

ADMINISTRATIVE POLICIES AND PROCEDURES

SUBJECT: TRAVEL

NUMBER: 1200

AUTHORIZING BODY: VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

RESPONSIBLE OFFICE: AVP/ CONTROLLER

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RATIONALE: To provide requirements for travel expenditure and reimbursement to the campus community.

POLICY:

Oakland University (University) follows Internal Revenue Service (IRS) Accountable Plan Rules for travel reimbursement and will therefore pay only reasonable and necessary travel expenses for travel that:

- Has a clear business purpose
- Is approved by the Traveler's supervisor and Fund Signer
- Is fully documented
- Is not (and will not be) paid by any other source

Travelers must complete and submit a Travel Expense Summary (TES) for every instance of travel regardless of whether or not reimbursement is owed to the Traveler (i.e., the expenses were charged on a P-Card). Accounts Payable must receive the completed and approved TES within 60 (sixty) days of return from travel to satisfy the IRS definition of a Reasonable Period of Time.



Failure of Travelers and departments to submit documentation to Accounts Payable by the deadlines may result in rejection of reimbursement or reimbursement paid through payroll and subject to withholding, as the IRS considers the reimbursement to be taxable income once the Reasonable Period of Time expires.

Supervisors must approve reimbursement of travel expenses for their employees. Under no circumstances may an individual approve his/her own travel expenses or those of a person to whom he/she functionally or administratively reports.

Travel funded by a grant or contract must adhere to the terms of that grant or contract.

SCOPE AND APPLICABILITY: This policy applies to all faculty and staff, as well as sponsored guests or students, who travel on behalf of the University.

DEFINITIONS:

Accountable Plan: The University reimburses travel expenses under an Accountable Plan, defined by the IRS as a plan that meets four requirements:

1. Expenses must have a business connection and must be reasonable
2. There is a reasonable accounting for all expenses
3. All excess reimbursements¹ must be repaid in a reasonable time
4. The plan cannot exhibit a pattern of abuse or exceptions

Foreign Travel: Travel for which the destination is outside of the continental United States.

Fund Signer: A person authorized to approve expenditures against a University fund as documented by a signature card filed with Accounts Payable. Please see [OU AP&P #200 Authorized Signers](#) for more information.

General Services Administration (GSA): An independent agency of the United States government, which manages and supports the basic functioning of federal agencies, including setting government standards for travel reimbursement.

Incidental Expenses: Miscellaneous travel expenses covered by the GSA Meals and Incidental Expense Per Diem, which include:

- Bag handling and hotel tips
- Transportation to and from meal locations
- Expenses incurred for submitting travel receipts and expense reports during travel

These expenses are included in the Meals and Incidental Expense Per Diem rate and will not be reimbursed separately.

Internal Revenue Service (IRS): The agency of the US Government that is responsible for collecting revenue as well as the interpretation and enforcement of the US Internal Revenue Code.

Meals and Incidental Expense Per Diem (M&IE): Daily allowance rates for M&IE as determined per date and per location by the GSA. Per diem rates are for meals and incidentals only, which includes taxes and gratuities. The University does not pay per diem rates for lodging.

Reasonable Period of Time: To comply with IRS requirements for Accountable Plans, expenses must be accounted for within a “Reasonable Period of Time” from the “event”, which the IRS has determined is 60 (sixty) days.

Travel Expense Summary (TES): The spreadsheet and supporting documents which create complete accounting of travel expenses.

Travel Advance: Funds provided in advance for expenses that will be incurred during team or Foreign Travel.

Traveler: A person authorized by their supervisor and/or an authorized Fund Signer to travel to conduct the business of the University. Persons traveling without these conditions are not considered University Travelers within the travel reimbursement policy and will not be reimbursed for travel expenses.

Footnote: 1. The IRS defines an excess reimbursement as any amount that you pay to an employee that is more than the business-related expenses for which the employee adequately accounted. The employee must return any excess reimbursement or other expense allowance to you within a Reasonable Period of Time. (IRS Publication 535, 2011)

PROCEDURES:

GENERAL REQUIREMENTS

Eligibility

The University reimburses faculty, staff, and others for reasonable and necessary expenses incurred in connection with approved travel on behalf of the University. Travel expenses for spouses and other non-business guests will not be paid.

University reimbursement is allowed only when reimbursement has not been, and will not be, paid from any other source. Reimbursement is permissible for all necessary and reasonable travel expenses for which there is a documented business purpose and the expense is within policy limitations.

Due to the University following Accountable Plan rules as defined by the IRS, only fully documented travel expenses submitted by the required deadlines will be reimbursed.

Legal Requirements

The University travel reimbursement policy is intended to conform to IRS regulations, GSA guidelines, U. S. Citizenship and Immigration Service regulations, and tax treaties between the United States and foreign countries. Information can be obtained from the Manager of Accounts Payable.

Travel Authorization

Travelers must acquire pre-approval from their supervisor or higher authority (and authorized Fund Signer) to travel on University business. Supervisors and/or departments must:

- Establish a pre-approval process for departmental travel; ensure that all Travelers are aware of the aspects of University policy that pertain to their request
- Ensure that pre-approved travel expenses are within University policy

A pre-authorization form for travel is not required for expense reimbursement.

Grants

Travel supported by a grant or contract will be reimbursed at the lower of the grant/contract provision or the provisions within this policy. The Office of Research Administration (“GCSR”) must approve all travel reimbursement charged to grant funds.

General information

The University will reimburse Travelers only for expenses incurred during the shortest time needed to complete the business purpose for which the trip was taken, generally no more than one day prior to or one day after the event.

To contain costs, Travelers are to purchase coach airfare as far in advance as reasonable and reserve hotel rooms at single standard rates.

Vehicle rentals are allowable only when logistics do not allow the use of taxis or other public transportation or when there is a specific, pre-approved business reason that justifies a rental vehicle. See Rental Vehicles section of this policy for further information.

Deviation from the general information above will require pre-approvals and cost comparisons to demonstrate the difference between standard and actual arrangements. Expense reimbursement will be provided for the most cost effective arrangements, which may be different

from actual expenses.

Original receipts are required for any expenses greater than \$25 unless the expense is covered by the Meals and Incidental Expense Per Diem (“M&IE”) rate.

RISK MANAGEMENT

Oakland University Risk Management provides extensive travel related information on their [website](#) and in [OU AP&P #1050 Risk Management/Insurance](#). It is the responsibility of each University Traveler or University sponsor of a Traveler to review and be familiar with the procedures and requirements detailed in the Risk Management resources and to take appropriate action before travel commences.

In particular, please review the following topics on the [Risk Management website](#) and [OU AP&P #1050 Risk Management/Insurance](#):

- **Foreign Travel:** If you are an Oakland University student, faculty or staff member and are planning a work or study-related trip overseas, you must register with Risk Management and make all appropriate insurance arrangements before departing.
- **Sickness, Injury, Accident, and Other Emergencies:** Please consult the website and/or contact Risk Management if you have any emergencies while traveling. All incidents/accidents arising from use of a vehicle on University business should be immediately reported to Risk Management.

TRANSPORTATION

Airline Tickets

All airline and other common carrier reservations for official University travel must be made through a least cost arrangement at the discretion of the Traveler. A copy of the flight itinerary and a ticket receipt are required for reimbursement and must be attached to the TES that will be submitted upon return.

Purchases of trip cancellation insurance and airline baggage fees are reimbursable. Airline club dues or fees are not reimbursable.

Unused airline tickets are reimbursable only upon approval of the responsible Dean or Director and the authorized Fund Signer. The justification for such reimbursements must be noted on the TES.

Reimbursement for Private Vehicle Use

The University will reimburse mileage for employees who use their personal vehicle for pre-approved travel at the standard mileage rate as determined by the IRS, found at www.irs.gov,

subject to the limitations below.

The mileage rate is intended to cover all business use vehicle expenses including wear and tear, insurance and fuel. University employees, students and volunteers driving their own personal vehicles on University business must carry sufficient personal auto insurance. The University does not cover physical damage or loss to employees' vehicles; any claims must be filed directly with the employee's personal insurance company.

Per IRS requirements, the University will reimburse employees for actual miles driven in excess of their normal commute from home to office (e.g. if the employee commutes 10 miles round trip from home to office, 10 miles should be deducted from any mileage reimbursement request). A faculty member who is scheduled to teach at off-campus locations and is also required to be on the main campus the same day may be entitled to reimbursement for mileage at the standard University rates. Other than this circumstance, teaching miles are considered commuting and will not be reimbursed. Please refer to the current faculty contract for more detail on this topic.

Reimbursement for the use of a personal vehicle in lieu of air carrier is limited to the cost of coach airfare plus related expenses as determined by the Drive/Fly Comparison Worksheet found on the [Accounts Payable website](#). If employees are approved to use their personal vehicles for travel, rather than via air carrier, a reasonable airfare cost comparison must be documented by the Traveler at the time the travel is planned. If this is not done in advance of the travel, Accounts Payable will determine reasonable airfare cost and may reduce the mileage reimbursement accordingly.

Semester based mileage and/or local mileage should be submitted for reimbursement once per semester according to the following strictly enforced deadlines:

- Winter semester mileage due by June 30
- Summer semester mileage due by October 31
- Fall Semester mileage due by February 28

The IRS has defined a Reasonable Period of Time for reimbursement to be 60 (sixty) days following the event. For this instance, the University has determined a semester to be one event, which is how the above deadlines were determined.

Rental Vehicles

The use of a rental vehicle will be approved only when it is an economical, business necessity and not for personal convenience. Public transportation and/or common carriers should be used in place of rental vehicles whenever possible. Employees must obtain pre-approval from their department or supervisor before securing rental vehicles for University business.

Departments must include a review of rental vehicle requests as part of their travel pre-approval process and ensure that approval of rental vehicles complies with University

policies. Departments must contact the Accounts Payable Manager prior to travel if they are unsure if a rental vehicle can be approved.

Description of the business purpose of the rental vehicle must be attached to the TES.

Payment of Rental Vehicles

Rental vehicle costs will only be reimbursed up to the lowest mid-size rate. Rental fees and gasoline charges will be reimbursed. Travelers must assess whether or not the refueling rate at the rental agency is more cost effective than the local gas station rate before choosing the agency's refueling option. Optional fees for services provided by the vehicle rental agency such as GPS devices are not reimbursable without a valid, pre-approved business purpose.

To pay for a rental vehicle, the Traveler with pre-approval to rent a vehicle may:

- Arrange for direct billing of the vehicle by using a University account card from the Accounts Payable department OR
- Pay with the University P-Card OR
- Pay with personal funds and be reimbursed.

When the insurance option is not accepted, the University department sponsoring the trip will be responsible for deductibles. Contact Risk Management for questions about rental vehicle insurance.

If an employee is pre-approved to drive their personal vehicle and then chooses to use a vehicle rented in the employee's own name instead, the employee will be reimbursed mileage, not rental vehicle and related costs.

Car Service, Taxis and Shuttles

Employees are required to use the most cost efficient method for ground transportation. Airport shuttle services are generally available at low or no cost but if this type of service is unavailable, the University will reimburse employees for the actual cost of car service or taxis to and from the airport and for travel related to University business. Gratuities for these services should not exceed standard University tipping guidelines as indicated on the [Accounts Payable website](#).

Charter Services

Charter air service is allowable in certain circumstances. See [OU AP&P #1270 Use of Noncommercial Aircraft](#) for additional information.

Tolls and Parking

The University will reimburse employees for the actual cost of tolls and parking in conjunction

with the approved use of a personal vehicle or rental vehicle.

Other Forms of Transportation

Train fares or other such common carrier services will be reimbursed at the lowest available coach rate for such transportation.

MEALS

Meals and Incidental Expense Per Diem (M&IE)

The University will reimburse travel M&IE based on M&IE Per Diem rates as determined by the GSA. The [GSA lookup](#) for M&IE is broken into three categories:

- Continental United States (CONUS)
- Outside the Continental United States (OCNUS), which includes Hawaii, Alaska and US territories
- Foreign Countries

Travelers will use the M&IE rate for the dates of travel as the reimbursable cost for meals and incidentals at a specific travel location. In addition, the University will adhere to the following GSA conventions:

- Meal receipts are not required when using the M&IE rate.
- Incidental Expenses are included in the M&IE rate and will not be reimbursed separately
- Meals provided at a conference or other event that the Traveler is attending will be excluded from the per diem reimbursement per the [GSA individual meal](#) amounts
- The first and last day of travel will be reimbursed at 75% the M&IE rate; a two day trip is reimbursed at 75% for each day

Overnight travel is required for meal reimbursement.

Meal Costs Greater Than the Per Diem

Meal costs in excess of the GSA M&IE rates are not reimbursable.

Hosting

When a University employee on travel status hosts a meal for University guests, reimbursement requirements for that meal will comply with [OU AP&P #208 Business Meals and Hosting](#) Expense. Hosting meals will be excluded from the per diem calculation and are not subject to

M&IE rates.

LODGING

The University will reimburse employees for the actual cost of single-rate or conference-rate lodging (room charges and applicable taxes only). The employee must submit an original hotel receipt with the TES. The receipt must show itemized charges; charge card statements are not acceptable.

The University will not reimburse for rentals of rooms in private residences.

Room Sharing with an Employee

When two or more employees share a room, only one Traveler should claim the lodging expense on his or her TES. The Travelers should provide an explanation of the arrangement on each TES.

Room Sharing with a Non-Employee

When an employee shares lodging facilities with others who are not University employees, the employee will be reimbursed at the single occupancy room rate only.

OTHER EXPENSES

Conference Fees

Employees may attend conferences that pertain to the attendee's position of employment at the University and employees will be reimbursed for the related travel expenses. The University will reimburse employees for the actual cost of conferences.

Conference fees may be paid in advance directly to the vendor using the University P-Card or via Payment Voucher ("PV"), or paid by the employee who will be subsequently reimbursed. For employees to be reimbursed for conference fees, employees must complete a PV payable to the employee with the original receipt and conference brochure attached.

Internet Expenses

Internet access for business use while traveling will be reimbursed.

Personal Expenses

The University only reimburses employees for expenses that are related to the conduct of the University's business. Expenses such as dry cleaning, clothing, entertainment, drugstore items or any other expenses not required by the business purpose of the trip are not reimbursable.

It is expected that travel itineraries will be planned strictly to the business requirements of the trip. When the trip includes family members or other non-employees, all expenses connected with the personal portion of the trip must be excluded from the reimbursement request.

Sales Tax

The University is exempt from Michigan state sales tax and may be eligible for tax exemptions in other states. Travelers should carry a copy of the [OU Tax Exempt Status Letter](#) and present it when traveling. Information regarding tax exemptions in addition to the Michigan exemption can be obtained in the [Tax Compliance section of the Assistant Vice President and Controller website](#).

Telephone Expenses

Personal telephone calls will not be reimbursed and should not be charged to the hotel room. The University will reimburse the actual cost of telephone calls only when the calls were clearly for University business. Employees requesting reimbursement for telephone calls must document the business nature of the calls, including the dates, names and business affiliations of the persons that were called.

FOREIGN TRAVEL

Meals and Incidentals

The University will reimburse Foreign Travel M&IE based on the U.S. Department of State Foreign M&IE rates in effect for the days of travel. M&IE rates are found on the [U.S. Department of State](#) website. Receipts for meals and incidentals are not required.

Lodging

Travelers will be reimbursed for the actual cost of lodging up to the U.S. Department of State Lodging Per Diem rate. Itemized receipts are required.

Laundry

Laundry and dry cleaning expense will be reimbursed for Foreign Travel in excess of 7 (seven) days.

Receipts

Itemized receipts for lodging, transportation, conference fees and other business expenses in excess of \$25 are required.

Foreign Exchange Currency Costs

The University will reimburse foreign currency exchange costs when documented. The Traveler must submit reimbursement claims for US Dollars and no other currency.

GUESTS OF THE UNIVERSITY

Guests of the University traveling to the University or on behalf of the University are subject to the rules of our Accountable Plan. Any payments or reimbursements for travel expenses in excess of those allowed by Accountable Plan rules or without original receipts are taxable income to the guest.

Foreign visitors to the University may qualify for reimbursement of travel expenses based on the business purpose of their visit and the Visa type under which they enter the U.S. The University will require copies of the visa, Department of Homeland Security's Form I-94, Arrival/Departure Record (for non-immigrant visitors with a visa), and the passport to validate TES claims. To avoid issues, review the details of expected foreign visitor travel expenses with the Accounts Payable Manager before the Traveler enters the U.S.

PAYMENT

Purchasing Cards

The University P-Card may be used to pay for all aspects of travel except meals. Travel expenses may be prepaid with the P-Card or paid with the P-Card during travel.

See [OU AP&P #1020 Purchasing Card](#) and [OU AP&P 1000 Procurement](#) for more information.

Prepayment by Payment Voucher

Travel expenses paid in advance of the dates of travel may be paid directly to the vendor using a PV or, if prepaid by the Traveler from personal funds, may be reimbursed directly to the Traveler using a PV. Original, itemized receipts indicating proof of payment will be required for reimbursement.

TRAVEL ADVANCE

Employees may request a Travel Advance for athletic team, student group or Foreign Travel to cover expenses that are eligible for reimbursement but cannot reasonably be charged to the University P-Card or paid through other standard payment methods.

Travel Advances for domestic travel including prepayment of M&IE will not be allowed.

The advance cannot be issued more than 7 (seven) days in advance of travel and may not exceed the amount of reimbursable expenses expected to be incurred during the travel. The minimum advance amount is \$250. Advances in excess of \$1,000 will require Accounts Payable Manager approval.

When a trip is canceled or postponed, the employee must repay the Travel Advance immediately and the employee must not use the advance to pay for a rescheduled trip. If the trip is rescheduled, a new advance will be issued.

Travel Advance Acceptance and Repayment Agreement

Employees requesting an advance must sign a Travel Advance Acceptance and Repayment Agreement. This is a formal agreement that documents the employee's personal liability to the University and authorizes the University to payroll deduct any funds that are not accounted for by the required deadlines. Employees may obtain a Travel Advance Acceptance and Repayment Agreement from Accounts Payable.

The University will not grant an advance to an employee who has an outstanding advance from a previous trip.

Employees who do not comply with Travel Advance procedures and deadlines may lose their Travel Advance privileges. The Accounts Payable Manager determines eligibility for Travel Advances.

Obtaining an Advance:

At least 3 (three) business days prior to departure, the employee's supervisor or designee must send an email authorizing the advance to advance@oakland.edu and cashiers@oakland.edu. The subject of the email must include the Travelers name and the email must contain the following information:

- Name of Traveler
- Travel destination and purpose
- Dates of travel
- Fund(s) to be charged
- Amount of advance
- Budget breakdown of advance
- Explanation of why expenses cannot be paid through alternative University approved methods

Once the supervisor has authorized the advance, the Traveler must obtain a Travel Advance Acceptance and Repayment Agreement from Accounts Payable. The Traveler and Accounts Payable are required to complete the form before the Traveler presents it to the University Cashier's Office to receive the requested funds.

Only employees may request a Travel Advance. If an advance is needed for a student or for team travel, an employee must request the advance and the employee is responsible for repayment and proper accounting of the related expenses on the TES.

Repayment of the Advance

To account for the advance, the employee should submit a completed TES to the supervisor or department within 15 (fifteen) days of return from travel. If the amount of the advance exceeds the amount of the TES, the employee must pay the difference at the University Cashiers Office within 15 (fifteen) days of return.

In addition, Accounts Payable must also receive the complete and approved TES from the department or supervisor within 60 (sixty) days of return from travel. Failure to meet this deadline may result in payroll deduction of the full amount of the advance.

REIMBURSEMENT

Travel Expense Summary (TES)

A TES is a complete and itemized accounting of the expenses of travel. If University funds are used to pay for any portion of a travel event, the University Traveler must complete a TES regardless of whether or not reimbursement is owed to the Traveler. The Traveler should submit a completed TES to the supervisor or department within 15 (fifteen) days of return from travel. Accounts Payable must receive the complete and approved TES from the department or supervisor within 60 (sixty) days of return from travel.

Since the IRS has determined that 60 (sixty) days is a Reasonable Period of Time to document travel expenses, this deadline will be strictly enforced. Failure to meet the required deadlines may result in travel reimbursement becoming taxable income to the Traveler.

The Traveler's supervisor or higher must approve the TES and any other travel related payments. Under no circumstances may a subordinate approve a superior's travel expense reimbursement. Neither the Traveler's supervisor nor the authorized Fund Signer may delegate the responsibility for approving TES and PV's reimbursing the Traveler (although they may wish to have someone on their staff review the detail within the report that is being approved).

By signing the TES, the approver is confirming that the requested reimbursements are consistent with the University's travel policies, the TES properly reflects all of the costs associated with the travel, and all required supporting documentation is attached to the TES. A complete TES will include all of the following:

- Completed TES spreadsheet signed and dated by the Traveler, the Traveler's supervisor and an authorized Fund Signer (if the supervisor is not an authorized Fund Signer)

- Copies of any prepayment documents such as a PV and the related backup
- Copies of any receipts and statements for expenses paid with a University P-Card
- Original, itemized receipts for lodging, transportation and conference fees
- Original, itemized receipts for other travel-related expenses greater than \$25
- Conference or meeting agenda
- Description of business purpose for rental vehicles (if any)
- Completed and approved PV form and itemized meal receipts, if related to hosting

If a P-Card is used and itemized receipts are not provided, the University may charge back expenses to the cardholder.

Reimbursements will only be paid to employees via direct deposit. If it is discovered that the employee is not set up to receive reimbursements from Accounts Payable via direct deposit, the reimbursement will be held until they are set up.

The TES and related instructions are found on the Accounts Payable website.

Holding Reimbursement

Supervisors and/or departments must ensure that employees are completing a TES each time they travel, that employees are submitting the TES within the required time frame, and that the department is submitting the TES to Accounts Payable within 60 (sixty) days of the return from travel. If the employee, supervisor or department is unable to comply in the required timeframe, the Accounts Payable Manager must be contacted to determine the appropriate course of action.

CONTACT INFORMATION

Any questions regarding this policy may be directed to Accounts Payable at extension 4395 or payables@oakland.edu.

Any campus mail related travel reimbursement must be sent to:

Accounts Payable
121B West Vandenberg Hall

RELATED POLICIES AND FORMS:

[OU AP&P #200 Authorized Signers](#)

[OU AP&P #208 Business Meals and Hosting](#)

[OU AP&P #610 Driving Practices & Standards](#)

[OU AP&P #1000 Procurement](#)

[OU AP&P #1020 Purchasing Card](#)

[OU AP&P #1050 Risk Management/Insurance](#)

[OU AP&P #1270 Use of Noncommercial Aircraft](#)

[Domestic Travel Expense Summary](#)

[Foreign Travel Expense Summary for PC users](#)

[Drive/Fly Comparison Sheet](#)

[OU Tax Exempt Status Letter](#)

[Attachment 208.1 Payment Voucher](#)

APPENDIX: