

# SOUTHWESTERN UNIVERSITY TRAVEL POLICY

## General

Southwestern University will ensure that University travel expenditures and reimbursement policies are carried out in accordance with the definition of an accountable plan given in Section 62 of the Internal Revenue Code of 1986 as amended. If necessary, periodic modification will be made to the travel policy to ensure that favorable tax treatment is obtained in accordance with the Code. The IRS requires the collection and retention of original receipts for employee expense reimbursements.

**Per IRS regulations, all expenses must be submitted to the Business Office within 60 days of the trip end date.** Failure to do so will result in these expenses being added to the employee's W-2. Any expenses turned in for reimbursement after 60 days must be approved for payment by the appropriate member of the President's Staff and will be added to the employee's W-2 and the appropriate federal taxes withheld.

All travel expenses should be paid for using one of the University purchasing channels (SU Corporate Card, check requisition, or purchase order). Effective immediately, when expenses are paid via credit card, an employee must use his/her SU corporate card. Reimbursements for business expenses on employees' personal credit cards will not be made without special, prior approval from the President's Staff.

## Definition of Travel

For purposes of this policy statement, travel is considered to be any trip requiring overnight stay or trip requiring travel via an airline.

## Reimbursable Expenses

- Southwestern University provides for reimbursement of all reasonable business-related expenses for authorized business travel in accordance with the guidelines set forth in this policy.
- The University reimburses actual expenditures and does not use a per-diem allowance for travel expense reimbursement.
- The employee should use good business judgment in expending University funds to minimize the cost of travel to the University. Expenditures determined to be extravagant or not of a business nature will be reported to the traveler and the traveler's supervisor for corrective action and/or repayment. Consistent abuse of the reasonableness provision of this policy could result in disciplinary action against the employee, up to and including termination of employment.
- Purchases of alcohol will not be reimbursed without **prior** authorization by the President's Staff.

- In some instances (e.g. faculty development awards), reimbursement for certain business trip expenses (e.g. meals) may be limited to a maximum amount per day according to the award letter issued by the University in advance of the trip.

## Personal Expenses not Reimbursed

- The University does not reimburse for personal expenses, including but not limited to
  - in-room movies at hotel
  - laundry services
  - personal long distance telephone calls
  - personal internet access
  - housekeeping tips
  - valet parking if parking at no charge is available
- Daily travel from home to work and from work to home is not reimbursable.
- No meal reimbursements are allowed for spouses/partners at business meals without prior approval by the President's Staff.
- Employees accompanied on official business travel by family or friends should separate business and personal expenses.
  - Travel accommodations that include family or friends at no additional cost to the University (e.g. double-occupancy room rates which are the same as single-occupancy room rates) will be reimbursed as valid business expenses.
  - Where a marginal cost is added for a family member or friend, the marginal cost will normally be considered a personal expense and not reimbursed.
    - If this charge was paid on an employee's SU corporate card, then the employee must reimburse SU for the amount of the marginal cost within 60 days. If the cost is not reimbursed, then the amount will be added as taxable compensation to the employee's W-2 and appropriate federal taxes withheld from the next paycheck.
- Certain expenses may require allocation between personal and business purposes. In this case, the employee should use a systematic and rational allocation method that fairly states the business portion of the expense. The allocation methodology should be documented and submitted along with the expense report and receipts for the trip.

## Travel Advance

- An employee should request a travel advance as soon as possible but no later than noon on Tuesday prior to the Friday on which the employee needs the advance. A request should be submitted to Accounts Payable through Adobe Sign on a [Check Request form](#) with appropriate signatures and backup documentation.
- Advances greater than \$500, with the exception of routine athletic team travel advances, must be approved by either the VP for Finance & Administration or Controller prior to turning in a Check Request.
- Any unspent funds from a travel advance must be returned to the University immediately upon return from the trip.

- Substantiating original receipts which document the business use of the advance must be turned in to the Business Office within 60 days of the trip's end date.
  - **Note:** Failure to comply with this requirement will result in the unsubstantiated advance being added to the employee's taxable compensation and reportable IRS W-2 income, and appropriate federal taxes withheld, in accordance with the IRS Accountable Plan rules.

## Report of Business Expenses (RBE)

- Travel expenses must be substantiated on a [Report of Business Expenses](#) form and the approved form turned in to the Business Office via Adobe Sign within 60 days of the trip's end date. **Reimbursement will not be granted for requests received more than 60 days after the date of travel without the approval of the President's Staff.**
  - All expense transactions must be accompanied by proper substantiating receipts to qualify for reimbursement. **Expenses submitted without an accompanying receipt will NOT be reimbursed regardless of the amount.**
- In order to receive reimbursement for business usage of a personal vehicle, the employee must document the beginning and ending odometer readings of the vehicle on the RBE form as required by the IRS. See more information in the *Use of Personal Vehicles* section below.
- One RBE shall be completed per trip which includes all trip-related expenses, no matter the method of payment.
  - Expense examples include airfare, lodging, parking, cab fare, subway/metro passes, meals, business entertainment, and mileage.
- The appropriate account number(s) should be included on the RBE.
- All RBE forms must have two approval signatures before being turned in to the Business Office. The first signature is the actual traveler and the second signature must be a different person who is authorized to approve expenses for the account number listed (i.e., the budget officer, department head, or appropriate representative from President's Staff).

## Receipts and Required Documentation

- The IRS requires original receipts which include at least the following information: name and address of the payee, the date of expenditure, the dollar amount, and a description of the purchase
  - If original receipts are not turned in with the RBE, the employee will be responsible for maintaining such receipts to provide to the IRS upon request.
- Expenses incurred for entertainment purposes must meet the IRS requirements for receipts listed above and document the following:
  - The name of the person(s) entertained
  - The business purpose of the entertainment (e.g. fund raising visit, faculty candidate dinner).
- The following items **by themselves** are not considered valid original receipts according to the IRS:
  - checkbook carbon copies of checks

- cancelled checks (typically fails to provide sufficient information as noted above)
- personal credit card monthly statements
- un-itemized credit card receipts (typically fails to provide sufficient information as noted above)
- order confirmations that do not show payment information
- travel itineraries that do not show payment information

## Use of Personal Vehicles

- The University will reimburse the employee for business usage of personal vehicles at the IRS rate in effect for the date of travel. The rate can be found on the [Business Office website](#).
- When departing for business travel from the employee's home, reimbursement for mileage should be calculated as the shorter of the distance from home to the destination or SU to the destination in accordance with IRS regulations.
  - For example, an employee living in Austin near the airport, departing from home directly to the airport, should claim mileage from the home to the airport and not from SU to the airport.
- The employee must document the beginning and ending odometer readings of the vehicle on the Report of Business Expenses form as required by the IRS.
- The employee should use judgment in selecting the use of personal vehicle or air travel so as to minimize expenses to the University.
  - The University may limit reimbursement for personal mileage to the cost of airline tickets where excessive mileage reimbursement is requested.
- The University does not reimburse gas expenses when a personal vehicle is used, since the IRS mileage reimbursement rate is set to cover gas, maintenance, and other vehicle expenses.

## Foreign Travel

- Expenses incurred in connection with travel to a foreign country should be charged to object code **55190** (faculty foreign travel), **55175** (staff foreign travel) or **53575** (services performed in a foreign country) when possible.
  - One exception is when the expense is being charged to a name specific account (an account in which the last five digits are tied to the faculty member's name such as a Faculty Professional Development account or Competitive Faculty Development Award account).
- Payment by SU credit card is the preferred method of payment for foreign transactions.
- Any foreign expenses that cannot be paid using an SU credit card should be supported with the following:
  - Original receipt showing date of purchase and amount paid in the foreign currency
  - Printout from Oanda currency converter website <http://www.oanda.com/currency/converter/> showing the appropriate foreign currency exchange rate based on the date of the receipt.