

Travel Policy (Revised December 1, 2016)

OVERVIEW

The Saint Martin's University (SMU) Travel Policy provides employees, who are authorized to travel on behalf of the University, with guidelines on the procurement of transportation, lodging, meals and other services necessary to conduct university business. It is University policy that all travel be undertaken in the most economical mode consistent with our policies and still achieves the objective of the business trip. Employees are expected to spend University money as carefully and judiciously as they would their own, and managers are expected to be diligent in their review of the travel expenditures of those they supervise. Employees traveling on SMU business will embrace the Benedictine value of Stewardship and avoid any excessive or extravagant expenditures.

Definitions

Traveler: A person on travel status.

Travel Status: An employee is on travel status if the employee is away from their official station (workplace) on official University business related to the employee's job, for at least one night OR has traveled at least 30 miles from the official station. For example, if a Lacey-based employee travels to Seattle or Tacoma for a meeting and returns the same day, the employee would be eligible for University-paid meals. The employee would also be eligible to receive mileage if a personal vehicle were used, and would be reimbursed or could use a Saint Martin's credit card to pay for parking or tolls.

Exceptions to this rule are: athletic teams, coaches and other affiliated athletic personnel are eligible for meals whenever attending an "away" game; admissions staff are eligible for meals and mileage reimbursement when on student recruiting trips; international program staff are eligible for meals when accompanying international students on local trips; and coffee, lunch or dinner meetings with donors, prospective donors, prospective students and/or athletic recruits and their parents, or local, state, and national officials.

Before undertaking any travel for the University comprised of conferences, flights and/or out-of-state destinations, staff and faculty must obtain the approval of the appropriate authority within their reporting line. Appropriate authority includes Cabinet members, Deans, and the Faculty Development Committee. Travel for athletic teams and athletic personnel is considered approved when the schedules are set.

Accountable Plan: SMU has elected to have its employees follow the accountable plan rules set forth by the Internal Revenue Service (IRS), and expects all employees to adhere to this policy. *(For specific requirements imposed by the IRS for employee business expenses, see IRS Publ. 463, Travel, Entertainment, Gift and Car Expenses).*

To be an accountable plan, an employer's reimbursement or (expense) allowance must include all of the following rules:

1. Your expenses must have a business connection – that is, you must have paid or incurred expenses while performing services as an employee of your employer.
2. You must adequately account to your employer for these expenses within a reasonable period of time.
 - Travelers must submit to the Finance Office an approved Travel Reimbursement Request or an itemized credit card receipt substantiating the amount, time, use and business purpose of expenses within 30 days after the expenses are incurred.
 - Travel Reimbursement Requests for Faculty Development funds are due per the schedule set by the Faculty Development Committee.
 - Employees who do not meet the deadlines will not be reimbursed for their travel expenses.
3. You must return any excess reimbursement or allowance to your employer within a reasonable period of time.
 - Employees must return to the Finance Office any advance amounts in excess of substantiated expenses within 30 days after the completion of the trip or, if using Faculty Development funds, per the schedule set by the Faculty Development Committee
 - Employees who do not meet the deadlines will have the entire amount of the allowance added to their income in box 1 of the Form W-2. Employees who fail to return excess advance funds to the Finance Office may be subject to additional disciplinary action.

Travel Time: The principles which apply in determining whether time spent in travel is compensable time depends upon the kind of travel involved.

Home to Work Travel: An employee who travels from home before the regular workday and returns to his/her home at the end of the workday is engaged in ordinary home to work travel, which is not work time.

Home to Work on a Special One Day Assignment in Another City: An employee who regularly works at a fixed location in one city is given a special one day assignment in another city and returns home the same day. The time spent in traveling to and returning from the other city is work time. If the employee left home to their regular work site, drove to the other work location and returned home the same day, the employer may deduct/not count that time the employee spent commuting to the regular work site.

Travel That is All in a Day's Work: Time spent by an employee in travel as part of their principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.

Travel Away from Home Community: Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is clearly work time when it cuts across the employee's workday. The time is not only hours worked on regular working days during normal working hours but also during corresponding hours on nonworking days. Travel

time will not consider as work time if time spent in travel away from home is outside of regular working hours as a passenger on an airplane, train, boat, bus, or automobile.

TYPES OF TRAVEL EXPENSES

Air Transportation

Air transportation may be reserved through a travel agent or via the internet. Care should be taken to ensure that the best pricing for travel arrangements is realized regardless of the method.

If you use your personal credit card, the IRS requires that requests for reimbursements be substantiated with original receipts after a trip's completion.

All domestic and foreign travel should be booked in the least expensive class. You may be asked to provide an explanation should you book airfare that costs more than the lowest available coach fare.

To maximize discount fare possibilities, air travel arrangements should be made as far in advance of the travel date as possible.

Ground Transportation

1. Airport Transfers:

When available, airport limousines or complimentary hotel shuttle service should be taken to and from your hotel (or meeting site). Also, private vehicles, busses or shuttles should be used from home to the airport and back. (Limousines and taxis are generally significantly more expensive and should be used only if there is absolutely no other less expensive option.)

2. Car Rental (when out of SMU area):

Car rental arrangements should be made at the time of booking travel arrangements. All rentals will be at the lowest possible rate per day. Car rentals will be reimbursed for standard or compact rates only. Use of an intermediate or full-size car is acceptable when three or more employees are traveling together and sharing rental.

Employee auto insurance will be the primary insurance on any rental vehicle, and the University insurance will be secondary. Accidents need to be reported to the Public Safety Office with 24 hours of occurrence. Accidents will be handled in accordance with a separate accident policy.

Employees are encouraged to plan their travels to return rental cars to the original renting location to avoid unnecessary drop-off charges. Such charges can increase the cost of the rental by a considerable margin.

Employees should always refill the gas tank before returning the rental car. Service station prices for gas are significantly less than the charge imposed by rental agencies. All purchases of gasoline or other supplies must be documented with receipts.

3. Personal Vehicle Use:

If employees use their personal vehicle when conducting University business, it is the employee's responsibility to have a valid driver's license and carry adequate insurance coverage for themselves, their vehicle, and any passengers. Employees are encouraged to review their personal insurance policy prior to using their own vehicle for business purposes. Traffic violations and parking infractions are not reimbursable by the University. The repair of damage to personal vehicles while conducting University business may be reimbursable providing that the damage was not the fault of the employee. Employees requesting reimbursement for vehicle damage must submit their insurance claim report/police report and repair receipt to the Office of Public Safety. Reimbursement for damage will not exceed the personal insurance deductible amount. Mileage incurred while using a personal vehicle for an approved business purpose will be reimbursed at a rate approved by the University. The rate may change from year to year so be sure to contact the Office of Finance for the current rate. Gasoline purchased for personal vehicles will not be reimbursed, and employees should not use university credit cards to purchase gas for their personal vehicle.

Mileage incurred while commuting from home to your regular place of work is considered a personal expense and is therefore not reimbursable by the University.

For example, an employee who lives in Tacoma generally drives 30 miles to work each day. The commute is not reimbursable. If the employee attends a meeting in Seattle, the trip to Seattle is not reimbursable, as it is 30 miles from Tacoma to Seattle. If the employee returns to work in Lacey, the return trip from Seattle to Lacey would be reimbursable. The employee would be reimbursed for 60 miles.

Hotel Accommodations

When travel arrangements are such that arrival is later than 6:00 p.m., it may be necessary to guarantee with the hotel for late arrival. The employee is responsible for any changes in the room reservations or cancellations. Any "no show" charges that could have been avoided will be the responsibility of the employee. To avoid incurring such costs, employees are encouraged to cancel in a timely manner and record the cancellation number assigned when the room is released.

Reimbursement is limited to the rate of a single room unless the room is to be shared with another University member. Any additional charges incurred that are personal in nature, or as a result of a spousal accompaniment (unless the business purpose is pre-approved), must be deducted when completing the **Expense Reimbursement Form** or reimbursed to SMU if charged to the SMU credit card.

Meals (while traveling on University business)

Breakfast, lunch and dinner costs are chargeable to the University when an employee travels out of town on SMU business. Per diems, not to exceed the US GSA rates (<http://www.gsa.gov/portal/content/104877>) are allowed for Athletics, International Programs, or when pre-approved by a Cabinet member.

International Expenses

In the case of international travel from the U.S., one expense report form should be submitted for each local currency in which reimbursable expenses were incurred. The amounts on the report should be stated in the local currency. The total for all expenses should be translated into U.S. dollars at the exchange rate(s) actually incurred.

International travelers must submit rate of exchange receipts when exchanging currencies.

Local Business Meals, Entertainment Expenses

Business meals are typically used for conducting business with outside parties, such as University donors, private consultants, business representatives, and for the recruitment of prospective employees or students. Business meals are not subject to the US GSA rates, but must be reasonable and not excessive. If meals are to be paid for by the University, the meal must involve at least one person outside of the University, and it must be for a business purpose. For example, if staff goes to lunch together, the University would not pay for the meal even if business was discussed and staff is from different departments.

It may sometimes be necessary for business to be conducted during the lunch hour when scheduling limits all required participants to come together only at that time. In such cases, meal costs for a group conducting business over lunch may be charged to the University and must be approved by a Dean or Cabinet Member in advance. In such instances, the cost should not exceed \$15 per participant.

Meals for recruitment of staff and faculty are allowed. The limit is \$250, regardless of the number of attendees. Groups are encouraged to limit the number of participants to three or less. Search expenses, including meals, lodging, air transportation, car rentals and advertising must be charged to the University-wide Searches budget, and must be approved by the Director of Human Resources for reimbursement.

The IRS requires documentation to support each instance of business meals and entertainment. Included in the supporting documentation should be a receipt that identifies the establishment, the city and the date on which the entertainment occurred. The notes must also contain the name and affiliation of those entertained, and must state the business conducted.

Food Service for internal meetings

Meal service is appropriate and may be provided when meeting attendance is mandatory, and the meeting can only be held during the meal hour.

Snack service can be provided when the meeting involves more than one department, is scheduled longer than 2 hours, and is held in a University conference space (Maud Wren, Student Services Conference Room, Harned Hall Room 110, Cebula Hall third floor or Society Room, O'Grady Library conference room and the Norman Worthington Conference Center).

University funds should not be used to cater internal staff meetings, nor should University funds be used for birthday parties and baby showers.

Tips

Tipping is allowed and is reportable on the Travel Expense Reimbursement Form. It should be reasonable and follow these guidelines:

- Wait staff: 15%-20% of the receipt total should be included in the amounts reported under meals.
- Taxis: 15% of the fare should be included on the Taxi/Bus line.

- Bellhops/Porters: \$1.00 per bag can be included on the Misc. (expense) line.
- Hotel cleaning staff: \$2.00 per night can be included on the Misc. (expense) line.

Incidental Expenses

Incidental expenses are miscellaneous expenses incurred while traveling for University business. Examples of incidental expenses include laundry (must be for trips that are five days or longer), internet access fees, metered parking, local bus fare, emergency phone calls, business phone calls, reasonable fitness/gym fees (if not included in the room fee) and reasonable tips for room service.

The University will reimburse for the actual, reasonable expenses if receipts are provided or will reimburse the employee up to \$15.00 per day without receipts.

Personal Expenses

The following are examples of personal expenses and are the responsibility of the employee: DVD rentals, movies/event tickets, spa facilities, car washes, souvenirs, toiletries, mini-bar refreshments.

The University will not be responsible for any costs incurred as a result of illegal actions by the employee, even if the employee is conducting University business. This includes vehicular violations and deductibles for accidents, if the employee driver is deemed to be at fault.

Telephone

Employees are encouraged to use their cell phones for personal calls when they are traveling on University business. Personal long distance calls to one's home charged to the hotel room are limited to one call each day away from home base and should be limited to 10 or 15 minutes.

METHODS OF REIMBURSEMENT

Travel Advances

In the instance that the employee needs a travel advance, either in the form of cash or other prepayment, an approved **Cash and/or Travel Advance Request** is required by the Finance Office. Requests must be submitted to the Finance Office by 3 pm on Monday (or the first business day of the week) in order for a check to be available on Wednesday.

The **Travel Advance Form** must include the following:

- The dates of the trip or expenses.
- The destination and purpose of the trip.
- The amount requested.
- For group travel, names of all travelers.
- Authorized signatures and account numbers.

Employees must return to the Finance Office any advance amounts in excess of substantiated expenses within 30 days after the completion of the trip by completing an Expense Reimbursement Request form.

Expense Reimbursement for Employees without an SMU credit card

An approved **Expense Reimbursement Request** form must be submitted to the Finance Office within thirty (30) days from the last expense that incurred on the trip. In most cases, subsequent travel advances or reimbursements will not be processed for staff or faculty who has a travel expense report that is overdue. Employees are encouraged to have their reimbursements paid by direct deposit.

To ensure reimbursement of incurred expenses; the following must be documented in the space provided on the **Expense Reimbursement** form:

- The purpose of the trip, entertainment or business activity.
- The dates and corresponding amounts of each item of expense.
- If any of the expenses were incurred on the behalf of other non-SMU employees, state their business relationship to SMU (i.e., purpose of the business entertainment.)

The IRS requires that requests for reimbursements to individuals be substantiated with original receipts after a trip's completion. Therefore, individuals who charge travel expenses (such as airfare or conference fees) to a personal credit card will be reimbursed for those expenses after the trip has been completed.

Employees traveling with an SMU credit card:

Employees who use an SMU credit card while traveling will be required to allocate their charges on-line per the **SMU Credit Card Instructions** that were given to the employee when issued their card or that are also available on the Finance website.

Credit card charges will post to the employees online credit card account within 2-5 business days after the charge is made. Employees will receive a note from Finance on Mondays if charges were posted the prior week.

Credit card charges should be allocated as soon as possible, but no later than noon on Thursday of the week the employee receives notification. Employees who consistently miss this deadline will have their credit card revoked.

Once the charges are allocated, please print out the list of charges that have posted (per the instructions given when receiving the credit card), attach the receipts, sign the page and have your budget manager review and sign the form also. Once complete, please send the signed statement to Finance.

RECEIPTS ARE REQUIRED

The University requires that original receipts be submitted for all expenses. Per IRS Publ. 463, a restaurant receipt is enough to prove an expense for a business meal if it has all of the following information:

- The name and location of the restaurant.
- The number of people served
- The date and amount of the expense.

Also, per the publication, if a charge is made for items other than food and beverages, the receipt must show that this is the case.

In the case of hotel bills, the folio account from the hotel is necessary. For business entertainment, you must indicate on the form the names and affiliation of those entertained, the business purpose of the entertainment, and the nature of the discussion that took place.

Travel Policy and Procedures	Travel Policy and Procedures Revision History
Policy Location: Employee Handbook; Appendix #24	Origination Date: October 2014
Approval Authority and Date: Board of Trustees: November 2014	Last Amended:
Policy Type: University Policy	Approval Date:
Policy Ownership: Finance Office	