substantiated with original receipts. Expenses not supported by original receipts, such as mileage reimbursement, must be documented.

2. In addition to the specified personal expenses, unsubstantiated expense reimbursement requests will be disallowed.

3. The form must be completed in full including purpose, location and dates of trip.

4. The Expense Report must be completed and turned in within 30 days after your trip to ensure that charges will be made to the correct accounting period.

5. All payments for travel, e.g., hotels, airlines, etc., are considered advances to employees. All copies of the completed forms must be turned in within 30 days. If not turned in, advances will be reported as taxable income to the employees.

6. Expense reimbursements will be made on the 15th and end of each month. The hard copy of your Expense Report with required signatures and original receipts must be **received** in Accounts Payable by noon ten workdays prior to the disbursement dates. Otherwise, your expense reimbursement will be made on the following disbursement cycle.