

PHILADELPHIA UNIVERSITY

Policies and Procedures

Travel & Business Expense Reimbursement Policy

ISSUE DATE: September 2006 INITIATED BY: Treasurer's Office

PURPOSE:

To provide Philadelphia University faculty and staff with definitive guidelines and controls for the reimbursement of travel and business expenses incurred for required University business.

GUIDANCE:

It is the policy of the University to reimburse its employees for all expenses that are necessary, legitimate, permissible and actually incurred by an employee when traveling or conducting authorized University business, provided they are itemized, fully explained and approved on the required expense reimbursement forms.

While the following rules attempt to be comprehensive, it is impossible to anticipate every situation encountered by an employee. Faculty and staff are expected to adhere to the following general guiding principles:

- Exercise good business judgment with respect to expenses while traveling.
- Spend the University's money as carefully and judiciously as you would your own.
- Report your expenses, supported with required documentation, as they were actually spent and account for all advances promptly and accurately.

PROCEDURE:

A. Definitions:

Travel Expenses & Business Expenses - *Travel expenses* include expenditures incurred while traveling away from home on official University business, such as cost of transportation, lodging, meals, and other expenditures necessary for such travel. *Business expenses* include expenditures incurred locally for business meals, transportation, entertainment, and other items necessary for conducting business. Both of these types of expenses are to be recorded on Philadelphia University Expense Report.

B. Travel Advances:

Reasonable travel advances are available if needed and approved by a member of President's Council.

Requests for travel advances should be submitted on a Philadelphia University Travel Advance Form at least two weeks prior to the date of departure. **Advances must be accounted for within thirty days of the employee's return.** Upon return, the employee should complete a Philadelphia University Expense Report and include the advance amount in the appropriate spot on the form. Travel advances will be monitored by the Business Office to ensure timely reconciliation, and additional advances will not be granted until there is full settlement with the University for any earlier advance. The employee's Department Head will be notified if the employee fails to comply.

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C. Forms:

The following forms are available in Public Folders/Treasurer/Policies and Procedures in Microsoft Excel format. Please use Excel to complete the forms whenever possible.

- 1) Philadelphia University Expense Report – This form is to be used for all expenses in which an employee is requesting reimbursement from the University. **The employee should forward the original approved form along with original receipts to the Business Office within 30 days of the actual travel or the date of the expense.** The employee should retain one copy for their own records. It is not necessary to also attach a purchase requisition.
- 2) Philadelphia University Travel Advance Form – This form is used to request an advance only. Please submit an original approved form to the Business Office. The employee should retain one copy for his or her own records. An expense report must be completed upon 30 days of travel or the date of the advance. The Business Office will process the advance and retain a copy in the file for the future advance reconciliation. It is not necessary to also attach a purchase requisition.
- 3) Philadelphia University Travel Authorization Form – This form is to be used for departmental approval of future travel. These approved forms should be kept within departments as evidence of approved travel, and not submitted to the Business Office.

D. Responsibilities for Preparation and Approval of Forms

The employee requesting reimbursement is responsible for the timely preparation and submission of report covering his personal expenses. This responsibility includes maintenance of appropriate personal records required to support or describe the nature of the expense involved. It is also the responsibility of the employee to secure all required receipts for expenses greater than \$25.

Each expense should be clearly and accurately identified and shown on the report on the day the expense was actually incurred. Expense reports containing expenses relating to a time period other than that covered by the report should have those expenses clearly identified and set apart from the others.

Employees must report their expenses within 30 days from their date of return or from the date of the expense.

E. Receipts

- 1) The best receipt is a paid original invoice or stub on the vendor's own form which shows the date, location, nature and amount of the expenditure. Such a document would normally carry some traceable identification or serial number. Credit card receipts will be satisfactory when original receipts on the vendor's own form is not available.
- 2) Cancelled checks, cash book receipts, cash register or cash sales may also be used providing they contain sufficient information to clearly identify the expenditure and another more appropriate receipt cannot be obtained.
- 3) Xerox copies of originals are not satisfactory receipts. When a satisfactory receipt as defined above is not available, the traveler should provide a statement detailing the expenditures and explaining the reason for the lack of valid receipt.
- 4) Receipts are suggested, but not required, for expenditures less than \$10.

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F. Transportation Expenses

Choice of transportation should be based on the most efficient use of an employee's time. Prior approval from your Vice President must be obtained for travel outside the Philadelphia area.

When making travel arrangements, faculty and staff should utilize the University-approved travel agency (currently TeleTravel – Phone Number: (215) 641-2320). The travel agency is committed to providing the University the most economical arrangements available when booking for University business. In addition, other benefits accrue to the University when using TeleTravel that will help to reduce the overall cost of University travel. The employee can search for less expensive transportation on their own, but they must demonstrate that the fare is less expensive than going through TeleTravel.

The categories and explanations of various types of transportation are contained in the following paragraphs:

- a. **Air** - All business air travel will be by coach/tourist/economy class.

Exceptions

- Economy service is unavailable, and the traveler's business is too urgent to justify waiting for a later flight with available economy service. Approval needed from your Vice President.
- Traveling on night flights (as defined by commercial airlines) when the first class airfare is equivalent to economy day flight fare.

- b. **Railroad**

Sleeping accommodations, when necessary, should normally be limited to roomette or equivalent.

- c. **Taxi and other Local Transportation**

The cost of taxis, public car or van service, or carfare to and from places of business, hotels, airports, or railroad stations in connection with business activities is reimbursable. If available and practical, public car or van service to and from airports should be used. Use of taxi is authorized only when more economical services are not available, or in special cases when valid business reasons warrant use of such transport.

- d. **Car Rental**

The use of a rented car must be justified as an economical need and not as a matter of personal convenience. All rentals should be at economy rates, i.e., standard or compact size cars, and should be secured through TeleTravel. When traveling in groups, sharing of cars should be practiced to minimize costs.

Notes:

- i. In the event "special rates" are available, they should be used when they are more economical than the standard rate with the applicable discount.
- ii. Use of full-size cars is acceptable when traveling with other University employees and sharing rental.
- iii. Parking, tolls, and automobile storage at airports will be reimbursed if properly documented. Parking reimbursement will be at the rate in effect at the long term parking area.
- iv. When renting a car on University business, the renter should decline the additional insurances offered by the rental company. Any additional insurances purchased will not be reimbursed.

- e. **Personal Auto**

The use of an employee's personal auto for local travel on University business, as well as overnight travel to locations within driving distance from the University, will be reimbursed at the currently published Internal Revenue Service mileage rate. In addition, tolls and parking will be reimbursed. Gasoline purchases, repairs, oil, etc. will not be reimbursed, as the mileage rate is intended to be all-encompassing.

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G. Lodging:

The University will pay only actual room rental costs supported by the hotel bill for each day that lodging away from home is required for business reasons. When traveling, employees are expected to use good quality, but reasonably priced hotels or motels wherever practical.

H. Meals:

1) Local

The University will reimburse employees for meal costs when guests are being entertained or when a legitimate business purpose can be documented. Employees are expected to use discretion when entertaining guests and not select unnecessarily extravagant establishments. All meals are to be supported by receipts.

2) Out of Town

Employees who are out of town on authorized University business will have their meal costs reimbursed, provided that these meal costs are not excessive or unnecessarily extravagant (taking into consideration the geographical location). The University will not reimburse employees for meals for spouses or other relatives who happen to be traveling with the employee.

I. Entertainment:

Entertainment expenses, to be reimbursable, must be essential to the transaction of University business. The Internal Revenue Code requires that specific details showing names of guest and employees entertained, cost, date and place, business purposes and the business relationship of individuals entertained be supplied. For employees traveling together on a business trip, only the senior person should report the expenses on the assignment as entertainment.

J. Telephone:

The University will pay charges for metropolitan and long-distance calls made outside a company office provided a listing, hotel bills, or telephone bill substantiates the calls. Use of a cell phone is encouraged, as the cost of cell calls is generally less expensive than using a hotel room phone.

K. Other Expenses:

Travel Insurance - All faculty and staff traveling on University business (either domestically or abroad) are automatically covered under the University's travel accident insurance policy at no cost to the traveler.

Coverage applies only to trips on University business, not for an employee's personal business. In as much as accident insurance is in effect for faculty and staff traveling anywhere in the world on University business, and in view of the current scale of benefit provided under this insurance, any additional insurance purchased by employees on business will be at their own expense.

L. Spouse Travel:

Travel expenses for spouses will not be reimbursable as a business expense.

M. Foreign Travel:

When traveling abroad and submitting a reimbursement request, the expense report should be submitted with any foreign currency transactions converted to U.S. Dollars. This conversion should be done by using the exchange rate in effect at the time of travel.

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N. Expenses Not Paid By Philadelphia University:

The following list is given only as a guide and is not necessarily a complete list:

1. Airlines or other travel insurance with the exception of baggage insurance
2. Baby sitter fees.
3. Barbers and hairdressers.
4. Kennel cost for dogs and other pets.
5. Golf fees (unless as pre-approved entertainment), golf bags and other sporting equipment or events.
6. Annual premiums for personal property insurance and annual fee for American Express Personal Cards.
7. Personal items purchased for travel (i.e. suitcase, health and beauty aids, office supplies etc.)
8. Car wash.
9. Doctor's bills, prescriptions, or other medical service.
10. Personal telephone calls except when authorized.
11. Taxi fares or mileage to drive excessive distance for meals for employees driving their own cars.
12. Traffic and parking violations.
13. Rental clothing, including formal dinner clothes.
14. Expenditures for transportation or hotel in connection with attending a local University-sponsored dinner except as authorized.
15. Personal entertainment while traveling such as movies, ballgames, in-room movies, magazines, etc.
16. Laundry/dry cleaning expenses.

O. Per Diem Allowances:

Since all travel, lodging and meal costs are reimbursed at cost; there is no additional per diem reimbursement for expenses.