

# Belmont University Travel and Entertainment Policy and Guidelines

Updated September 2009

## I. Overview

This policy is intended to provide faculty and staff direction in the manner and extent funds may be expended for the purposes of travel, entertainment, and hospitality. Business-related entertainment expenses are defined as reasonable food, beverage, and incidental costs associated with the conduct of Belmont University business. The University must ensure that funds are used judiciously and appropriately in support of its activities. It is also designed so that these expenses are in compliance with Internal Revenue regulations, federal cost regulations under Office of Management and Budget (OMB) Circular A-21, and donor guidelines.

## II. Scope of Policy

This policy applies to the following individuals traveling, entertaining or incurring non-travel business expenses on behalf of the University:

- Faculty and Staff of the University
- Undergraduate and graduate students
- Approved non-employees

**The policy applies to all faculty and staff whether using a University Travel Card or submitting reimbursement requests.**

This document outlines policies and procedures in general terms to allow reasonable discretion for faculty and staff and administrators and should not be expected to cover every possible situation. **This policy applies regardless of the funding source.** In cases of sponsored programs or restricted discretionary funds, the terms of the grant, contract or donor's limitations may be more restrictive than the University's policy. In cases where these limitations are less restrictive, the University's policy will apply. Exceptions to this policy may be approved by the Provost or Vice President for Finance and Operations (or designee) and must be clearly justified as beneficial to the University. Colleges and departments may, at their discretion, impose greater but not less control than required by this policy. The University has no obligation to reimburse faculty and staff, students or non-employees for expenses that are not in compliance with this policy.

## III. LODGING AND TRANSPORTATION

### A. Lodging

Faculty and staff should use standard accommodations at reasonably priced hotels and motels when making reservations. Reimbursement for lodging may not exceed the normal rate for a standard single room. While traveling on University business, travelers should expect to receive service and accommodations that are both safe and comfortable, but not lavish or extravagant.

In addition, travel arrangements should be well planned so that costs will not exceed budgetary limitations. In room movies and mini-bar expenses will not be reimbursed. When traveling to a conference, it is appropriate to stay at the hotel hosting the conference. Trips of less than 50 miles one way do not qualify for reimbursement for an overnight stay.

### **B. Lodging Receipts**

Original receipts for lodging are required. The receipts must be submitted with the expense report. Meals and incidentals on lodging receipts must be itemized separately (see Meals). Lodging receipts must include all of the following information:

- Name and location of the hotel
- Dates of stay
- Itemized listing of charges
- Proof of payment
- Business purpose of trip
- For group travel purchases, all names of lodgers are required.

### **C. Lodging Cancellations**

Should travel plans change, it is the traveler's responsibility to cancel his or her hotel reservation. The deadline for canceling reservations without penalty varies with each hotel. Please record the date; cancellation number; and the clerk's name when canceling. Failure to cancel a guaranteed hotel reservation could result in a no-show billing for the reserved room, which is considered a non-reimbursable travel expense unless there are extenuating circumstances beyond the control of the traveler (for example, a canceled flight). Such circumstances must be documented on the expense report.

### **D. Transportation Receipts**

Passenger copies of transportation tickets are required. For electronic tickets, obtain proof of payment from the travel agent or online travel provider. Transportation receipts should include passenger name, dates, destinations and amounts. For a group travel purchase all names of passengers are required.

### **E. Air Travel**

Commercial air travel expense is reimbursed 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 the prior written approval of the traveler's Vice President or Provost. The lowest cost air travel will take precedence over any frequent flyer programs. Exceptions may be allowed if the lowest-priced fare would:

- require circuitous routing;
- require travel during unreasonable hours;
- excessively prolong travel or greatly increase the duration of the flight;
- result in increased costs that would offset transportation savings;

### **F. Senior Leadership Travel**

Flights carrying 3 or more senior officers should be avoided whenever possible.

### **G. Baggage Expense**

Charges for excess baggage are reimbursable only when the traveler is transporting University materials or when the extended period of travel necessitates excess personal baggage. Necessary expenses associated with baggage handling, storage and tips is allowable.

### **H. Lost Baggage**

Should your baggage be lost or damaged, you must notify airline personnel and file a claim with the airline before leaving the airport. Neither the University nor the University's insurance will pay for loss or damage to your personal property.

### **I. Ground Transportation**

The use of rental cars (economy or compact models) may be authorized when other transportation is not available or when using a rental saves time or money. Car rental insurance should be waived. The University will not reimburse for insurance paid to car rental companies, as such liability is covered under the University umbrella policy. Traffic and parking violations are not reimbursable. Ground transportation, especially to and from airports, should be by the least expensive mode of transportation. Public transportation should be used whenever practical.

### **J. Personal Car Usage Guidelines**

Faculty and staff may use their personal car for business purposes. It is the responsibility of the owners of vehicles being used for business to carry adequate insurance coverage for their protection and for the protection of any passengers.

### **K. Mileage Calculation**

In most circumstances, the appropriate way to calculate business mileage is from home or the office, whichever is less, to the business destination. At no time should normal commuting miles be included in the calculation. When driving from home to the airport on University business, total miles are not allowed. Faculty and staff will be reimbursed for business usage of personal cars at \$0.445 per mile. This mileage reimbursement schedule may be changed. The Vice President of Finance and Operations approves any change to the mileage reimbursement schedule. When making travel arrangements for trips over 300 miles, care should be exercised to choose the most economical alternative between air transportation, a rental car with unlimited mileage or an employee's own vehicle. Belmont University will reimburse for the most economical alternative available, even if an employee decides to utilize a different alternative for personal reasons. For example, if a trip is required and the following alternatives are available; air transportation, \$230; rental car with unlimited mileage and estimated gas for \$280, and mileage reimbursement for personal automobile for \$667 (1,500 x \$0.445), the University would reimburse the employee for \$230 regardless of alternatives chosen. All mileage reimbursements should include exact mileage readings from odometer or MapQuest generated mileage calculations for backup documentation. If there are extenuating circumstances, the employee should have the appropriate dean or vice president approve the request before the travel takes place. Faculty and staff will not be reimbursed for the following, even if these costs are incurred during business travel:

- Car repairs
- Rental car costs during repair of personal car
- Tickets, fines, or traffic violations

## **IV. CONFERENCES**

Any employee intending to travel for a business conference should complete a "*Pre-Travel Authorization Form*" which outlines all anticipated costs associated with the conference. This form should be approved by the employee's supervisor and submitted to the departmental budget manager. The budget manager can verify that there are available budgeted funds in the identified funding source. The budget manager should maintain the form and match it against the actual charges that are submitted for payment. Conference brochures which detail the registration fees and all meals provided should be submitted with the requests for reimbursement.

## **V. MEALS AND ENTERTAINMENT**

### **A. Business Related Meals**

Only reasonable meal costs (based on your location) will be reimbursed. Faculty and staff should show prudence and fiscal responsibility in their choice of restaurant. High end establishments must be avoided unless circumstances dictate that it is an appropriate choice and it is pre-approved by a Dean or Vice President. Meals charged to a hotel bill are subject to all policies and requirements and require itemized receipts in order to be reimbursed.

A clearly substantiated business purpose should exist for any meal to be purchased with University funds. Off-campus meals for departmental meetings should be pre-approved by the Department Head, Dean or Vice President and should be infrequent in nature. Costs for meals with other University staff or faculty to discuss business are not an appropriate use of University funds. A meal expense incurred during an "in town" meeting/conference is typically not reimbursable. If an employee attends an in town conference that does not provide lunch, the cost of lunch can be reimbursed not to exceed \$11.00.

### **B. Personal Meal Expenses While Traveling**

**a.** General limitation – A traveler may not claim reimbursement for more than three meals in any single calendar day or in any period of 24 consecutive hours.

**b.** Full day meal allowance – A travel day of 18 or more hours shall be considered a full day and entitle the traveler to reimbursement for up to three meal reimbursements equal to the lesser of the amount actually spent for the meals or the maximum reimbursement rate daily total for the location. If the traveler does not purchase a substantial meal, or is provided a meal in the cost for other travel related expenses such as a conference fee or airfare, the traveler is not eligible for reimbursement for that meal nor is the traveler eligible for the full daily per diem amount. For example: If breakfast and lunch is provided the only portion of the meal allowance reimbursable is the dinner component.

**c.** Partial day reimbursement – A travel day of less than 18 hours shall be considered a partial day and entitle the traveler to reimbursement for meals based on the partial day reimbursement rules listed below. However, the traveler is only allowed reimbursement for meals actually incurred (paid for). If the traveler does not purchase a meal, or is provided a substantial meal in the cost for other travel related expenses, the traveler is not eligible for reimbursement for that meal. When the travel day is less than a full day, the following guidelines will be applied to the reimbursement of amounts spent for meals:

**(1)** Six hours in travel status – qualifies for one meal reimbursement up to the lesser of the amount actually spent for the meal or the maximum reimbursement rate.

**(2)** Twelve hours in travel status – qualifies for two meal reimbursements up to the lesser of the amount actually spent for the meal or the maximum reimbursement rate.

**(3)** Refer to TABLE 1 A. for hourly schedule for meal allowances and itemized meal per diems.

**d.** Cost of meals included with other charges – The traveler is not entitled to a meal allowance for substantial meals provided free, on an airplane, included in conference registration fees or provided on a complimentary basis by the facility at which one is lodged. Employees must provide schedule/agenda for all conferences in order to substantiate daily per diem allowance.

The University will generally reimburse faculty and staff for three meals a day; however meals should not exceed Belmont's approved per diem rate of \$39 per day (\$7-breakfast, \$11-lunch, \$21-dinner) unless the destination is identified in TABLE 2 as a "Key City" (\$10-breakfast, \$15-lunch, \$29-dinner for a total of \$54). For foreign travel, access the U.S. Department of State Web site which maintains a listing by country and locality at: <http://www.state.gov/m/a/als/prdm/> On the days of travel to or from destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel. The University, following IRS regulations, does not allow travel meal expense for one-day travel. However, a bona fide business meal may be reimbursed (see business meal expenses). Snacks and drinks (bottled water) during travel are not reimbursable unless they replace a meal and are part of an approved meal allowance. See above.

### **C. Alcoholic Beverages**

The purchase of alcohol with University funds for any meal or entertainment purpose is **Prohibited**.

### **D. Entertainment**

All business entertainment expenses must be directly related to the conduct of Belmont University business. IRS regulations require that an employee be engaged in the active conduct of business with the person being entertained. Entertainment expenses associated with the active conduct of Belmont University business will be reimbursed if they directly precede or follow a substantial business discussion, in which the person(s) entertained has a potential or actual business relationship with the University, or the business discussion will benefit the University.

### **E. Documentation and IRS Requirements**

In order to comply with IRS rules, faculty and staff must substantiate the date, place, and business purpose of the meal. An original, itemized receipt must be submitted with the expense report for any business meal or entertainment expense. Receipt "stubs" will not be accepted as documentation. **All receipts must be itemized.** Attendees should always be listed on the expense report. Business purposes such as "lunch meeting" are not adequate information to fulfill this requirement.

### **F. Tipping for Meals**

Tips included on meal receipts will be reimbursed. As a general rule, faculty and staff should not tip more than 20% of the bill.

### **G. Departmental Functions**

Certain departmental functions, such as holiday parties, retirement parties, and other significant departmental gatherings, serve an important business purpose for the University in supporting morale and encouraging networking among colleagues. **All faculty and staff must obtain specific approval of their Dean or Vice President for the specific event prior to committing any University funds for a departmental function.** All expenditures for such functions must be within the confines of the departmental budget. Documentation of appropriate approvals is required on the request for reimbursement or payment approval and must be attached for Finance and Accounting to process.

### **H. INTERNET USAGE**

The University recognizes that internet usage while traveling for business purposes is sometimes necessary. Employees are encouraged to pursue hotels that provide "Free" internet access. However, where charges are incurred for internet usage this is an allowable

reimbursable expense providing that it is itemized on the hotel invoice. Internet charges incurred at airport terminals are not allowable reimbursable expenses.

## **VI. EXPENSE REPORTING**

### **A. Expense Reimbursement – Faculty and staff**

Belmont maintains an "accountable plan" as defined by the Internal Revenue Service (IRS). Under this type of plan, reimbursements for travel, entertainment and non-travel business expenses are not required to be reported as income to the employee, as long as the advances and reimbursement of expenses meet all of the following three requirements:

1. There must be a business connection to the expenditure. This means that the expense must be a deductible business expense incurred in connection with services performed as an employee. If not reimbursed by the employer, the expense would be deductible by the employee on his/her 1040 income tax return.
2. There must be "adequate" accounting by the recipient within a reasonable period of time. All reimbursements must be submitted to Finance and Accounting within 45 days upon returning from the trip. This means that faculty and staff must verify the date, time, place, amount and the business purpose of the expenses. Itemized receipts are required.
3. Excess cash advances must be returned within two business days upon return.

Any expenses that fail to meet all three rules for the accountable plan **must be treated as income** to the employee and reported to the IRS on Form W-2 (subject to withholding of employment taxes). Employees seeking reimbursement for business expenses they paid for using the University Travel Card or other personal methods should complete the Expense Reimbursement Request form and submit to their supervisor for review and approval. These should then be forwarded to the departmental budget manager for further processing and approval. In no circumstances can employees approve their own expense reimbursement.

### **B. Auditing of Travel, Entertainment and Non-travel Business Expenses**

The University internal audit office will audit selected expense reimbursement requests for compliance with the University policy, IRS and other external regulations. The internal auditor may require additional information supporting an expense or require an additional approval at a higher level of authorization.

## **VII. TRAVEL CARD PROGRAM**

Belmont provides a travel card program for its faculty and staff.

The Travel and Entertainment Card is the preferred payment method for all significant travel expenses incurred by Belmont travelers. The Travel and Entertainment Card program provides faculty and staff with a variety of benefits and allows the University to gather travel data that is useful for management reporting. The T&E card is not required to be used by employees who prefer to use their own personal methods of paying for travel related expenses.

### **A. Travel Card Eligibility**

All faculty and staff who as a part of their job requirements travel or entertain on a regular basis would qualify for the University Travel Card. Applications for the T& E Card must be approved by the appropriate Dean or Vice President for the college or department with final approval from the Vice President of Finance and Operations.

### **B. Use of Travel Card**

The travel card should be used only for business travel and entertainment expenses including:

- Air Travel
- Lodging
- Car rental
- Meals and Entertainment
- Miscellaneous travel and entertainment expenses

Faculty and staff using the Travel Card should note:

- Individual cardholders are personally liable for all charges made on their card. Cardholders are responsible for paying his or her travel card bill regardless of whether they have been reimbursed or not. The University will not reimburse an employee for delinquency fees or interest due to late payments. **If an employee is 30 days late paying his or her travel card bill, 2 times in any calendar year, the card will be cancelled and that employee's travel card privileges will be revoked.**
- Use of Travel Cards for personal charges is prohibited and is monitored by the Finance & Accounting Department.

**The travel card is not a purchasing card. Use of Travel Cards for the purchase of non-travel related supplies, expenses, or services is prohibited and will result in the forfeiture of the card and possibly other disciplinary action.**

Within the State of Tennessee and other states allowable, all Sales & Use Taxes should be avoided. Belmont University is Tax Exempt in the State of Tennessee. Taxes paid will not be reimbursed unless the vendor refuses to honor the Belmont's Tax Exempt status. This refusal should be well documented on the itemized receipt. In essence, if sales tax is avoidable but still paid, accounting will not reimburse the employee. If a local vendor refuses to honor Belmont's tax exempt status the employee will only be reimbursed for the first occurrence. The employees are urged to only do business at establishments that will honor the tax exemption.

### **C. Termination of Employment**

Upon termination of employment, all travel cardholders must:

- Promptly pay any remaining balances
- Return the card to the accounting department

### **D. Travel and Entertainment Card Expense Reporting**

In order to be reimbursed for approved travel and entertainment business expenses, the employee must complete an *Expense Reimbursement Request Form* and submit to their supervisor for review and approval. These should then be forwarded to the departmental budget manager for further processing and approval. In no circumstances can employees approve their own expense reimbursement. These reimbursements must be submitted monthly, at a minimum or no later than 45 days upon returning from the trip. Due dates will be communicated by the Accounting and Finance Office but are generally due the 5<sup>th</sup> day following the travel card statement cut-off date. Expense reports must clearly document the business purpose of all expenses incurred. Note that for IRS purposes, Belmont University requires a detailed and reasonable explanation of the business purpose. In cases where inadequate business purposes are presented, the entire expense report will be returned unprocessed and reimbursement will be delayed. The completed expense report and original itemized receipts along with a copy of the T&E Card statement should be sent for processing. Cancelled checks are not acceptable in lieu of receipts. For hotel charges, you must include the hotel bill and list charges by day by type. For airline charges, you must submit the "Electronic Ticket Receipt". Credit card statements are not considered original receipts and are not sufficient support for reimbursement.

### **E. Self Audit**

Faculty and staff should review their own *Expense Reimbursement Request Form* for completeness and propriety. Signing your report indicates your agreement with charges listed and their adherence with University policy.

## **F. Signatures and Approvals**

The employee must sign the *Expense Reimbursement Request Form* requesting reimbursement certifying that the expenses submitted for reimbursement were incurred while conducting University business. Signing or initialing another person's name is not allowed. All reimbursement requests must have signed approval by the appropriate signature authority as per the *Purchasing Authority Matrix*. Reimbursement expense forms cannot be approved by the individual seeking reimbursement.

## **G. Approver's Responsibility**

The approver must insure that:

- The expense was incurred in the conduct of University business.
- The expense has been charged to the proper account(s)
- The expense report has been properly prepared and adequately documented and in accordance with University Policy.
- All receipts are itemized and receipts are taped to blank page in order of occurrence (by date/time, and etc). All check requests/reimbursement requests not compiled in accordance with this policy will be sent back to the department and not processed.
- Policy exceptions have a letter of authorization from the Provost or Vice President of Finance and Operations.

## **H. Reimbursement Payments**

Direct Deposit is strongly recommended for expense reimbursements, otherwise reimbursement checks will be sent to the location selected by the traveler.

## **I. Travel Card Benefits**

Under the terms of Belmont's agreement with the travel card company, faculty and staff receive the following benefits:

- **Travel Accident Insurance.** 24-Hour accidental death and dismemberment insurance covers all travelers who charge common carrier transportation to the card. The coverage supplements the University's business travel coverage.
- **Baggage Insurance.** Travelers who charge airline tickets to the Card automatically receive insurance coverage of up to \$5,000 for carry-on luggage and up to \$500 over and above the coverage provided by the airline for checked baggage.

## **VIII. Cash Advances for Travel**

The University discourages the use of cash advances; however, they may be used in extenuating circumstances. The University Controller will approve all cash advances. Cash advances will be issued to University faculty and staff only. An employee may have only one cash advance outstanding at any given time. Further questions regarding cash advances should be discussed with Accounting and Finance.

**TABLE 1**

A.)Meal cut off hours are as follows:

<u>Travel Status Hours</u>	<u>Meal Consume Time</u>	<u>Breakfast</u>	<u>Lunch</u>	<u>Dinner</u>
at least 6	12:00 am - 8:00 am	Yes	No	No
at least 6	10:01 am - 4:00 pm	No	Yes	No
at least 6	4:01 pm - 11:59 pm	No	No	Yes
at least 12	12:00 am - 4:00 pm	Yes	Yes	No
at least 12	10:01 am - 11:59 pm	No	Yes	Yes
at least 12	4:01 pm - 7:00 am	Yes	No	Yes
at least 18	12:00 am - 11:59 pm	Yes	Yes	Yes

**TABLE 2**

**Key Cities as Identified for Travel Meal Per Diem Reimbursement:**

Alaska -	Anchorage
California -	Los Angeles San Diego San Francisco Santa Monica
District of Columbia -	Washington, D.C.
Florida -	Miami Naples
Hawaii -	All locations
Illinois -	Chicago
Maryland -	Annapolis
Massachusetts -	Boston/Cambridge
Minnesota -	Minneapolis/St. Paul
Nevada -	Las Vegas
New York -	New York
Pennsylvania -	Philadelphia
Rhode Island -	Newport
Texas -	Houston Dallas
Virginia -	Alexandria

Washington -

Arlington  
Seattle