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SUMMARY SHEET

Business Purpose	All travel must have a business purpose and be substantiated within 30 days of return with appropriate receipts, itineraries, and documentation.
Pre-Approvals	All travel requiring overnight accommodations must be pre-approved by the area VP/Dean.
Credit Cards	Departmental credit cards for travel are housed with the VP/Dean and should be requested for travel related purchases.
Travel Advances	Can be obtained up to two-weeks prior to the trip by completing a Travel Authorization and Advance Form (TAAF).

Type of Expense	Comments
Vehicle/Mileage	<ul style="list-style-type: none"> • Rental Car: If a trip is more than 100 miles an Enterprise rental car is recommended as the most cost-effective method. • Motor Pool: If available, a motor pool vehicle can be utilized for trips under 100 miles. • Personal Vehicle: Standard mileage reimbursement is 50 cents per mile.
Meals	<p>Per IRS regulations – an overnight stay is required for reimbursement of meals (unless part of a conference or entertaining an outside person).</p> <ul style="list-style-type: none"> • Flat Rate: Flat rate is \$50/day and does not require receipts (\$40 for day of travel) • Receipt Method: All <u>itemized</u> receipts are required where practical. • Reasonableness is determined by comparing daily totals to the federal Per Diem Rate for the associated locality if not entertaining donors. • Receipts are always required when entertaining an outside person.
Alcoholic Beverages	Disallowed, unless for pre-approved entertainment of a donor or University events.
Gratuities/Tips	In general, should not exceed 20% of pretax bill for meals. Special requests and higher associated tipping should be documented.

Non-Reimbursable Expenses	<ul style="list-style-type: none"> • Travel insurance • Amenities such as movies or video rentals, in-room mini-bar, massages, etc. • Additional Insurance on domestic vehicle rentals (this is covered by AU insurance) • Gasoline, damages, maintenance, or other costs for use of your personal vehicle • Family member/spousal travel • Childcare, baby-sitting, house-sitting, or animal care costs • Fees for personal credit cards (use of AU cards recommended) • Membership dues in airline clubs, athletic clubs, or the like • Magazines, books, or other personal reading material • Personal clothing, grooming expenses, or accessories • Loss of cash advances, airline tickets or personal funds or property • Travelers' personal negligence; including but not limited to fines, parking tickets, towing charges, stolen cash, etc.
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PURPOSE

The purpose of the Alfred University Travel Policy is to provide specific guidelines covering University travel, and other travel related business expenses, as well as defining the documentation required to substantiate requests for reimbursement of those expenses. This policy is applicable to the following individuals:

- Employees who travel on University business
- Employees who supervise employees traveling on University business
- Employees who coordinate travel for University business
- Non-Employees traveling for University business

GENERAL GUIDELINES

Alfred University funds may be used for ordinary, reasonable, and necessary business-related travel and entertainment expenses incurred in furtherance of the University's mission.

Any questions pertaining to the Travel Policy should be directed to the Controller.

REPORTING & REGULATORY REQUIREMENTS

The University receives, from a variety of sources, funds that carry with them fiduciary responsibilities. Inherent in these responsibilities is the requirement to operate the University under guidance set forth by the Board of Trustees; to follow Generally Accepted Accounting Principles (GAAP); to comply with all applicable federal, state, local, and sponsor rules and regulations; and to maintain an IRS accountable plan.

IRS GUIDELINES:

For travel and business-related expenses to be excluded from the individual's taxable income, the University policies must meet the IRS definition of an "accountable plan".

Alfred University has implemented the following guidelines.

- Advances and reimbursements can only be made for business expenses in which a clear business reason exists and for which the cost is not excessive.
- Travelers must provide the Travel Expense Report substantiating the amount and business purpose of expenses in a reasonable period of time after travel.
- Travel advances in excess of substantiated expenses must be returned to the Business Office in a reasonable period of time after travel.
- The University has defined "a reasonable period of time" to be **30 days** after the trip, or consecutive trips, are concluded. Consecutive trips are defined as trips with less than 5 calendar days between trips.

Employees must keep track of their expenses and substantiate the expenditures by submitting adequate, detailed supporting documentation. Any amounts paid to an employee that are not accounted for and substantiated in this way must be included in the employee's taxable income and are subject to payroll tax withholding. Travel expense reports are subject to audit by government agencies and other sponsors. Employees whose travel is funded by a sponsored grant or contract are expected to be cognizant of the sponsoring agency's procedures and policies and adhere to the restrictions.

DOCUMENTATION & REVIEW

BEFORE DEPARTURE: Travel Authorization and Advance Form (TAAF)

University travelers are required to complete a TAAF for all travel requiring overnight accommodations PRIOR TO securing flights or hotels (the TAAF is available in the Business Office or can be obtained online). The traveler should then verify that the TAAF was approved and the appropriate FOAP is noted; this prior approval should be received from the area VP/Dean or their designee. Research and grant related travel also requires prior approval by the Office of Sponsored Research Administration.

Advances will generally not be provided earlier than 10 working days before the planned departure date of the trip. Advances under \$300 may be obtained via cash at the Business Office by the traveler or an authorized representative of the traveler, that must sign for the cash received. Advances over \$300 will be issued via check or direct deposit with a minimum seven-day notice to the Business Office required.

Travel Advances should not be used for airline tickets which should be purchased using a university credit card either issued to the traveler or the department.

DURING THE TRIP: RECEIPTS

University travelers must request and save all itemized receipts. If a receipt for expenditure of \$75 or more is lost, the traveler may attach a Missing Receipts Form signed by their supervisor, acknowledging the lost receipt and authorizing reimbursement. Charges where receipts are not practical should be itemized as to the date, amount, and purpose in the TER listing of miscellaneous expenses.

UPON RETURN: Travel Expense Report (TER)

Once the traveler has completed their trip(s), the traveler is required to complete the TER. The TER must have itemized receipts, documented business purpose, proper signature(s) of approval, and be **submitted** to the business office within 30 days of trip(s) completion. The University will not reimburse employee expenditures over 60 days old.

If the amount of the trip does not exceed the amount approved on the TAAF, then only the signature of the traveler is required (unless a division requires review post-trip). If the actual trip expenses are more than the pre-approved TAAF, then the signature of the area VP/Dean or their designee is required. Reimbursements will not be made without such approval.

UPON RETURN: Travel Advance Settlement

Travelers who have an excess in advance funds after the trip(s) completion, need to **return those funds** to the business office within 30 days. If the advance is not settled within 60 days, the individual will receive a notification that the amount has been forwarded to Payroll for appropriate payroll reporting and tax withholdings. Without providing adequate documentation to substantiate the business expenses covered by the cash advance (i.e., settling the advance), the University is required by the IRS to report these payments as taxable income to the employee.

Travel advances must not be used to cover personal expenses, which are the sole responsibility of the traveler. Advances lost or stolen are the responsibility of the traveler. Advances will not be granted to individuals who have overdue prior advances. Repeated failure to timely account for and return unused portions of travel advances can result in the denial of future travel advances.

SALES TAX EXEMPTIONS

Alfred University is a not-for-profit institution, and the New York State sales tax exemption should be used for travel expenses within New York State and elsewhere, as appropriate. This would include hotels, restaurants, or other business-related purchases. Travelers may obtain copies of Tax-Exempt Forms from the Business Office website to present to the vendor at the time service is rendered or goods are received and paid for.

FOREIGN TRAVEL

All general policies pertaining to travel apply to foreign travel. Actual costs are reimbursable, to the extent reasonable and necessary, provided adequate documentation is submitted with the TER. In addition, fees for currency exchange are reimbursable. The traveler is responsible for converting travel costs into US dollars.

The Fly America Act requires use of U.S.-flagged air carriers for foreign air travel that is funded by federal government grants, contracts, or scholarships. There are exceptions to the Fly America Act requirement. The Office of Sponsored Research Administration provides a “Fly America Act Waiver Checklist” to determine if exceptions apply to any particular foreign trip. In addition, some federal contracts require trip-specific prior approval by the sponsor, even if the awarded budget includes foreign travel expenses. The Office of Sponsored Research Administration should be consulted regarding any planned foreign travel using federal funds before travel arrangements are made.

Please note the costs of obtaining a passport or other items necessary for foreign travel are considered a personal expense and will not be reimbursed by the University.

For international travel advisories, please check the Department of State website:
<https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html/>

LODGING

Lodging costs are expected to be the least costly available, consistent with a reasonable level of comfort and convenience for the traveler. Employees must obtain itemized lodging receipts and submit the originals with the Travel Expense Report.

Travelers should be aware that hotel stays are exempt from room tax in New York State (and several other states). The Business Office will provide the necessary tax exemption certificate to the traveler, which must be presented to the hotel when paying for the room.

HOSPITALITY:

Should the traveler decide to stay with colleagues, family, or friends in lieu of a hotel, the traveler may request reimbursement for gratuity expenses of a reasonable value (for example, a meal) offered to the hosts. These gratuities would be in place of meals and/or lodging for the accommodations provided by an acquaintance of the traveler. Please contact the Controller for specific details.

AIR & GROUND TRANSPORTATION

AIR TRANSPORTATION:

The class of air travel chosen is expected to be the least costly; generally, this is coach class or standard accommodations. Travel in any other class of service must be approved by the area VP/Dean. Air transportation is restricted to regularly scheduled commercial airlines.

The difference between coach and first class/business class travel, if any, is considered a personal expense and will not be reimbursed by the University. Travel insurance should not be purchased. Flight purchases should be completed by using a University issued credit card.

GROUND TRANSPORTATION:

Rental Car: Rental cars are encouraged for trips over 100 miles and should be reserved at the time travel arrangements are known.

The University has a corporate agreement with Enterprise Rent-A-Car; as such, this agency should be used when making your travel arrangements. Use of other car rental firms is authorized when the cost is less than that of Enterprise or Enterprise does not have an agency in the city of travel. Rental cars must be returned to the rental company with the appropriate amount of fuel.

Motor Pool: if available, a motor pool vehicle may be reserved for trips under 100 miles. Motor pool reservations should be made at the time travel arrangements are known.

Personal Vehicle: Personal vehicles may be used and are reimbursable at the stated mileage reimbursement rate.

Taxi/Shuttle Service: Local taxi fares, train fares, UBERs and shuttles are reimbursable and may be the most cost effective once at your travel destination.

Use of rental cars at travel destinations is limited to circumstances where other transportation is either more expensive or impractical. When vehicle rental is necessary, the least costly type of rental vehicle (i.e., compact, or economy car) should be used when possible.

The difference between the cost of taxi travel and limousine travel (unless the business purpose renders it a necessity and the area VP/Dean approves the cost in advance) is considered a personal expense and will not be reimbursed by the University.

Parking tickets, fines for moving violations, vehicle towing charges, auto repairs and maintenance, and gasoline purchased for a personal vehicle are considered personal expenses and will not be reimbursed by the University.

MEALS & ENTERTAINMENT

Depending on the circumstances under which the expenses are incurred, charges for meals will be treated as either:

- Business entertainment expenses incurred while conducting business that includes an outside party, (these expenses should be charged to Meals & Entertainment); or
- Business travel expenses (these expenses should be charged to Travel)

BUSINESS ENTERTAINMENT:

Meals and functions are considered entertainment if they are intended to provide hospitality to non-University individuals, which is deemed necessary and customary in furthering the University's business interests. Entertainment expenses should be reasonable in relation to the nature of the function and the resulting business benefit.

Examples of business entertainment include:

- Receptions for University guests and visitors
- Alumni reunions or similar alumni functions
- Entertaining donors or prospective donors
- Welcoming receptions for parents and students
- Hosting prospective employers and employees

Required Documentation:

- Description of the business purpose clearly documented in the Travel Expense Report
- Name(s) of individual(s) being hosted
- Number in attendance
- All original, itemized receipts for entertainment must be attached

Since entertainment expenses are not allowable costs of federally sponsored grants and contracts, it is imperative that they be segregated in the appropriate account code.

BUSINESS TRAVEL:

The University will reimburse employee travelers for the reasonable cost of their own meals incurred during the time they are traveling overnight on University business. The University allows the use of either the receipt method or the flat rate method. One method must apply for the entire trip.

Reimbursement for alcoholic beverages will not be allowed unless one is entertaining a guest of the University and the necessity for doing so is approved by the area VP/Dean.

RECEIPT METHOD:

Original, itemized receipts must be submitted as documentation for each business meal. The reasonableness of the reimbursement for meals will be determined by using the daily federal Per Diem Rate for the destination city (the Department of State rate for international travel).

FLAT RATE METHOD:

If a traveler does not choose to collect receipts, a flat rate of \$50 per day may be used for meals. The first and last days of travel are reimbursed at \$40 per day.

GRATUITY & TIPS

The University will reimburse travelers for usual and customary tips. Generally, between 18-20% is an acceptable amount, depending on the type and level of service.

AUTO LIABILITY & PROPERTY DAMAGE INSURANCE

Generally, insurance coverage for authorized business travel is provided through the University's insurance policy.

FOR RENTAL CARS USED ON UNIVERSITY BUSINESS:

Insurance coverage for University authorized car rentals reverts initially to the rental agency. Supplemental coverage is provided through the University's insurance policy, as such, it is not necessary to purchase extra coverage when entering into an agreement with the rental agency.

There is a deductible for physical damage which would be the responsibility of the traveler's department. Any accident involving a rental vehicle must be reported to both the car rental agency and the VP for Business & Finance for handling of claims and coordination of coverage. Additional insurance purchased through the rental company is considered a personal expense and will not be reimbursed by the University.

FOR PERSONAL CARS USED ON UNIVERSITY BUSINESS:

Coverage carried by the owner is primary in the event of an accident. The traveler is responsible for any deductibles under the policy. If personal limits are exceeded supplemental coverage may be provided through the University's insurance policy. Physical damage insurance for personal autos used on University business is not provided. A minimum of \$100,000/\$300,000 liability and \$50,000 no-fault insurance should be carried by an individual using his/her private automobile on University business.

MISCELLANEOUS

PERSONAL BUSINESS CONDUCTED DURING BUSINESS TRAVEL PERIOD:

The University will not reimburse travelers for expenses which are inherently personal in nature. Expenses of a strictly personal nature, as well as any incremental travel costs incurred to conduct personal business during the course of a University business trip, are the responsibility of the traveler. For example, gas and mileage charges for out-of-the-way travel to visit friends or relatives are personal expenses. Such incremental expenses must be identified and deducted from the expense report.

Every effort should be made to avoid charging personal expenses to the University, despite the intention of the traveler to reimburse the University.

ACCOMPANYING FAMILY MEMBERS:

IRS guidelines require that any amounts paid by an employer for familial travel expenses be included in the employee's W-2 as taxable wages. To avoid a tax reportable situation, it is the University's policy that except on the infrequent occasions when attendance of a spouse at an event furthers the business interests of the University, expenses incurred for accompanying spouses are considered personal in nature and will not be reimbursable. Pre-authorization at the executive level is required for an exception, along with the stated business purpose.

NON-EMPLOYEE TRAVEL:

Non-employees include but are not limited to individuals who are prospective employees and/or those traveling on behalf of Alfred University. Non-employees should complete the "Non-Employee Travel Expense Report" after their trip is complete. All general policies pertaining to travel apply to non-employee travel with the following notes:

- Departments may use their University issued credit card to purchase airfare for prospective employees
- Non-employees are not eligible to receive travel advances.