

Travel and Employee Expense Reimbursement Policy & Guidelines

Responsible College Officer: Vice President Finance & Administration, Chief Financial Officer

Policy Owner: Controller

Policy Contact: Finance & Accounting

Effective date/revised: Original Issuance - January 2013; revised April 2016

Purpose

Augsburg College reimburses faculty and staff for reasonable and necessary costs incurred in connection with approved travel and entertainment on behalf of the College. This policy provides broad guidelines for business travel and entertainment reimbursement.

Policy

Employees are expected to spend College funds prudently when traveling on College business or entertaining for College purposes. Reimbursement of expenses is allowed within the parameters of this policy, and when the individual will not be reimbursed from any other source.

Travel on behalf of the College meets the IRS definition of an “accountable plan.” Under an accountable plan, reimbursements must meet the following two requirements:

1. Reimbursement of the expenses incurred and paid while performing services as employees must have a business connection, and
2. Travelers must provide a statement substantiating amounts, dates, uses and business purpose of expenses within a reasonable amount of time (not to exceed 30 days) after the expenses are incurred. Original itemized receipts must be attached to the statement.

This policy also serves to inform managers of their responsibility to evaluate the purpose and necessity of all travel and entertainment plans, with the intent of controlling associated expenses that would fall under this policy.

I. General Travel and Expense Guidelines

Employees traveling on the behalf of Augsburg College and requesting reimbursement for expenses incurred during the course of their travel will adhere to the following guidelines:

- All individuals traveling for the College, who have a College issued Procurement Card (P-Card) are required to use this card for their college travel expenses, as opposed to a personal card. The College is a non-profit 501(c)(3) institution, and as such, is exempt from tax on most domestic purchases. Use of the P-Card is to prevent payment of State sales tax; regulations require sales tax to be charged to purchases with personal funds or charged to personal card, even if stated that the purchase is for a tax-exempt organization.

Note: tax exemptions vary by state and by type of good or service purchased.

College business travelers must make every reasonable effort to ensure that tax is not paid.

Expenses applied to a College issued P-Card must follow the Procurement Card Policy and travel expense guidelines herein.

If you are not issued a P-card, and/or for P-cardholders mileage reimbursement:

- A Travel Expense Report must be completed, approved by the manager who initially approved the travel or expense, and submitted to Administrative Accounting within 30 calendar days of the business travel return date or the date the expense was incurred.
- All reimbursement requests for the prior fiscal year must be submitted by the end of the 1st week in June in order to be included in expenses for the fiscal year.
- Detailed receipts for all expenses \$25.00 or more must be submitted and attached to the request for reimbursement. Employees will not be reimbursed for expenses without receipts showing the actual detail of purchase.
- The business purpose must be stated to support the reimbursement and the appropriate Fund/Organization/Account for the reimbursable expenses must be coded on the forms.
- Employees will be reimbursed for their expenses within two weeks following submission of the completed and approved Travel Expense Report to Administrative Accounting.
- If travel includes College business combined with personal business or pleasure, the traveler must present upon return an itinerary with College business-related items clearly marked and indicate the percentage of travel dedicated to College business. All receipts for College business-related meals and transportation must be presented for payment, along with receipts for shared transportation and hotel costs.
- If sponsored project or program funds will be used to pay for travel to scientific, technical, or scholarly meetings, the trip must be approved by the principal investigator as being of definite value to the work covered under the sponsored award. In certain cases, the principal investigator may need to seek sponsor approval for the trip. Sponsor approval requests should be coordinated well in advance of the trip through the Office of Research and Project Administration (ORPA). Refer to the sponsor guidelines for specific compliance requirements. Questions on sponsor award travel should be directed to ORPA.
- International travel should be reported in advance to the Center for Global Education and Experience (CGEE). Please use the form on the CGEE web page to provide basic information, including emergency contacts. This requirement applies to both individual and group travel which is directly associated with the College.

In order to ensure compliance with export controls, it is critically important for College personnel (staff and faculty) to identify activities that may trigger export controls. When export controls apply, individuals must take the appropriate steps to obtain any required governmental licenses, monitor and control access to restricted information, and safeguard all controlled materials. It is the responsibility of the individual, not the College, to ensure that all export control compliance is met. Information on export controls may be found on the CGEE website located at <http://www.augsburg.edu/global/> and the government website at <http://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>

Travel Guidelines

Employees are expected to travel in the most cost-effective manner that accomplishes the purpose and needs of the College. Unusual expenses will be reimbursed on an individual case basis, and reimbursement is not guaranteed.

Meals

- Reimbursement for business related meals requires proper documentation. Documentation must include the business purpose, name and title of attendees, and an itemized receipt/invoice with name and location of restaurant, date, detail, and amount of expense. Excessive meal costs will not be reimbursed.
- Alcoholic beverages are typically not reimbursed. Exceptions require Vice President or Provost approval. Alcohol cannot be charged to a federally sponsored project. Meals charged to a federal grant must have all alcohol clearly itemized on the expense report and must be charged to a non-federal funding source.
- Appetizers are typically not reimbursed unless an individual orders an appetizer in lieu of a meal item. Exceptions require Vice President/Provost approval.
- If more than one Augsburg employee is attending an event/business meal that is deemed reimbursable, the senior member in attendance should submit the expense for this activity.
- Appropriate tips will be reimbursed. Typically, appropriate tips range from 15% to 20% of the food bill, with 20% provided for exceptional service.

Transportation

- The most cost-effective mode of travel should be used based on the itinerary.
- Airline reservations are made for coach/economy class unless prior approval by a Division head is given in writing. Reservations should be made at least 14 days in advance to ensure the most convenient and cost effective fares. The individual assumes responsibility for any additional charges incurred (including beverages, Wi-Fi connections (unless access to support work is required during flight), seat upgrades, etc.). Baggage fees for checking one piece of luggage are reimbursable. Fees associated with changes are allowable, provided there is a necessary business reason. For a sponsored research project, the change fee must be justified as having a direct benefit to the research.

- For federally sponsored research projects, under the Fly America Act (FAA), travelers are required to use a U.S. air carrier when traveling outside the U.S. A non-U.S. air carrier may be used if it meets one or more of the exception criteria listed in the Federal Travel Regulation (FTR) guidelines section 301-10.135-138. The Waiver of Fly America Act lists all available exceptions Canada, Mexico, and/or U.S. Territories are considered “foreign” by some federal agencies. If the award terms and conditions do not specifically indicate that travel to/from Canada, Puerto Rico, or Mexico is considered as domestic travel, the trip is considered foreign travel.
- Faculty and staff using their personal vehicles for College business must possess a valid driver license and maintain no less than the minimum insurance required by the State of Minnesota. Mileage reimbursement is based on the approved College mileage reimbursement rate in effect at the time of travel. Please note: mileage reimbursement covers all fuel, maintenance, insurance, transportation, and operating costs. Purchase of gasoline will not be reimbursed for employees using personal vehicles unless specified by the Division head: use mileage reimbursement is preferred for employee reimbursement. Damage to a privately owned vehicle used for College business is covered by the individual’s private insurance. The College does not assume responsibility for deductibles or other uninsured loss to the personal vehicle.
- Tolls and parking fees incurred while traveling for business are allowable expenses. Fees incurred when parking one’s personal vehicle at the airport are reimbursable.
- Gasoline costs are reimbursable when College owned vehicles are used for College business and not paid by a P-Card. Receipts for reimbursement should accompany the travel expense report.
- Rental vehicles are insured by the College commercial policy. If you elect to take additional insurance coverage offered by the rental agency, you assume individual responsibility for the added expense, and the expense will not be reimbursed.
- Frequent flyer miles are retained by the employee. Participation in these programs or other incentive program must not influence flight or other selections for the purpose of maximizing benefits to the employee. No additional expenses may accrue to the College as a result of participation in these programs.
- Taxis or an on-demand ride share service should be used for in-city destinations whenever possible unless a rental car or other means of transport is more cost effective or where convenience or safety issues justify the additional cost. A reasonable tip of 15% for taxi service is an allowable expense. When possible, employees should use a taxi service that accepts credit card payments and include the tip in the charge. When traveling with others, coordinating travel times and sharing a limousine or shuttle service is more economical and should be considered.

Lodging and Hotels

- Hotel rooms should be comfortable, but the cost should be moderate and not extravagant. Travelers may only accept complimentary upgrades; costs associated with upgrades are not an allowable business expense.

- Costs incurred for hotel room mini-bars, laundry and dry cleaning of personal clothing, pay-per-view movies, health club fees, and other optional expenses will not be reimbursed. These should be itemized on the statement and deducted from the total hotel charge when submitted for reimbursement.
- Business related Internet use at hotels is reimbursable. Unrelated business use is the responsibility of the individual.
- Travel expenses for companions will not be reimbursed by the College and are the responsibility of the employee.

II. Entertainment Expenses

In general, reasonable entertainment expenses incurred when participating in meetings or events where College business is conducted, are reimbursable.

- Names, titles and affiliations of persons, the location of meeting or event, and the purpose of the occasion must be reported. Typical examples include entertaining a prospective donor or recruiting a faculty candidate.
- Retirement and farewell parties may be supported by College funds if they include multiple departments or College-wide attendance. (The Human Resources Department should be contacted for coordination of retirement parties and College designated retirement gifts.)
- Events such as departmental pot luck meals and parties of a more personal nature should not use College resources.
- Gift cards for College employees are deemed taxable compensation to the employee by the IRS and are not reimbursable expenses.

Related Policies and Procedures

- Procurement Card Policy
- College Employee Handbook

Forms

- Travel Expense Report
- Travel Authorization Form