



**LEHIGH**  
UNIVERSITY™

**TRAVEL AND BUSINESS EXPENSE  
POLICY AND PROCEDURES**

**Effective April 1, 2011**

# LEHIGH UNIVERSITY TRAVEL AND BUSINESS EXPENSE POLICY AND PROCEDURES

(Click on index title to move to related text)

|   |           |
|---|-----------|
| <b>Introduction.....</b>                          | <b>4</b>  |
| <b>General Information.....</b>                   | <b>5</b>  |
| Documentation of Expenses                         |           |
| Receipt Requirements                              |           |
| Documenting Business Purpose                      |           |
| Required Approvals and Unallowable Expenses       |           |
| Policy Exceptions                                 |           |
| <b>University Business Expenses.....</b>          | <b>8</b>  |
| Communications Equipment                          |           |
| Departmental Functions                            |           |
| Foreign Visitors                                  |           |
| Gifts   |           |
| Moving Expenses                                   |           |
| Payment for Personal Services                     |           |
| Prizes  |           |
| Prospective Employees and Guests                  |           |
| <b>Travel Expenses.....</b>                       | <b>12</b> |
| Preferred Payment Method for Business Travel      |           |
| Definition of Official Business Travel            |           |
| Spouses and Others                                |           |
| Lodging.....                                      | <b>13</b> |
| Lodging Per Diem                                  |           |
| Lodging Actual Cost                               |           |
| Lodging Cancellations                             |           |
| Hotel Frequent Guest Programs                     |           |
| Meals and Incidentals.....                        | <b>14</b> |
| Per Diem Reimbursement of Meals and Incidentals   |           |
| Meals and Incidental Expense Based on Actual Cost |           |
| Alcoholic Beverages with Meals                    |           |
| Expenses for Meals for Others                     |           |
| Meals and Entertainment with Other Employees      |           |
| Transportation.....                               | <b>17</b> |
| Air Travel  |           |
| Auto Transportation                               |           |
| Other Forms of Transportation                     |           |
| Local Transportation at Destination               |           |
| Other Travel Expenses.....                        | <b>20</b> |
| Conference Registration Fees                      |           |
| International Travel Costs                        |           |
| Laundry   |           |
| Sharing Expenses with External Organizations      |           |

|   |           |
|---|-----------|
| Telephone, Fax, Computer Connection Costs                                 |           |
| Travel Expenses Incurred for an External Organization                     |           |
| University Travel Management Company.....                                 | 21        |
| Travel Insurance  |           |
| Planning for International Travel   |           |
| University Travel Advances.....   | 22        |
| Maximum Advance   |           |
| Deadlines   |           |
| Settlement  |           |
| Non-travel Advances   |           |
| Sponsored Research Travel.....  | 22        |
| Foreign Travel Using Sponsored Funds                                      |           |
| Air Travel Using Sponsored Funds  |           |
| Lodging, Meals and Other Expenses Charged to Sponsored Funds              |           |
| Responsibilities of Faculty/Staff, Approvers, University.....             | 24        |
| Responsibility of all Faculty and Staff                                   |           |
| Responsibility of Expense Approvers                                       |           |
| Responsibility of the Provost, Deans, Vice Presidents or Equivalent Level |           |
| Responsibility of University  |           |
| Audit Reviews .....   | 25        |
| <b>Appendix A.....</b>  | <b>26</b> |

## **Introduction**

This document is intended to provide a clear and consistent understanding of the University's travel and business expense policy. The policy applies to all faculty, staff, students and others who incur expenses while engaged in University business or related travel. The policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with IRS and other government agency regulations. It pertains to travel and business expenses for all sources of University funds including, but not limited to, unrestricted, restricted, grants and contracts from all sources, endowment, student and plant funds. Where sponsor, agency, or other regulations are more restrictive than prescribed by this policy, the sponsor, agency, or other regulations will apply.

Lehigh University management expects Lehigh personnel to exercise good judgment in committing University funds. The University's principal revenue sources are from customers (tuition, board, and room), from donors (individuals, foundation, industry, etc.), and from research sponsors (federal, state, local government agencies, corporations, and foundations). Increasingly, we must be sensitive to how we use these funds toward promoting the primary mission of Lehigh. We are conscious that our external public looks to higher education to manage its resources prudently.

It is the policy of Lehigh University to reimburse individuals or pay outside vendors for all necessary and appropriate transportation and travel related costs incurred by Lehigh faculty, staff, students, and others in connection with approved University activities.

While traveling on University business, travelers should expect to receive service and accommodations that are both safe and comfortable, but not lavish or extravagant. Individuals should neither gain nor lose personal funds as a result of official travel. In addition, travel arrangements should be well planned so that costs will not exceed budgetary limitations. Travel arrangements made for other than University employees, such as guest speakers, consultants and prospective employees should follow the same policy pertaining to University employees.

**Questions? Please see [Appendix A](#) for a list of University contacts and helpful websites**

## General Information

### **Documentation of Expenses**

All business expense reporting, travel and non-travel, must comply with the terms of this policy for supporting receipts and must include complete documentation of the business purpose of the expenditure.

#### Receipt Requirements:

Original receipts must be obtained for all expenses of \$25.00 or more (unless traveler is submitting per diem reimbursement requests). Receipts should include:

- the name and location of the services provided
- dates of service
- proof of payment
- itemized listing of charges
- gratuity amount
- destination (if travel involved)

For electronic tickets, obtain proof of payment from the travel agent or obtain a passenger coupon at the ticket counter and include the boarding pass with the receipt.

If payments were made on behalf of other individuals, those individuals must be identified.

Gratuities should be within accepted standards for the region.

Photocopies of canceled checks, front and back including the endorsement are acceptable supporting documentation when the original receipts are not available.

Foreign currency payments that are not converted by a credit card statement must be converted to the U.S. dollar equivalent. If a traveler submits a personal credit card statement for reimbursement, any foreign currency payments will be reimbursed for the amount shown on the credit card statement

When submitting receipts for a conference registration, include a copy of the conference registration form or agenda that describes the conference subject matter, in order to support the appropriate business purpose of the conference.

If prior approval was required for the expenditure, include the email or other authorization for the expense with the related receipts.

If a receipt equal to or greater than \$25 is not issued or is lost, submit a statement documenting the actual expense. **This statement must be signed by your supervisor.** Supervisors should

be aware that this practice is acceptable only on an exception basis and take steps to prevent any abuse.

### Documenting Business Purpose:

Documentation of the business purpose, together with the supporting receipt, should enable an unrelated person, reading it sometime in the future, to have a good understanding of the activity and why it was allowable. In general, your business purpose and receipt should always answer the five basic questions, as appropriate:

- 1) Who was involved in the activity? (names and their affiliation)
- 2) What activity or purchase was performed?
- 3) Why did the activity or purchase occur and how did it benefit Lehigh?
- 4) When did the activity occur?
- 5) Where did the activity take place?

### **Required Approvals and Unallowable Expenses**

Business Expense Allowable with Prior Approval (evidence of approval should accompany the related receipts)

- Alcohol (subject to alcohol policy) at University sponsored events
- Cellular phones for business use (see [Communications Equipment](#))
- Department/Retirement/Resignation/Holiday Parties (see [Departmental Functions](#))
- Flowers (see [Gifts](#))
- Holiday cards
- Kitchen supplies
- Non-coach air travel (see [Air Travel](#))
- Plants for office or special events
- Prizes and Awards (see [Prizes](#))
- Rental of formal clothing
- Societies – job related
- Spouse travel for business purposes (See [Spouses and Others](#))

### Unallowable Expense

- Academic gowns
- Additional expense related to spouse, family or other guest's travel costs
- Alcoholic beverages that are not purchased for allowable business entertainment (see [Meals](#)) or an approved University event (subject to alcohol policy)
- Car rental insurance purchased for domestic travel
- Cell phone monthly fees for personal cell phones
- Child care expenses
- Contributions (political, charitable, etc)
- Credit card fees or finance charges (not including OneCard cash advance fees)
- Dues for private clubs and societies not job related
- Equipment (follow Purchasing Office procedures)
- Expenses for traveling from an individual's home to work or return

- Expenses related to vacation or personal days taken before, during or after a business trip unless they resulted in the reduction of the total cost of the trip
- Frequent flier and other similar awards for hotel and car rentals
- Gifts, gift cards, gift certificates (see [Gifts](#) and [Prizes](#))
- GPS Navigation Units or E-Z pass accounts for personal vehicles
- Hotel amenities such as exercise facilities, movies, massages and saunas
- Insurance costs such as life insurance, flight insurance, travel insurance, personal automobile insurance and baggage insurance
- Laundry or valet service for travel of fewer than five days
- Loss or theft of cash or cash advance money, personal funds or property including lost baggage
- Medical costs, doctor fees, prescriptions or other drugs
- “No-show” charges for hotel and car service
- Office holiday decorations, expensive desk accessories, or artwork
- Optional conference events (e.g. - tours, golf outings, etc.)
- Other expenses not directly related to the performance of the travel assignment
- Parking tickets or traffic violations
- Personal expenses such as reading materials, toiletries, clothing, grooming services, souvenirs or personal gifts, or briefcases
- Personal entertainment expenses (movies, shows, sporting events, golf fees, social and amusement activities, etc.) while traveling on University business
- Personal service expense (consultants, honorarium, etc. must be paid through Accounts Payable)
- Pet care
- Repair, maintenance or insurance of personal vehicles
- Snacks for office staff
- Telephone charges for personal calls in excess of reasonable calls home, generally one per day
- Travel Clubs
- Tuition expense (outside of University sponsored benefit plans or approved University academic programs)
- Upgrades for air, hotel or rental cars to premium or luxury, including luxury limousine service
- “WeCar” enrollment or rental fees

The above list of non-allowable expenses serves as a guide and is not to be considered all-inclusive. Please also refer to the [Sponsored Research Travel](#) section below for information concerning expenses charged to sponsored research funds.

**If an item is not listed, that does not mean that it is automatically allowable. Whenever necessary, please contact the Controller’s Office for clarification.**

Beyond the conditions associated with the above indicated expenditures, it is always helpful for you to consider the worthiness of any marginally related expenses. The University is assisted in fulfilling its mission when we can direct our resources toward purposes essential to our primary programs and services.

The Controller's Office, Bursar's Office, and Purchasing Office are responsible for reviewing and auditing University expenditures. Any questionable costs may be referred to the Provost, appropriate Vice President, or equivalent authority for further review and approval.

## **Policy Exceptions**

Exceptions to the provisions of this policy must be approved by the President, Provost or equivalent level. The Vice President of Finance and Administration will approve any exceptions for the President, Provost or equivalent level. If extenuating circumstances exist, they need to be explained in writing and approved by individual's supervisor prior to submitting the exception request. Exceptions must be explicitly justified as beneficial to both the University and the individual.

## **University Business Expenses**

### **Communications Equipment**

The University's office communications system and equipment, including office telephones, are provided for the conduct of official university business. Use of this equipment for personal business should be kept to a minimum. If personal use occurs, a record of such use must be kept and repayment made to the University upon receipt of the departmental invoice. Supervisors are responsible for preventing abuse and ensuring that repayment is made. If an employee requires a mobile communications device in order to perform his/her duties, he/she must provide a business expense justification and obtain his/her supervisor's approval for University funds to be charged. Mobile communications devices are defined as devices with access plans for connection, such as cell phones, Blackberries, etc.

Mobile communications devices are permissible only in situations in which the employee's business needs cannot be accommodated by the use of a conventional telephone or other less expensive communications device. Examples of a University business purpose for a mobile communications device include:

- the employee is responsible in emergency matters and must be available or on-call as required; or
- the employee does not have access to a landline or other communications device when doing a substantial portion of his/her job; or
- the use of another less expensive communication device does not serve as a viable alternative to the business purpose; or
- the employee's job effectiveness will show a significant increase through the use of a mobile communications device.

Purchase of a mobile communications device merely for the convenience of the employee does not satisfy the IRS business purpose test.

Enrollment of nonexempt staff in a University-sponsored mobile communications plan should be limited and with a business need approved by the Human Resources Office in order to ensure compliance with employment laws governing nonexempt staff work hours and compensation. Mobile communications devices may not be charged to a grant index unless the device is fully devoted to the project, necessary for the project, included in the approved budget, and approved by the Office of Research.

Employees are reminded that they should not use a mobile communications device to conduct University business while operating a motor vehicle unless the device is “hands-free”.

### **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 amongst colleagues. It is important that all Financial Managers give proper consideration of the University’s fiduciary responsibilities when planning these functions. Proper consideration should be given to including all employees within the organizational unit and others as appropriate for the business purpose.

**All faculty and staff below the Dean, Vice President or equivalent level must obtain approval of their supervisor prior to committing any University funds for a departmental function. If alcohol will be served at the function, prior approval must be obtained in all instances from the Department Head, Dean, Vice President or equivalent level and the event must comply with the University’s alcohol policy (see the link on Controller’s Office website).** Documentation of appropriate approvals is required.

Expenditure levels should be reasonable to the business purpose. Any questions concerning appropriate spending levels should be referred to a supervisor at the Dean, Provost, or Vice President level.

Please refer to the [Gifts](#) section of this document for information on bestowing gifts to faculty or staff at departmental functions.

### **Foreign Visitors**

Generally, departments may authorize reimbursement to visiting lecturers and other official visitors who are nonresident aliens for expenses incurred in connection with their travel to the University. **IRS regulations however, preclude the payment or reimbursement of travel expenses to foreign visitors who arrive in the U.S. with certain visa types. Please refer to the Guide for Paying Foreign Visitors found on the Accounts Payable Procedures section of the Controller’s Office website.**

*Note: Contact Accounts Payable regarding visa requirements and related documentation prior to making travel arrangements for foreign visitors through the University’s travel management*

*company or any other vendor. Honorarium payments to foreign visitors must be requested on an Accounts Payable Payment Request form and should not be charged to the OneCard.*

## **Gifts**

On occasion, a department or supervisor may wish to bestow a holiday or other appreciation gift on his/her staff or other employees at the University. It is appropriate to use personal funds for such gifts. Similarly, it is appropriate to spend personal funds in recognition of employees for non-work related achievement or events such as weddings, baby showers, etc. or to purchase holiday or appreciation gifts for students. University funds are to be used for activities that directly support the operations of the department in the core teaching and research mission, thus it is not appropriate to use University funds for purchasing gifts. Arrangements for tangible expressions of sympathy are provided by the President's Office upon request.

Work-related departmental celebrations, meals and functions are allowable in certain situations (see [Departmental Functions](#)).

Employee gifts and awards for outstanding achievement, length of service, retirement, and morale building are administered through the Office of Human Resources and the Payroll Office in order to ensure consistency, appropriateness of funding resource and proper taxation to the employee. According to the IRS, any property or service (or cash) that an **employee** receives from the University instead of, or in addition to, regular taxable wages is taxable compensation unless specifically excluded. Noncash gifts are valued at fair market value. Please contact the Payroll Office for a determination on taxability of any noncash gift. Gifts to employees in the form of cash, gift cards or gift certificates purchased with University funds are generally **taxable compensation** and must be communicated to the Payroll Office.

Employees are defined for this purpose as anyone paid through the Payroll Office for his/her services to the University, including all employees on the semi-monthly and monthly payroll and temporary wage employees. This policy does not apply to gifts or celebratory events for donors, alumni who do not hold University appointments, or honorarium arrangements for guest speakers.

## **Moving Expenses**

The University may reimburse moving expenses for newly recruited employees based on the terms of the University Moving Expense Policy found in the Payroll section of the Controller's Office web page. The Provost (for faculty members and LTS) or Vice President or Department Chairperson (for staff) must approve the reimbursement amount in advance and include the terms in the written employment offer letter. The Moving Expense Summary Form and related documentation must be submitted to the Payroll Office for processing under the terms of the University Moving Expense Policy.

## **Payment for Personal Services**

Payments for personal services must be paid directly by the University to the individual or firm by requesting payment using an Accounts Payable Payment Approval form. Do **not** use your OneCard or request reimbursement for the payment of honorariums, fees, commissions, prizes, awards, rents, royalties, or any other compensation paid to individuals or firms for services rendered.

## **Prizes**

The Commonwealth of Pennsylvania considers all forms of gambling to be illegal unless specifically excepted by law, therefore all University-sponsored contests or drawings that involve prizes must first be reviewed by the Controller's Office or General Counsel's Office for compliance with Pennsylvania gambling law. In addition to complying with Pennsylvania law, all contests must support a valid institutional purpose and must have supervisor approval.

The IRS considers all prizes, including cash, gift cards, gift certificates and non-cash merchandise, to be taxable income to the recipient, regardless of value. The University's obligation to report the prize to the IRS, or to withhold taxes, depends upon the value of the prize, the recipient's employment status, and the recipient's immigration status. Departments that are considering a prize program should first consult with the Controller's Office for a full explanation of the tax and reporting considerations. The purchase of any approved prize may not be funded through the travel advance process without prior approval of the Controller's Office. Within five days of awarding any prizes, departments must send the following information to the Accounts Payable department: recipient's name, address, social security number, purpose of the award, description of the award, and market value of the award. Academic achievement and financial aid awards are separately administered within Academic Affairs.

## **Prospective Employees and Guests**

Departments may authorize payments to prospective employees, guest speakers or lecturers, consultants, and foreign visitors (but see [Foreign Visitors](#)), for expenses incurred in connection with their travel to the University. These travel arrangements, payments and/or expense reimbursements made to, or on behalf of, persons other than University employees, must comply with the same policies that pertain to University employees. Any guest, visitor or consultant requesting reimbursement but not substantiating expenses as required under this policy will be subject to taxable income reporting on IRS Form 1099 or 1042-S and may be subject to withholding of federal income taxes from the reimbursement.

Funds to support these expenses are generally limited to departmental budgets and/or the terms of contracts and grants. No commitment for reimbursing such expenses should be made without first consulting the appropriate Financial Manager or Authorized Signer to ascertain that such reimbursement is authorized.

**Please note**, however, that reimbursement for such expenses directly to these individuals can only be made through the Accounts Payable department, by completing the Accounts Payable Payment Approval form and attaching original receipts as provided for in this policy. You may, however, make travel arrangements for these individuals and pay these expenses directly on their behalf, again by using the Accounts Payable Payment Approval form, or by using the University's travel management company to make the travel arrangements and charge the appropriate University index directly (see exception in [Foreign Visitors](#) section).

University employees may not pay travel expenses directly on behalf of non-University employees, and subsequently seek reimbursement for expenses incurred personally on their behalf.

## **Travel Expenses**

### **Preferred Payment Method for Business Travel**

The University OneCard is the preferred method of payment for all University business travel expenses. The University will directly pay those OneCard expenses that have been properly reported, submitted and approved via the CCER system. In addition, travelers can submit out of pocket expenses that could not be charged to the OneCard (such as mileage) via the CCER system for reimbursement. All transactions placed on the OneCard must comply with this policy and the OneCard Policy and Procedures Manual. The OneCard Policy and Procedures Manual and other supporting information can be found on the Purchasing and Controller's Office websites.

### **Definition of Official Business Travel**

University business travel is defined as movement on official business of the University from one's home or normal place of employment to another destination, and return from there either to one's normal place of employment or home. Commuting between one's home and regular place of employment is not University business travel.

### **Spouses and Others**

In general, the expenses of a spouse, family or others are not allowable. The University will not support spouse's travel expenses when a spouse or other person attends a meeting or conference and has no significant role or performs only incidental duties of a clerical, secretarial, entertainment or medical nature. Such attendance does not constitute a valid University business purpose.

When a spouse who attends a function has a significant role in the proceedings or is involved in fundraising activities, this constitutes a valid University business purpose. **Prior to travel for business purposes, all spousal travel must be approved in writing by the Provost, Vice President or equivalent level.** In such cases the University will support the spouse's non-personal expenses directly resulting from travel on University business. The business purpose for the spouse's expenses must be stated on the expense report and the prior approval included with the receipts.

Please note that current IRS regulations consider any payment of expenses for a spouse or dependent, who is not also an employee of the University, taxable income to the employee. Therefore, any such payment will be reported as a taxable benefit to the employee and appropriate taxes withheld.

## **Lodging**

In general, trips of less than 50 miles one way do not qualify for University support of an overnight stay.

Lodging expenses incurred during official business travel are allowable. The University provides **two distinct methods for lodging expense: actual cost and lodging per-diem (*allowable only when the traveler's destination is at least 50 miles away*).**

A traveler may use only one of these methods for the duration of a trip. Unless a per-diem allowance is claimed for the trip, lodging receipts are required.

See [Sponsored Research Travel](#), for additional information regarding travel funded by sponsored projects.

### Lodging per Diem:

Receipts are not required when using lodging per-diem. The following rules apply when using the lodging per-diem method of reimbursement:

The University will reimburse lodging expenses based on the per-diem rate for the geographic region where the expense is incurred. Travelers must be able to demonstrate that stay did occur. The University's reimbursement rate for domestic travel is based on the U.S. General Services Administration-maintained Web site of per-diems by geographic area, at:

<http://www.gsa.gov/portal/category/21287>

New per diem rates become effective on October 1<sup>st</sup> of each year. If a city is not listed, check to ensure that the county within which it is located is also not listed. Visit the National Association of Counties website at [www.naco.org](http://www.naco.org) to determine the destination county. If the city is not listed, but the county is, then the per diem rate is the rate for that entire county. If the city and the county are not listed, then that area is considered to be a Standard Location (lowest rate).

The University's rate for foreign travel is based on the U.S. Department of State web site, which lists per-diems by country and locality at:

[http://aoprals.state.gov/content.asp?content\\_id=184&menu\\_id=78](http://aoprals.state.gov/content.asp?content_id=184&menu_id=78)

If a country is not listed, then use the U.S. Department of State's "Other" per diem rate.

Lodging per-diems may be claimed for each night away from your home on University business when the destination is at least 50 miles away except where overnight transportation (airplane, railroad, bus, ship or other commercial vessel) is used.

Because rates for specific localities may change as often as every two months, the traveler must be careful to ensure that the applied rate is appropriate to the actual dates of travel.

#### Lodging Actual Cost:

Travelers should use standard accommodations at reasonably priced hotels and motels when making reservations. Payment or reimbursement of for lodging expense may not exceed the normal rate for a standard single room. When traveling to a conference, it is appropriate to stay at the hotel hosting the conference, assuming that the daily rate is not unreasonably expensive relative to other alternatives.

#### Lodging Cancellations:

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

#### Hotel Frequent Guest Programs:

Business travelers will not be reimbursed for free accommodations awarded in connection with hotel frequent guest programs.

### **Meals and Incidentals**

Meal and incidental expenses incurred during official business travel are allowable. The University provides **two distinct methods for payment: actual cost or meal and incidentals per-diem. *Meal and incidental per-diems may be used only when travel involves an overnight stay.***

Also see [Sponsored Research Travel](#) for additional information regarding travel funded by sponsored projects.

Per Diem Reimbursement of Meals and Incidentals:

Receipts are not required when requesting reimbursement of meals and incidentals using the per-diem option, but travelers must be able to demonstrate that the trip or stay did occur.

Incidental expenses include fees and tips for persons providing services, such as food servers, hotel housekeeping and luggage handlers and transportation between your lodging and meal location. Incidental expenses do not include other ground transportation, telephone calls or laundry. These expenses will be reimbursed based on actual costs.

The following rules apply using the meal and incidentals per-diem method of reimbursement:

***Domestic Per-diem Rates***

The University will reimburse meal and incidental expenses based on the per-diem rate for the geographic region where the expenses are incurred.

The University's reimbursement rate for domestic travel is based on the U.S. General Services Administration-maintained Web site of per-diems by geographic area, at:

<http://www.gsa.gov/portal/category/21287>

Consult that site for the per-diem rate of the destination city or region.

***Foreign Per-diem Rates***

The University's rate for foreign travel is based on the U.S. Department of State web site which maintains a listing of per-diems by country and locality at:

[http://aoprals.state.gov/content.asp?content\\_id=184&menu\\_id=78](http://aoprals.state.gov/content.asp?content_id=184&menu_id=78)

Because rates for specific localities may change as often as every two months, the traveler must be careful to ensure that the applied rate is appropriate to the actual dates of travel.

***Per-diem Meal Reductions***

Per diem reimbursement of meals and incidentals may not be appropriate on the first and last travel day, if multiple locations and partial day travel is involved.

The University's meal and incidental per-diem will be reduced to account for meals furnished at no cost or nominal cost to the traveler. If meal costs are provided in the cost of a conference, those meals should be deducted from the per-diem rate following the reduction schedule below:

| <b>Meal</b> | <b>Amount</b> |
|-------------|---------------|
| Breakfast   | 20%           |
| Lunch       | 25%           |
| Dinner      | 55%           |

### Meals and Incidental Expenses Based on Actual Cost:

Travelers are generally entitled to support for three meals a day. On the days of travel to or from the 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 allowable (see [Expenses for Meals for Others](#)).

The University suggests the following meal guidelines:

1. Total meal expense for the day should generally be in line with per-diem levels.
2. Restaurant receipts are required when the total meal expenses for the day exceed the average per-diem rate for that geographic area.
3. Costs related to business meals should be reasonable and the choice of restaurant should reflect the nature of the function. Additional justification may be required in situations involving higher cost meals.

### Alcoholic Beverages with Meals:

Alcoholic beverages consumed while traveling or during business meals are not allowable unless purchased in conjunction with necessary business entertainment. **Alcohol is not allowable at meals involving only Lehigh personnel (see also [Departmental Functions](#)).** Complete documentation of the attendees and business need for alcoholic beverages must be documented. See [Sponsored Research Travel](#) concerning expenses charged to sponsored research funds.

### Expenses for Meals for Others:

University faculty and staff sometimes pay for meals for others. These expenses are allowable when the name(s) of the meal attendees are listed and the business purpose of the meal is justified. If a requestor is using the per-diem method for his/her expenses, meals for others will be allowable based on actual cost provided the attendee(s)' name, their affiliation, the purpose of the meeting and the original receipt or detailed documentation are provided by the requestor.

### Meals and Entertainment with Other Employees:

Employees will be allowable for business-related meals with other employees in the following circumstances:

- When business must be conducted off University premises
- When dining with other employees on an out-of-town trip such as a conference
- When authorized by a supervisor for job performance reward, recognition, or other appropriate business purpose (see also [Departmental Functions](#)).
- In the office, when a "working" meeting is being conducted.

Entertainment expenses that are unallowable include parties or meals for birthdays, weddings, births, administrative professionals day, or parties that are not sponsored by the department and made available to all employees. (See [Departmental Functions](#) for additional information).

## Transportation

This section contains information on allowable transportation expenses. Also see [Sponsored Research Travel](#), for additional information regarding travel funded by sponsored projects.

### Air Travel:

Commercial air travel expense is allowable 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 strong business justification and the prior written approval of the traveler's Vice President or equivalent level, or Provost. Non-coach travel for employees at the Vice President, Provost or equivalent level must be approved by the President's Office.**

Additional meals and lodging associated with a longer stays are allowable if such costs are less than the airfare savings resulting from an earlier arrival or later departure.

Air carrier selection cannot be biased by any traveler's frequent flyer affiliation. The lowest cost air travel will take precedence over frequent flyer programs. Exceptions may be allowed if the lowest-priced fare would:

- require circuitous routing;
- require travel during unreasonable hours;
- excessively prolong travel;
- greatly increase the duration of the flight;
- result in increased costs that would offset transportation savings;
- be inadequate for the medical needs of the traveler.

Any time a traveler feels the University's travel management company has not quoted the lowest airfare it should be brought to the reservationist's attention immediately. Airline reservations made through the travel management company will be direct charged to University indexes. **Airline tickets not purchased through the travel management company or OneCard program should not be submitted for reimbursement until after the travel is completed.**

### ***Air Travel - Indirect Routes***

If the traveler takes an indirect route or interrupts a direct route for other than University business, air fare is allowable for either the actual charge or the charge that would have been incurred by traveling the direct route by the most economical means, whichever is less.

### ***Air Travel – Excess Baggage Fees***

Excess baggage is not covered unless accompanied by a statement showing that the excess baggage items are necessary for the business conducted or if the trip is for an extended period of time (generally 10 or more days).

### ***Air Travel - 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. Damages and losses that are not covered by the airline may be covered by your homeowner's /tenant's insurance. Neither the University nor the University's insurance will pay for loss or damage to your personal property – you use it at your own risk.

### ***Advance Purchase of Air Miles***

Advance purchase of travel miles (VIP Miles) is not allowable.

### ***Scheduling Air Travel***

Travelers are encouraged to travel a day early or stay a day later when air and overall travel savings can be realized. Otherwise, travelers should schedule their return flight for the day the conference or seminar ends. Expenditures to stay an extra day for personal reasons are not allowable.

### ***Air Travel Upgrades***

Additional charges for changes to flight arrangements must be reasonable and justification must be included with the traveler's receipts.

### ***Frequent Flier Programs***

Lehigh University does not reimburse travelers for tickets purchased with frequent flier miles.

### ***Private Airplane***

Employees, students, or "Agents" of the University may not use personally-owned aircraft or serve as pilot in command or crew member of any aircraft while conducting University business.

If you are planning to charter or lease an aircraft, please contact the Office of Risk Management to arrange for proper insurance coverage.

### **Auto Transportation:**

#### ***Authorized Drivers***

Operation of a vehicle under Lehigh University's insurance policies is a privilege granted to an individual on a highly selective basis. Please check the information under the section "Requirements to Drive University Vehicles" on the Transportation Services Department Web Page for detailed information.

## ***Vehicle Rentals***

Your primary source for a vehicle for University business should be the Transportation Services Department. If you need a vehicle while traveling, you should contact the University's travel management company. Lehigh University WeCars are not eligible for business travel.

## ***Auto Insurance Information***

The University's Transportation Services and Risk Management Offices work diligently to provide both vehicles and adequate insurance coverage to protect you, your passengers and the University while traveling. To assist us in this effort, and to ensure that you and the University have adequate insurance protection, it is vital that you obtain vehicles only from authorized sources.

## ***Use of Personal Vehicles***

Travelers should refer to the Office of Risk Management website for information regarding insurance issues associated with using personal vehicles.

Use of your personal vehicle is reimbursed at the prevailing Internal Revenue Service mileage rate as listed on the Controller's Office web page. This mileage rate covers all operating costs including depreciation, repairs, gasoline, insurance, towage and other similar expenditures. Tolls and reasonable parking charges are allowable in addition to the mileage allowance.

In accordance with IRS rules, reimbursement for two or more persons traveling in the same vehicle is limited to the mileage reimbursement paid to the driver/owner of the vehicle. Under normal circumstances, mileage for conducting University business is computed from the University to the destination and return to the University. Mileage for traveling from an individual's home to work or return is non-reimbursable commuting expenses. Traffic ticket and parking violation expenses are not allowable.

## **Other Forms of Transportation:**

For travelers using railroads, non-local buses or other commercial vessels the University will pay the cost of the lowest business-class accommodations available for the trip. Costs should not exceed that of commercial airfare that would be allowable for the same trip.

## **Local Transportation at Destination:**

For ground transportation, including airport limousines, courtesy shuttles and taxis, travelers should compare costs of alternate transportation to minimize the cost of ground transportation between airports and hotels or other final grounds destinations.

Rental cars should be used at one's destination only when absolutely necessary. When rental cars are necessary, travelers should work with the University's travel management company to use rental companies which provide the lowest rates. Only mid-size or smaller vehicles are permitted, unless there are several travelers within the group. Before rental cars are returned, they should be filled with gas to avoid excessive refill charges from rental companies.

## **Other Travel Expenses**

### Conference Registration Fees:

Conference and seminar registration fees should be paid directly by the OneCard or by requesting payment using an Accounts Payable Payment Approval form. If conference registration is paid by a personal charge card, the traveler may request reimbursement after attending the conference.

### International Travel Costs:

Actual costs of acquiring passports, visas, tourist cards, necessary photographs, birth certificates, required inoculations, immunization, health cards and fees and the conversion of funds to foreign currencies are allowable.

### Laundry:

Reasonable and actual expenses for laundry services that are necessary due to an absence from home for five or more days or when unusual and documented circumstances mandate these services are allowable. These circumstances should be documented with the receipts.

### Sharing Expenses with External Organizations:

Travelers are encouraged to combine University travel with other business if travel expenses can be shared with other organizations. Where travel expenses are being shared with external organizations, a duplicate copy of the receipts will suffice if the receipt includes a detailed explanation of which organization is paying the balance of the expenses.

### Telephone, Fax, Computer Connection Costs:

Telephone, fax and computer connection costs that are reasonable and necessary for conducting University business are allowable. A reasonable number of personal telephone calls, generally one per day, to allow travelers to stay in contact with their families are also allowable if on business overnight. Travelers with access to a University-sponsored cell phone are encouraged to use that phone while traveling to avoid excessive hotel telephone charges. Travelers will be reimbursed for business calls on personal cellular phones which are reasonable and necessary for conducting business. The monthly service fees on personal phones are not allowable.

### Travel Expenses Incurred for an External Organization:

Travel expenses incurred by an individual solely for the benefit of an outside organization where the individual is acting in a consulting, advisory, or other capacity not directly related to their University responsibilities are considered personal expenses and are not allowable. In addition, such expenses may not be charged to the University and then later reimbursed to the University by the individual. It is the responsibility of the individual to obtain reimbursements or expense advances directly from the outside organization.

## **University Travel Management Company**

Lehigh University has contracted with Travel Leaders as the preferred travel management provider. Utilizing Travel Leaders allows travel arrangements to be made for Lehigh University employees for a modest transaction fee. Travel Leaders offers many advantages for those who choose to use this service, including:

- direct charge to University indexes
- 24 hour/365 day a year travel assistance for itineraries booked through the agency or the travel management company's on-line booking tool
- dedicated travel counselors
- customized online booking tool
- lowest available fares
- quality tools that check traveler itineraries for various criteria (such as reduced flight fares, seating, unused e-tickets)
- assistance with any travel issues/questions
- International SOS (see [Planning for International Travel](#))

Travel Leaders has partnered with International SOS. When arranging international travel through Travel Leaders, itineraries will automatically be forwarded to International SOS to ensure the greatest protection and assistance in a crisis situation.

Travel Leaders reservationists and management staff are available to assist you in all aspects of travel. A highly sophisticated airfare reservation software system along with pre-negotiated discounted hotel and automobile rental rates help ensure that University travel dollars are maximized. See the Purchasing Office website for additional detailed information on the travel management company, contact information, and the significant advantages that they offer.

## **Travel Insurance**

Travelers should refer to the Office of Risk Management website for useful information regarding travel insurance.

## **Planning for International Travel**

There are various travel procedures and issues unique to international travel. If you are planning a trip that will take you beyond the borders of the United States, please refer to the Study Abroad website to learn about international travel assistance services and other helpful information.

## **University Travel Advances**

Because the University provides a convenient means of charging all travel expenses via the OneCard program, all faculty and staff are strongly encouraged to use their OneCard for travel. In the rare situation when a cash advance is required for out-of-pocket expenses related to business travel, University advances will be provided by the Bursar's Office after receipt of a properly completed University Advance form. University ID must be presented at the Bursar's Office with the request.

### Maximum Advance:

The maximum advance is \$2,000. All requests over \$1,000 must receive prior approval from the Office of the Vice President for Finance and Administration. Departments that sponsor special group travel programs or foreign travel may have higher limits **if approved in advance** by the Office of the Vice President for Finance and Administration.

### Deadlines:

All advances over \$500 require the preparation of a check and must be submitted one week in advance.

Allowing another person to pick up an advance on one's behalf is discouraged. However, if authorized to do so, this person must present his or her own University ID card. The University Advance form must indicate who is picking up the advance and that individual must also sign as receiving the funds.

### Settlement:

All advances must be settled within 30 days after the trip by submitting an Expense Statement form to the Bursar's Office. **All outstanding advances must be settled before the Bursar's Office will issue any additional advances.**

### Non-travel Advances:

Non-Travel advances will not be issued by the Bursar's Office. The University provides other purchasing alternatives such as the limited purchase orders, payment approval forms, petty cash funds, etc. for non-travel expenditures. For assistance, please call the Purchasing Office.

## **Sponsored Research Travel**

All travel costs charged to grants and contracts must be reasonable and in accordance with policies established by Lehigh University, the sponsor, and the terms of the specific award. Travel policies of federal and non-federal sponsors may vary.

OneCard charges against sponsored research or cost share funds must be made via a designated "Research" card which will route to the Office of Research and Sponsored Programs ("ORSP") for approval. Reimbursement requests for travel or non-travel expenses charged

against sponsored research or related cost share indexes are also subject to review by ORSP. Should ORSP determine that any OneCard charge or reimbursement request does not meet the terms of the award or University policy, such charges will be returned for reallocation to another fund or reimbursement to the University. See also additional approvals required for foreign travel below.

Before making any arrangements for travel that will be funded by a sponsored project, travelers should consult the terms and conditions of the specific award. If questions remain, they should be addressed to the Office of Research and Sponsored Programs, x83021.

#### Foreign Travel Using Sponsored Funds:

Sponsored projects from some federal agencies and most federal contracts require that all foreign travel, even if included in the award, be **approved from 45 to 90 days in advance by the sponsor's administrative officer**. When agency approval is required, the principal investigator should contact the Office of Research and Sponsored Programs for assistance with writing a letter to the sponsor explaining the business purpose of the travel and the anticipated costs. The Office of Research and Sponsored Programs must countersign this letter before it is submitted to the sponsoring agency. Written approval from the agency must be received before any travel-related costs are charged to the project account.

Note: Travel to Mexico and Canada is often considered domestic; but refer to the [Travel Insurance](#) section of this policy and your funding agency guidelines as insurance carrier and funding agency guidelines may differ.

#### Air Travel Using Sponsored Funds:

Federal requirements (the Fly America Act) states that domestic grantees must use U.S. flag carriers to the maximum extent possible when commercial air transportation is the means of travel between the United States and a foreign country or between foreign countries. This requirement shall not be influenced by factors of cost, convenience or personal travel.

The detailed implementation practices adopted to conform to the Fly America Act may differ among federal agencies. Accordingly, individuals traveling abroad should consult agency guidelines and/or contact the Office of Research and Sponsored Programs to ensure compliance with the respective agency requirements. Additionally, travelers on foreign trips sponsored by federal funds should use the University's travel management company and inform the reservationist that they are subject to this Act when making airline reservations.

The Fly America Act should be followed for all domestic and foreign travel charged to sponsored research or related cost share indexes. The **traveler must receive PRIOR approval** for foreign travel from the Office of Research and Sponsored Programs before booking travel.

#### Lodging, Meals and Other Expenses Charged to Sponsored Funds:

Some sponsored project contracts set forth per-diem rates for lodging, meals and other business travel expenses. University employees should follow sponsor's travel policies where appropriate. Financial Managers should review the terms of the award or consult with the Office

of Research and Sponsored Programs before charging such travel expenses to the project index.

Expenses for alcoholic beverages and entertainment (e.g., theater productions, sporting or other social events with sponsor personnel) cannot be charged to a federal grant or contract. Such expenses are only allowable on non-federal programs when the event has been specifically approved in advance by the sponsor.

## **Responsibilities of Faculty/Staff, Approvers, University**

### Responsibility of all Faculty and Staff:

It is the responsibility of each faculty or staff member, or student who incurs expenses while engaged in University business to:

- certify that all expenses being paid or reimbursed by the University were incurred, are valid, reasonable, and adequately documented, serve a legitimate University business purpose, and are in full compliance with the provisions established in this policy, and understand that requests that do not comply or lack required documentation will be deemed unallowable.
- ensure that expense reimbursement requests have not been previously paid via direct charge to a University index, by Payment Request submitted to Accounts Payable, by a previously submitted reimbursement request, or by an outside organization.
- enter all reimbursement requests within 30 days of incurring the expense.

By signing submitting expenses for payment by the University, the individual is attesting to the above.

The requestor may delegate responsibility for submission of their expense reports; but will always retain accountability for the expenses. Individuals preparing expense reports have the responsibility for applying the correct index/account to each expense to ensure compliance with sponsor, donor and University requirements.

### Responsibility of Expense Approvers:

All Approvers are responsible for verifying the following:

- Business purpose of the travel is valid, supports the University's mission and is directly related to official University business.
- Expenses are consistent with University policy, are properly documented, and are charged to the proper index/accounts.

### Responsibility of the Provost, Deans, Vice Presidents or Equivalent Level:

The Provost, Deans, Vice Presidents and others of equivalent level will ensure compliance with this policy in their areas of responsibility.

### Responsibility of University:

It is the responsibility of the University to ensure that all travel and business expenses meet the IRS definition of an "accountable plan". Under an accountable plan, expenses are permissible business expenses provided that the following four conditions are satisfied:

- Advances and reimbursements must be made for business expenses only and must be reasonably related to the expenses the employer is expected to incur,
- Travelers must provide a statement substantiating the amount, time, use, and business purpose of expenses within a reasonable time after the expenses have been incurred
- Receipts must be submitted with all statements and reimbursement requests and original receipts maintained according to University policy
- Employees must return any advance amounts in excess of substantiated expenses within thirty days after a trip.

Advances, reimbursements and charges that are properly substantiated, documented and reported in accordance with this policy will not be reported by the University to the Internal Revenue Service as income to the recipient.

### **Audit Reviews**

The Controller's Office and Bursar's Office are responsible for reviewing and auditing OneCard transactions, expense reimbursement requests and Travel Advance Forms for proper supporting documentation, approvals, mathematical accuracy, appropriate index/account coding and adherence to policy requirements. Any questionable costs may be referred to the Provost, Vice President or equivalent level for further review and approval.

Should subsequent audits identify errors or items that are clearly not in compliance with this policy, the individual and department involved will be contacted for resolution via reimbursement to the University. The Controller's Office may correct any excess reimbursements via payroll deduction. In addition, periodic audits will also be conducted by the Internal Audit department to monitor compliance with this policy.

**APPENDIX A – Useful Contacts and Website Resources**

| <b>For Questions Relating to:</b>                            | <b>Contact</b>                            | <b>Phone</b> |
|--|---|--------------|
| Auto Rental  | Transportation Services                   | Ext. 84410   |
| Request for issuance of OneCard or change to existing card   | Purchasing Office                         | Ext. 83266   |
| Expense policy terms, procedures, mileage reimbursement rate | Controller's Office                       | Ext. 83140   |
| Sponsored Research Travel                                    | Office of Research and Sponsored Programs | Ext. 83021   |
| Travel Advance policy, procedures, and forms                 | Bursar's Office                           | Ext. 83160   |
| Travel Insurance   | Risk Management                           | Ext. 83899   |

**Helpful web sites:**

|  |   |
|--|---|
| Aircraft security                                  | <a href="http://www.tsa.gov">www.tsa.gov</a> or <a href="http://www.faa.gov">www.faa.gov</a>  |
| University Travel Management Company               | <a href="http://www.lehigh.edu/~inubs/purchasing/index.shtml">http://www.lehigh.edu/~inubs/purchasing/index.shtml</a>                               |
| Domestic Per Diem Rates                            | <a href="http://www.gsa.gov/portal/category/21287">http://www.gsa.gov/portal/category/21287</a>   |
| Foreign Per Diem Rates                             | <a href="http://aoprals.state.gov/content.asp?content_id=184&amp;menu_id=78">http://aoprals.state.gov/content.asp?content_id=184&amp;menu_id=78</a> |
| IRS approved University mileage reimbursement rate | Controller's Office website welcome page:<br><a href="http://www.lehigh.edu/~inctr/index.shtml">http://www.lehigh.edu/~inctr/index.shtml</a>        |
| Transportation Services Manual                     | <a href="http://www.lehigh.edu/~inubs/parking/manual.shtml">http://www.lehigh.edu/~inubs/parking/manual.shtml</a>                                   |
| Office of Risk Management                          | <a href="http://www.lehigh.edu/~inrsk/">http://www.lehigh.edu/~inrsk/</a>   |
| U.S. State Dept. travel advisories                 | <a href="http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html">http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html</a>                     |