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## **Travel Administrative Procedure**

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Responsible Official:	Associate Vice President for Finance and Controller
Related Policies and Procedures:	Accounts Payable Disbursements Policy Meals and Entertainment Procedure Payment Approval Procedure University Procurement Card Manual

### **Purpose and Scope**

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#### **Purpose**

This procedure is intended to support compliance with the Internal Revenue Service (IRS) regulations and Internal Revenue Code (IRC) definition of an “Accountable Plan” and University policies and procedures. The accountable plan rules determine which expenditures may or may not be reported as taxable income to employees, students, and other University guests. The accountable plan rules are defined and supported in the University’s financial procedures.

Wake Forest University reimburses for ordinary, necessary, and reasonable business expenses. This Procedure provides guidance for expenses related to travel. Faculty and staff should use prudent business judgment, coupled with disciplined budgetary control, when expending University funds. Individual University departments may implement more restrictive policies and procedures, which the department should monitor and enforce.

Included in this Procedure is guidance for travel expenses. Reimbursements are only made when in accordance with University policies and procedures. The Travel Procedure is in accordance with Federal and State regulations.

## **Scope**

All faculty, staff, and students who travel for business are subject to this Procedure. Travelers who are not staff, faculty, or students, but who are official guests of the University (in that their travel or other business expenses are paid directly by the University or reimbursed by the University) are similarly subject to the guidelines described in this Procedure, in accordance with Federal and State government regulations, as well as the University's accountable plan rules.

Sponsored projects such as National Science Foundation, or National Institutes of Health Grants, may have additional requirements. The applicable award document, Uniform Guidance, and OMB Circular A-21 should be referred to prior to contacting the Grant Accounting Manager, campus phone 5187, in Financial and Accounting Services (FAS) for specific project guidelines.

## **Responsibilities and Guidance**

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### **Primary Guidance**

The primary guidance for this procedure is the Internal Revenue Code and its requirements for an accountable plan, along with industry standards for best practices.

Other guidance for this Procedure comes from North Carolina Sales and Use Tax Regulations.

For sponsored projects, guidance within award documents as well as federal policies, such as the Uniform Guidance, OMB Circular A-21 Cost Principles for Educational Institutions, 2 CFR, Part 220, NSF Award & Administration Guide, and NIH Grants Policy Statement must be adhered to.

### **Responsible University Office or Officer**

Associate Vice President for Finance and Controller  
Director, Accounts Payable

### **Who Is Governed By This Policy**

All faculty, staff, students, third-party service providers, and University guests who travel for or on behalf of the University.

### **Who Should Know This Policy**

All faculty, staff, and students.

### **Exclusions & Special Situations**

None

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## **General Guidelines**

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Wake Forest University (WFU) pays all necessary, appropriate, and reasonable business-related expenses incurred by faculty, staff, students, and other official University guests. Faculty and staff are responsible for carefully managing the University’s resources, including financial resources. Faculty and staff should use prudent business judgment, coupled with disciplined budgetary control, when expending University funds for business expenses.

Travel is defined by the IRS as when an employee is required to be away from their tax home (i.e. your main place of work) substantially longer than an ordinary work day and they need sleep or rest to meet the demands of work. The University will pay for reasonable, appropriately documented, and properly authorized travel expenses that comply with the Travel Procedure. The sections below provide an overview of information that is applicable to any type of travel reimbursement regardless of expense type.

### **Accountable Plan Rules**

This Procedure is intended to meet the IRS regulations and the IRC definition of an “Accountable Plan.” Payments from the University for ordinary (a common expense that is accepted in one’s trade or business) and necessary (an expense that is helpful and appropriate; it does not have to be required) expenses, and those that are in compliance with this Procedure, can be paid or reimbursed tax-free. Any expenses not in compliance with the University’s accountable plan, as documented in this Procedure, may not be reimbursed or may be considered taxable income if reimbursed.

Under accountable plan rules, employee advances, reimbursement requests, invoices, and Pcard transactions must meet the following standards:

- Employees, students, official University guests, or outside parties must pay or incur business expenses while performing services as a University employee; the expenses must be business related and not personal in nature.
- All expenses must be substantiated within a reasonable period of time.
- All amounts in excess of substantiated expenses (unused money from advances) must be returned to the University within 60 days from the date the expenditure was incurred, or within 30 days from return of trip, whichever is later.

**Business Purpose**

A complete, clear, and concise business purpose must be documented for each trip to validate the need for travel. Additional documentation, such as receipts and itineraries should be provided to meet documentation requirements, as well as support the business purpose.

A “bona-fide” business purpose should contain information to answer the following questions (it may not be necessary to provide answers to all questions depending on facts and circumstances):

Question to Answer	Description of Information Needed
Who	Who was present during the travel, if anyone was present other than the traveler, then document their relationship to the University  If the individual is a University employee, please document the title of the traveler(s).
What	What is the purpose of the travel?
Where	Where did the travel take place?  If there are multiple locations, please list each location and the dates in attendance at each location.
When	When was the expense incurred?  Please provide the dates for the overall trip and document any dates associated with multiple stops.
How	How did the travel benefit the University?

Lack of a clearly documented business purpose will result in the documentation being returned to the departmental approver or business manager for additional information. For additional details regarding business purpose, refer to [Schedule C](#) of this Procedure or the Business Purpose Quick Guide that can be found at <http://finance.wfu.edu/>, select ‘Faculty& Staff’ then ‘Travel or ‘Students & Parents,’ and then ‘Expense Reimbursements’ and go to the ‘How To’ tab.

**Other Documentation**

**Receipts-** Receipts are defined as an article that shows:

- Transaction date
- Merchant/ supplier name
- Detail of items purchased or services provided
- Form of payment used (e.g., cash, check, or credit card)

- Amount

Receipts are considered a form of substantiation (supporting documentation) to support a business expense by the IRS. While traveling on University business, the University will not require receipts for travel related expenses totaling \$50.00 or less, excluding airfare, conference registrations, lodging, and automobile rental. Even though receipts are not required for substantiation, the actual amount submitted for reimbursement should be the same as the actual amount spent and employees are expected to follow this procedure. The University only reimburses per diems when traveling internationally. If seeking reimbursement, both page 1 and page 2 of the Travel and Entertainment Form must be completed.

For a summary of travel-related business expenses eligible for reimbursement, direct payment by the University, or acceptable Pcard transactions, refer to [Schedule B](#), and for adequate supporting documentation guidelines refer to [Schedule A](#).

***Proof of Payment***- When seeking reimbursement for University related expenses, how an employee or student paid for the good or service is required documentation before the reimbursement can be processed. Proof of payment can consist of the following:

- Canceled check—both front and back of the check
- Bank/Credit card statement—you may redact the information that is not pertinent to the transaction for which you are seeking reimbursement for
- Receipt showing zero balance due with the payment method listed
- Receipt with signature of person receiving cash. Receipt must include person's name, amount and date that cash was exchanged. This is the minimal information for proof of payment only.

### **Payment Methods**

The University utilizes multiple payment methods when paying for goods and services and those methods are described below. Payment for goods and services, especially when it is expected that the University will pay the supplier more than once annually, should be processed by Accounts Payable. Documentation, such as but not limited to invoices and other supporting information should be forwarded to Accounts Payable.

When procuring goods and services, it is preferred that all departments utilize the University's eProcurement tool, Deacon Depot, when possible.

***Regular Invoices***—Regular invoices are defined as invoices that have a purchase order and have been processed through Deacon Depot.

***Direct Pay Invoices***—Direct pay invoices are defined as invoices that do not require a purchase order and are listed in the Procurement Policy as exclusions. Items such as utilities, dues, subscriptions, memberships, conference related travel, artists, financial and insurance expenses are examples of approved exceptions.

***University Procurement Card (Pcard)***—The University's preferred method of payment for meal and entertainment expenses is the Pcard. The University understands that not all expenses of this nature can be paid by using the Pcard; however, an attempt should be made to procure the majority of meal and entertainment expenses on the Pcard. For information on how an employee

can obtain a University Pcard, visit <http://finance.wfu.edu/faculty-staff/university-p-card> and click on the 'How To/FAQ' tab. The benefits to employees that use the Pcard are:

- You are not expending personal funds.
- The University may be able to obtain a refund of NC sales and use tax.
- The department will not be charged for NC sales and use tax—which means a savings to the department.
- You are not required to submit proof of payment documentation with the Pcard statement.

*Reimbursement*—For students and employees unable to use the Pcard, a reimbursement request can be made on the Travel and Entertainment Form or the Expenditure Voucher Form.

### **Reimbursement Processing and Payment Timelines**

According to the University's accountable plan, employees and students must submit reimbursement requests with the proper supporting documentation and approvals within 60 days from when the expense is incurred, or 30 days from return of trip, whichever is later. If reimbursement requests are submitted after the aforementioned timeline, the reimbursement amount may be either considered taxable income or not reimbursed, depending on the facts and circumstances of the transaction.

Accounts Payable will review payments within 10 business days from the date the documentation is received in Accounts Payable. After the initial review and all the documentation is complete, Accounts Payable will process the voucher for payment within 10 business days from the date of final review. If the documentation is incomplete and has to be returned for additional information, the review period resets at 10 business days.

Since the University offers a University Procurement Card for all full-time University employees, any travel expenses paid by a personal credit card will not be reimbursed until after the trip has occurred and all expenses can be submitted at one time.

Employees are automatically enrolled in direct deposit for reimbursement requests. Students have to enroll for direct deposit services for reimbursement requests. Students may go to their WIN account to enroll for direct deposit.

### **Responsibilities**

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The following information outlines the responsibilities of various parties under this Procedure:

#### ***Traveler***

Those traveling on University business must abide by University policies and procedures relating to travel, as well as any unit, department, or sponsored program requirements.

The individual submitting an invoice, Pcard statement, Travel and Entertainment Form, or Expenditure Voucher will:

- Verify that all expenses requested to be paid or reimbursed by the University are valid and conform to University policies and procedures. Requests lacking required documentation and/or business purpose will be returned to the Department's Business Administrator, Approver, Department Head, or Chair, and may not be reimbursed.

- Complete the Travel and Entertainment Form in its entirety, including supporting documentation and signature authority. This must be complete before a transaction is processed.
- Attest that expenses submitted for reimbursement have not been previously paid, nor will be paid through another submitted expense report, cash advance, Pcard transaction, or by any outside agency or other third party.
- Submit all applicable forms to Accounts Payable within 60 days of date incurred or 30 days from completion of trip, whichever is later. Please be advised that any reimbursements requested outside this timeline may not be reimbursed or may be considered taxable income.
- Remain accountable for ensuring that all expenses are incurred, and all requests for payment or reimbursement of such expenses are submitted, in accordance with this Procedure even though the employee may delegate responsibility for a form's preparation to another person.

***Authorizer/Approver***

Individuals authorized to approve the business expenditures of others will be responsible for administering this Procedure. Approvers must:

- Attest that the purpose of the expense is valid and directly related to University business.
- Request further documentation or explanation of expenses that appear to be excessive or unusual. Explanation of such expenditures must be submitted with documentation to Accounts Payable.
- Submit the completed and approved documentation to Accounts Payable on a timely basis.
- Be responsible for determining the appropriateness of expenditures where individuals seek reimbursement or charge transactions on the University Procurement Card.

***Financial and Accounting Services/Accounts Payable***

The Accounts Payable unit within Financial and Accounting Services (FAS) is responsible for reviewing submitted documentation prior to processing an invoice, Pcard statement, or reimbursement request, to verify that expenses are reasonable and meet the following criteria:

- Information submitted to Accounts Payable is supported by accompanying documentation, which is both complete and in accordance with this Procedure.
- Expenses conform to requirements imposed by the Internal Revenue Service or State of North Carolina, or as applicable, other sponsoring agencies.

- Expenses have been reviewed and approved by the appropriate Authorizer/Approver.
- Expenses have been reviewed for compliance with other applicable University policies and procedures.

### ***Internal Audit***

University Internal Audit personnel routinely examine invoices, Pcard transactions, Travel and Entertainment Forms, and Expenditure Voucher Forms to monitor compliance with University policies, procedures, and regulatory agencies.

### **Authorized Approvals**

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Full signatures are required by the approval authority when approving documents for payment. Neither initials nor the approver's signature by another individual is sufficient, and the request will be returned to the approver prior to processing. No individual may approve his or her own expenditures; the individual's immediate supervisor or next level approval authority must approve the expenditure.

Only those individuals documented on the "[Authorization and Approval Levels](#)" (click on 'Tools' and scroll down to 'Authorized Approval Levels') document approved by the University President or those documented on the [Departmental Expenditure Authorization Form](#) (scroll down to Invoices and Reimbursements and select the form name) are allowed to approve invoices, reimbursement requests, or Pcard statements. An authorized approver's dollar limit must not exceed the levels designated by the University President or his designee.

*Grant approvals-* If an individual knows that expenses are to be paid from a grant issued to the individual or his or her department, the individual must also check with the person responsible for administering the grant funds to verify that these expenditures are allowable under the respective grant guidelines. Grant reimbursements must also be approved by Grants Accounting in Financial and Accounting Services. The grant may place restrictions on meal and entertainment expenses that differ from those of the University. If the individual is not in compliance with grant restrictions, he or she will not be reimbursed from those funds.

*International travel approvals-* An International Travel Information Form must be completed, approved, and sent to International Studies prior to making any financial commitments for University funded travel. All policy and procedure provisions related to domestic travel apply with the additional requirement of a completed and approved International Travel Information Form. The sponsoring department, grant, or Center for Global Programs and Studies may have additional restrictions and guidance. More information concerning international travel can be found at <http://global.wfu.edu>.

### **Student Travel**

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IRS regulations allow the University to reimburse employees, volunteers, and third-party service providers for business-related expenses on a tax-free basis.

Generally, if the student's travel is related to their educational pursuit and is for the primary benefit of the student, then the student's travel is considered a nonqualified scholarship and reportable on a Form 1098-T. In addition, if the student's travel is related to University Finance Administrative Procedure



employment, a student group, or athletic event, then the travel reimbursement may be considered tax-free and not reported as a non-qualified scholarship depending on the facts and circumstances of each travel event.

## **Travel Advances**

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Generally, the University does not allow travel advances. The University prefers the use of the University credit card or issuance of an invoice; therefore, cash advances will be granted in the rare occasion when a University credit card or invoice cannot be used. If the expenses cannot be paid by invoice, personal credit card, or University credit card (i.e., taxis, tolls, tips, meals in certain situations), an employee may complete a Travel Advance Form. If a faculty/staff advisor accompanies students on University related travel, the advance must be in the faculty/staff advisor's name.

Travel advances should only be sought for amount \$200 or greater. The Travel Advance Form must be submitted to Accounts Payable with all appropriate approvals. There is an additional five (5) business day processing time for advances.

Upon return from the trip, actual receipts must be submitted to Accounts Payable within 60 days of date incurred or 30 days from completion of the trip, whichever is later. Failure to account for a travel advance within this time frame may result in the amounts being considered taxable income for employees or charges directly applied to a student's account.

## **Conference Registration**

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*Documentation/Receipts*—The conference agenda or schedule must be submitted with the documentation compiled for Accounts Payable. The conference agenda is needed to support the business purpose and provides documentation for any meals provided by the conference. The entire conference agenda does not need to be attached. The parts of the agenda needed for reimbursement is documentation that contains:

- Location of conference
- Dates of conference
- The schedule
- Information pertaining to the traveler's role at the conference, if speaking

The University will not pay for any meals provided by the conference unless the employee has dietary restrictions. For more information on meals, please refer to the Meals and Entertainment Procedure found at <http://finance.wfu.edu/>.

## **Air Travel**

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The University has business relationships with two travel agencies: Aladdin Travel (non-athletic travel) and Anthony Travel (Athletics travel mostly). Please contact the UBUY (x8289) helpline for more information on booking airfare through Aladdin Travel. When making travel arrangements, travelers are encouraged to use the relationships that the University has established. Travelers are expected to book the lowest available coach/economy class airfare

consistent with the business requirements of travel. Please see the Reimbursement Processing and Payment Timelines section for details regarding use of personal credit cards.

*Additional Charges for Seat Locations*—The University will allow additional charges for seating locations for domestic trips if one or both of the following conditions exist:

1. If there is a medical reason for a seat upgrade (explanation must accompany documentation submitted to AP), and/or
2. If you prefer a certain seat (e.g., aisle or window seats) within the same coach/economy seating class

*Domestic Travel*—Travel to the continental United States, Hawaii, Alaska and the United States' territories and possessions are considered domestic. Tickets should be non-refundable, economy/coach class tickets.

*International Travel*—Travel to countries outside the United States and its territories and possessions are considered international. Either economy/coach or non-upgradable business class airfare can be used for international flights. Please be sure to check the United States State Department's website ([http://travel.state.gov/travel/cis\\_pa\\_tw/cis\\_pa\\_tw\\_1168.html](http://travel.state.gov/travel/cis_pa_tw/cis_pa_tw_1168.html)) for travel advisories to international countries. For specifics regarding allowability of expenses when traveling internationally, please refer to the [International Travel Section](#) of this procedure.

*Documentation/receipts*—In accordance with IRS regulations, detailed receipts are required for airfare. Detailed flight itineraries showing flight numbers, flight class, departure/arrival dates and times, total flight cost, and payment method (e.g. Visa \*\*\*\*\*1234) should be submitted as documentation of the flight. This documentation is required regardless of ticketing method (e.g. ticketless travel, e-tickets, etc.) The documentation must supply the agency used to purchase the ticket. A boarding pass or summary travel agent itinerary is not sufficient documentation to be submitted to Accounts Payable for processing.

If all supporting documentation is not submitted at time of reimbursement, the cost of coach/economy class airfare 14 days out from Accounts Payable's review date will be used to compare with the amount submitted, and the lesser of the two amounts will be reimbursed. If the traveler is booking personal travel along with business travel, a comparison of the business airfare only will need to be included to show the business portion. The University will reimburse the lower of the two fares.

*Additional Fees*—When traveling coach/economy class, some airlines may charge additional fees for snacks, non-alcoholic drinks, food, checked baggage, blankets, pillows, Wi-Fi, early check-in, and preferred seating. Any additional fees must be justified with an adequate business purpose.

Snacks or food can be reimbursed or purchased, if in lieu of a meal. The University will pay for two checked bags; however, if there is business justification for additional bags, the University will pay for the additional bags with appropriate documentation and justification noted on the information submitted to Accounts Payable.

If a portion of the trip is personal and additional baggage is needed for that portion of the trip, no additional fees are allowed or reimbursable.

*Cancelled and Unused tickets*—When travel plans change for unforeseen circumstances, the employee is responsible for contacting the airline or booking agency to request a refund (if a refundable ticket was issued—exceptions only) or apply the unused ticket to a future business trip. Flights must be canceled prior to the flight departure time. An adequate business justification must be documented and submitted to Accounts Payable that supports the reason for cancellation. The unused ticket may not be used for personal travel.

*Frequent Flyer Awards*- Frequent flyer miles or memberships should not influence travelers in making their flight decisions.

*Airport Airline Club/Lounge Memberships*- Dues and memberships are generally not reimbursable expenses. Exceptions must be approved by the Vice President, Provost, or President and the reason for the membership must be documented and submitted to Accounts Payable.

*Fly America Act*- Under provisions of 49 U.S.C §40118, U.S. flag air carriers must be used for air travel paid for by federal funds to the extent such carriers are available. For more information and applicable exceptions, contact the Office of Research and Sponsored Programs at campus phone 5888.

*Lost Baggage*- The airlines are responsible for compensating owners of lost baggage. The University will not reimburse travelers for personal items lost while traveling on business. The traveler must take all reasonable precautions to protect any personal property while traveling.

*Employee-Owned or Employee Operated Aircraft*- The use of employee-owned or employee operated aircraft on University related business is prohibited.

## **Automobile Rental**

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Automobile rentals may be used when justified as economical and a business necessity. Reimbursable rental costs include daily rental fees, fuel charges (actual fuel purchased, not miles driven), tolls, and rental company fees for miles used. When traveling in groups, sharing of cars is encouraged to reduce costs. The use of a mid-size, 4-door vehicle or smaller is encouraged.

The University has discount rental car agreements with several rental agencies. To learn more about these agreements, please visit the Financial Services website at <http://finance.wfu.edu/faculty-staff/travel/car-rental>.

*Insurance*—Employees should not have to purchase vehicle insurance if traveling in the United States and Canada. For more information on insurance, review the [Travel Insurance Section](#) of this Procedure for additional guidance or our website at <http://finance.wfu.edu/faculty-staff/travel/car-rental>.

Luxury vehicles are prohibited; however, if used, justification must be documented and submitted with supporting documentation to Accounts Payable.

*Documentation/Receipts*—Documentation to support rental car expenses include a detailed receipt from the online travel service or auto rental agency reflecting individual costs, total cost, payment method (e.g., Visa\*\*\*\*\*1234), and evidence of full payment. In order to receive full reimbursement of auto rental expenses, the traveler may have to submit the detailed online reservation along with the detailed receipt when returning the automobile.

## **Other Means of Transportation**

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*Personal Automobiles*—The University will reimburse a traveler for business use of a personal vehicle when it is less expensive than other means of transportation. The University reimburses mileage at a rate set and communicated that is less than or equal to the published federal rate. The IRS rate is designed to cover the cost of gas, oil, maintenance, insurance, and depreciation. Mileage reimbursements do not apply to rental vehicles or other vehicles not owned by the traveler.

The supporting documentation for mileage reimbursement is a printout showing the starting point and destination with total miles driven. This documentation can be obtained from websites, such as Google Maps and MapQuest.

In certain circumstances, the University may reimburse for the cost of gas (with proper receipts when mileage is not claimed) not to exceed the cost of available round-trip economy, discounted airfare, or the mileage reimbursement rate. Travelers are expected to maintain the appropriate insurance on their vehicles when they are to be used for University business travel.

The University will not reimburse employees for commuting expenses between home and work.

When a traveler chooses to drive their personal vehicle instead of flying, the University will reimburse for the lesser of the cost of coach/economy airfare or the mileage. The University will allow mileage to destinations within 400 miles each (i.e. 800 miles round trip) way without documentation of comparable airfare. Proper documentation of the total cost of the airfare alternative at time of booking and support of the total miles of the trip (i.e. MapQuest or Google maps) are necessary before reimbursement will be made. If documentation is not provided that supports the most economical means of travel, Accounts Payable will determine an appropriate amount based on rates available at the time of processing the voucher.

*Tolls and Airport Parking Charges*—the University will reimburse for these expenses.

*Taxis and Private Car Services*—the University will reimburse for the most economical mode of transportation. Limousine or sedan service is not a preferred method of transportation and is only reimbursable when it is the most economical ground transportation, evidenced by supporting documentation, or when approved by the President or Senior Vice President of Finance and Administration

The supporting documentation includes, but is not limited to, a receipt for expenditures totaling more than \$50.00 that shows the name of the company, location of the company, date, and price of the transportation. Any expenditure totaling \$50.00 or less must be reported to Accounts Payable at the actual cost of the transportation and include business purpose of the trip.

*Rail Travel*—The University will reimburse for transportation costs using a rail service as long as it is the most economical means of travel. The original passenger receipt showing cost of service, date, type of seating is required documentation.

## **Lodging**

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The University will pay actual and reasonable costs of lodging, as supported by the detailed hotel bill, for each day that lodging away from home is required for University business purposes. Travelers should choose good quality but reasonably priced hotels or motels whenever possible. However, when attending a conference, travelers may stay at the conference hotel even if it is not the most economical.

Choosing deluxe accommodations (i.e. suites) is not allowed, unless the business purpose requires such, or the accommodation is used by more than one employee. A description of the business activity that necessitates rental of deluxe accommodations must be included on the documentation submitted to Accounts Payable.

Charges for personal items such as movies, babysitting, recreational fees and in-room mini-bar charges, including alcohol and snacks, are not reimbursable and should be paid for separately with the traveler's personal funds. Mini-bar charges for snacks and beverages in lieu of meals will be reimbursed; however, it must be documented on the information submitted to Accounts Payable

*Documentation/Receipts*—Detailed receipts showing a \$0.00 balance due are required for tax-free reimbursement. Receipts should include: detailed breakdown of services with costs of each service, payment method (e.g., Visa\*\*\*\*\*1234), and proof of payment.

*Hotel Frequent Guest Program*—Many hotels have frequent guest programs that reward travelers with free or discounted accommodations in exchange for a specified number of paid room nights at the hotel. The University will reimburse travelers only for the actual amount paid for accommodations.

*Membership Dues for Frequent Guest Programs*- Membership dues for joining these frequent guest programs are not reimbursable. Exceptions must be approved by the respective Vice President, Provost, or the President. In addition, the business reason for the membership must be documented and submitted to Accounts Payable.

*Lodging in a Second Residence*—Reimbursement will not be permitted for travelers who own the place of lodging.

*Lodging in Private Residence*—Travelers who stay in a private residence at no cost to the traveler will only be reimbursed for a reasonable non-cash token of appreciation (cost not to exceed \$75 per trip). In order to be reimbursed, the traveler must submit a receipt to support the purchase. The \$50.00 travel receipt rule does not apply to this type of expense because this is considered a token of appreciation and not travel.

Tokens of appreciation are not allowable expenses for sponsored projects (e.g. federal grants).

## **Meals While Traveling on University Business**

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The University allows meals while traveling on University business when the trip requires overnight rest or stay. For more information regarding meals while traveling, please reference the Meals and Entertainment Procedure found at <http://finance.wfu.edu/policies-and-procedures>.

## **International Travel**

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Any faculty, staff, or student traveling overseas for the University is required to complete the applicable international travel form and submit it to the Center for Global Programs and Studies prior to incurring any cost for such travel. This includes studying or teaching abroad, international research, conferences, site visits, service trips (including those in which faculty/staff voluntarily accompany students receiving university funding), and any other international travel that directly pertains to the University and/or which is to be paid for by the University. Information regarding the forms can be found at <http://global.wfu.edu>

When faculty and staff are traveling internationally, the University is subject to many different IRS tax regulations. If an employee's travel to an international location meets the following criteria, the transportation costs (e.g. airfare) and other costs may be considered taxable compensation:

- The travel, regardless of length, is mainly for personal reasons
- The time spent outside of the US exceeds one week (one week is defined as 7 consecutive days-do not count the day you leave the US, but do count the day you return to the US), **AND**
- The total time spent on non-business activities is more than 25% of the total time you spent outside the United States (for this purpose you may count both the day the trip began and the day it ended)

*Meals*—Refer to the Meals and Entertainment Procedure located at <http://finance.wfu.edu/policies-and-procedures>.

*Lodging*—Actual receipts are required for lodging; therefore, lodging per diem rates do not apply.

*Family Travel/Discretionary Funds*- Except to the extent that a “bona-fide” business purpose for a family member's presence is documented, travel and entertainment expenditures where funds are expended by the University for family members while traveling abroad are not reimbursable or, if paid, taxable to the employee.

*Conversions of foreign currency*—The fluctuation in exchange rates makes reimbursing for foreign travel somewhat complex. While the University recommends that travelers use their University credit card for travel purchases, we understand that when traveling internationally, you may not be able to pay by credit card. Therefore, if seeking reimbursement, the expense reports must be submitted in US dollars with a translation of foreign receipt, explanation of the expense, if needed, and the conversion computation to US dollars. If a personal credit card is used, submit the credit card statement as proof of payment and the exchange rate; however, the receipts should still be translated, and the corresponding US dollar amount should be evidenced on the receipt.

For transactions paid in the local currency, Accounts Payable suggests the following websites to find the average exchange rate: [www.exchangerate.com](http://www.exchangerate.com), [www.xe.com](http://www.xe.com), or [www.oanda.com/currency/converter](http://www.oanda.com/currency/converter).

## **Family and Guest Travel Expenses**

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In general, any expenses attributable to an employee's family member or guest will not be reimbursed by the University on a tax-free basis. However, in certain cases, a spouse, family member, or guest's attendance at a local professional function, involvement in fundraising activity, or other event, constitutes a University-related activity, and the cost of such activity may be considered a tax free "bona fide" business expense.

The University may pay for the properly documented and authorized expenses with a "bona-fide" business purpose for family or guests. Approval by a Vice President or Dean is required for all family or guest expenses for each trip. In order to assist in determining the potential taxability of family or guest travel, employees must complete a Request for Family or Guest Travel Form located at <http://finance.wfu.edu/forms> and submit the completed form to Accounts Payable prior to any family or guest travel. The form will be reviewed by employees in Financial and Accounting Services to determine if any of the known or estimated family or guest travel expenses would be taxable to the employee, and reportable on Form W-2.

*Documenting a business purpose*—When an employee's family member or guest's attendance at a non-local professional function or meeting serves a legitimate business purpose, their travel expenses can be reimbursed on the same basis as the employee's, without any tax implications. A detailed itinerary should be submitted outlining the following: who, what, where, when, and why for the family member's or guest's activities for the duration of the trip. The family member's or guest's activities need to demonstrate a business purpose for the duration of the travel or activity that is not merely incidental. Any activity performed on behalf of the University should be documented and submitted with the appropriate documentation to Accounts Payable.

*Incidental Duties*—When a family member or guest attends a meeting or conference as a companion and has no significant role or performs only incidental duties, the family member or guest's attendance does not constitute a "bona-fide" business purpose; therefore, expenditures would be considered taxable income if paid by the University. According to the IRS, incidental duties, such as, but not limited to, note taking, goodwill, organizing schedules, or support during speaking engagements, are not considered to be a "bona fide" business purpose.

*Family members traveling with Employees on international trips*- For guidance concerning family travel while on international trips; please see the [International Travel Section](#).

## **Tips and Gratuities**

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Tips and gratuities are reimbursable for normal services associated with business travel, such as food services, taxicabs, bellman, and services in connection with entertainment events.

*Documentation/Receipts*—If the travel expense is \$50.00 or less, then evidence of the tip is not required; however, if the cost of the tip plus the service exceeds \$50.00, then a receipt is

required. The documentation submitted to Accounts Payable should have the tip clearly marked on the documentation.

For more detailed information regarding tips relating to meals and entertainment events, please refer to the Meals and Entertainment Procedure located at <http://finance.wfu.edu/policies-and-procedures>.

*Tips for Service Providers*—The University prefers to pay service providers directly. Employees or students should obtain payment information from the service provider and complete an Expenditure Voucher form for the tip payment. This should include a completed Form W-9 and the place of employment of the service provider.

In rare cases when a service provider needs to be paid at time of service, the employee or student must obtain the following information before a reimbursement can be made.

- A signed acknowledgment of the amount paid to the individual and, if applicable, the company they work for
- The person's printed name, address, and telephone number, or a completed Form W-9. Verify the citizenship of the service provider. If the service provider is not a U.S. resident (i.e. a foreign national), the payment should be made by the University because of tax and reporting requirements.

## **Employee Recruitment Expenses**

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Travel expenses incurred in connection with prospective University employee interviews and recruitment are reimbursable when properly authorized. All expenses related to the prospective employee are considered job-hunting expenses to the prospective employee and can be reimbursed tax-free with original detailed receipts. Departments can pay third-party service vendors directly (hotel, airline, car rental agency, etc.) on behalf of the interviewee without tax consequences. Expenses paid or reimbursed by the University for the spouse, dependent, or other individual accompanying the prospective employee may be taxable to the prospective employee. Requirements or limitations in specific contracts or grants may be applicable to interview travel.

Once an offer of employment has been accepted, additional travel expenses incurred by the newly hired employee and family are considered "moving expenses" and have separate rules governing their taxability. Incentives negotiated during the recruitment process may not be considered "qualified moving expenses"; therefore, may be reportable and taxable whether directly reimbursed to the employee or paid to a third party.

## **Travel Insurance**

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The following is a brief description of the insurance the University carries to cover employees while on University travel. Full-time employees on University business are automatically covered by travel insurance in the amount of \$200,000. Questions relating to coverage of non-employees or whether certain travel qualifies as University travel for insurance purposes should be directed to the Manager, Risk Services, campus phone 4197, in Financial and Accounting Services before arranging the trip.

- Personal Automobiles



Travelers who use a personal automobile should be aware that the traveler's insurance will apply. Inquiries should be directed to the Manager, Risk Services, campus phone 4197.

- **Rented Automobiles**  
When traveling in the United States on University business, it will not be necessary for the traveler to purchase extra coverage when renting a vehicle. Wake Forest provides blanket liability and collision insurance with Hartford Insurance Company, Policy #22UENZW8587. When renting a vehicle overseas, the University requires the traveler to purchase physical damage coverage from the rental agency.

### **Speakers, Lecturers, and Other University Guests' Performing Services Travel Expenses**

Travelers who are official guests of the University, and incur travel expenses that will be reimbursed by the University, must also abide by the provisions of this Procedure. Travel expenses must be substantiated with original detailed receipts. Any travel expenses not substantiated by original detailed receipts will be reported on a Form 1099-MISC if the \$600 threshold for such reporting is met.

Prior to payment for travel or service, the department must have the guest complete a W-9 Form (or W-8BEN for foreign nationals or Foreign National Information Form) and submit it to Accounts Payable with the supporting documentation.

### **Expenses Payable by Other Organizations**

An employee should only be reimbursed one time for any travel expenditures; therefore, if the University pays for the employee's travel and that travel is sponsored by another organization, it is the employee's responsibility to ensure the University is properly reimbursed. An employee may not be reimbursed directly by the sponsoring organization for any travel paid for by the University.

### **Non-Reimbursable Items**

Items that may not be reimbursed with federal grant funds according to the Uniform Guidance and/or OMB A-21 Circular Section J, and other miscellaneous non-reimbursable items are listed on [Schedule E](#).

## Contacts

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Direct any questions about this Policy to your Authorized Approver, or one of the following:

<b>Subject</b>	<b>Contact</b>	<b>Telephone</b>	<b>E-mail</b>
Policy Clarification	Accounts Payable	(336) 758-5833 (336) 758-5183	<a href="mailto:hernanah@wfu.edu">hernanah@wfu.edu</a> <a href="mailto:beltonam@wfu.edu">beltonam@wfu.edu</a>
Reimbursements	Accounts Payable	(336) 758-5833	<a href="mailto:hernanah@wfu.edu">hernanah@wfu.edu</a>
Procurement Card- Administration	Procurement Services	(336) 758-2414	<a href="mailto:strublej@wfu.edu">strublej@wfu.edu</a>
Procurement Card- Audit and Review	Accounts Payable		<a href="mailto:ap@wfu.edu">ap@wfu.edu</a>
Grant Compliance	Financial Accounting & Reporting		
Sponsored Projects Agreements & Subcontracts	Office of Research and Sponsored Programs	(336) 758-4910	<a href="mailto:messerlj@wfu.edu">messerlj@wfu.edu</a>

## Cross References to Related Policies

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University Procurement Card Manual  
Business Expense Policy  
Meals and Entertainment Procedure

## Web Address

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<http://finance.wfu.edu/>

## Appendix

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Schedule A—Travel, Entertainment and Business Expense Supporting Documentation Guideline  
Schedule B—Travel Expenses that May be Reimbursable when Traveling Away from WFU on  
Business  
Schedule C—Business Purpose Guidelines (From IRS Publication 463)  
Schedule D—Frequently Asked Questions  
Schedule E—Non-Reimbursable Items

SCHEDULE A

**Travel, Meals, and Entertainment Expense Supporting Documentation**

The following outlines proper supporting documentation for common travel expenses:

Category of Expense	Acceptable Documentation
Meals	<p>Meals while Traveling- receipts not required if cost is \$50.00 or less, but a “bona-fide” business purpose is required (provide attendee names, relationship to the University, and purpose of meal, date, and city).</p> <p>The University does not reimburse for per diems, except for international travel.</p>
Entertainment	<p>Original detailed invoice and proof of payment.</p> <p>Documentation must include date, time, attendee names, relationship to the University, and business purpose of entertainment.</p> <p>Note: Entertainment expenses must be “directly related to” or “associated with” the active conduct of business.</p>
Airfare	<p>Airline ticket receipt showing itinerary, amount of airfare, and proof of payment. A detailed itinerary with the above information is required even if using a travel agency.</p> <p>If a business class or first class ticket is purchased, in addition to the itinerary, a traveler must provide documentation showing price of coach airfare at the time of booking. Please use same times and dates if available. Travelers must submit this documentation with their Procurement Card Statement or Travel and Entertainment Form.</p>
Conference/Registration Fees	<p>Agenda, receipt showing price, and proof of payment.</p>
Lodging	<p>Itemized hotel bill and charge card receipt if balance on bill does not total zero.</p> <p>If using the University Procurement Card an express check out receipt can be submitted, as long as, details of the charges are shown.</p>
Telephone/cell phone	<p>Documentation for reimbursement of actual telephone calls made must include the following documentation:</p> <ul style="list-style-type: none"> <li>• The detailed hotel bill showing the itemization of the calls or the original detailed telephone bill or detailed internet bill along with proof of payment.</li> <li>• Name and title of the person called</li> <li>• Business discussion or business purpose of the call</li> </ul>

Taxi, parking, tolls, or other transportation	Receipt or invoice and proof of payment if expense is in excess of \$50.00.
Auto Rental	Car rental agreement and proof of payment.
Mileage	Document beginning and ending destinations, as well as miles driven on page -2- of the Travel and Entertainment Voucher.  A printout of the starting point and destination is required documentation for reimbursement.
Gas	Use only if purchased amount of gas is less than the calculated reimbursement for miles driven.  Exception: When purchasing gas for a rental or University owned vehicle, account for gas purchased in the Gas column on the Travel and Entertainment Form.
Other(specify)	A detailed business purpose must be entered on page -2- of the Travel and Entertainment Voucher under the "Explanation of All Business Meal and Entertainment Expenses". A detailed receipt is required for reimbursement purposes.  Exception: Tips given to service personnel (e.g. bellman and luggage handlers) do not require a detailed receipt, but must be reasonable in amount.

SCHEDULE B

**Travel Expenses that May be Reimbursable or Charged to the University Procurement Card when Traveling Away from WFU on Business**

IF you have expenses for....	THEN you may be reimbursed by WFU for the cost of.....
Transportation	Travel by airplane, train, bus, or car between WFU and your business destination.  If you were provided with a ticket or you are riding free as a result of a frequent traveler or similar your cost is zero; therefore, not reimbursable.
Taxi, commuter bus, and airport limousine	Fares for these and other types of transportation that take you between: <ul style="list-style-type: none"> <li>• The airport or station and your hotel, and</li> <li>• The hotel and work location of your customers or clients, your business meeting place, or your temporary work location.</li> </ul>
Baggage and shipping	Sending baggage and sample or display material between your regular and temporary work locations.
Car	Operating and maintaining your car when traveling away from home on business. You can deduct actual expenses or the standard mileage rate; you can deduct only the business-use portion of the expenses.
Lodging and meals	Lodging and meals include amounts spent for hotel, food, beverages, taxes and related tips. A detailed receipt for lodging is required documentation.
Cleaning	Dry cleaning and laundry when business travel is more than seven (7) days.
Telephone	Business calls while on your business trip. This includes business communication by fax machine or other communication devices.
Tips	Tips you pay for any expenses in this chart
Other	Other similar ordinary and necessary expenses related to your business travel.

SCHEDULE C

**Business Purpose Guidelines**

(From IRS Publication 463)

If you have expenses for....	Then you must keep records that show details of the following elements...			
	Amount	Time	Place or Description	Business Purpose and Business Relationship
Travel	Cost of each separate expense for travel, lodging, and meals. Incidental expenses may be totaled in reasonable categories such as taxis, fees and tips, etc.	Dates you left and returned for each trip and number of days spent on business.	Destination or area of your travel (name of city, town, or other designation).	Purpose: Business purpose for the expense or the business benefit gained or expected to be gained.  Relationship: N/A
Entertainment	Cost of each separate expense. Incidental expenses such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment	Name and address or location of place of entertainment. Type of entertainment if not otherwise apparent.	Purpose: Business purpose for the expense or the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion, and the identities of the persons who took part in both the business discussion and the entertainment activity.
Gifts	Cost of the gift.	Date of the gift.	Description of the gift.	Relationship: Occupations or other information (such as names, titles or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also establish that you or your employee was present if the entertainment was a business meal.
Transportation	Cost of each separate expense.	Date of the expense.	Your business destination	Purpose: Business purpose for the expense.  Relationship: N/A

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## Frequently Asked Questions

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1. Do travel and business expense requirements differ between the voucher process and procurement card process?
  - The only difference between the processes is that the University Procurement Card does not require proof of payment.
2. If I have an e-ticket or online receipt for airfare, what documentation is required?
  - See Schedule A.
3. What if I want to drive on a business trip instead of flying, can I do this?
  - Yes; the University allows an employee to travel 400 miles one way without documenting a comparison airfare rate. If the employee travels greater than 800 miles round-trip, the University will only reimburse for the lowest cost of coach/economy airfare or mileage. A comparison for the length of travel is required for reimbursement. If a comparison is not supplied by the traveler, the amount may not be reimbursed.
4. Can I submit an express checkout ticket from a hotel?
  - Yes, if the receipt shows the name, location, detailed charges and method of payment if a University Procurement Card was used. Personal credit card charges must have proof of payment, so a copy of a credit card statement may be required.
5. If I book my hotel accommodations in advance, online, what documentation do I need to submit to Accounts Payable?
  - See Schedule A.
6. If I'm traveling on University business, can I stay with friends or relatives versus a hotel?
  - Yes; however, the University will only allow a token of appreciation (\$75 or less with receipt) to be given to the friend or relative. If a cash payment is made to the individual, then the payment will not be reimbursed.
7. If I'm traveling on University business, can I lease or sublease tenant space?
  - Yes. WFU must pay the landlord directly. A W-9 form must be completed by the landlord prior to payment. Employees will not be reimbursed for payments made by them to the landlord.
8. What type of documentation do I need for travel meal expenses?
  - See Schedule A or the Meals and Entertainment Procedure for detailed information.
9. Will WFU allow expenses pertaining to spouse/family to attend a WFU sponsored event, conference or seminar, or any other business travel related event?
  - No, unless documentation demonstrates that the majority of the family member's duties over the duration of the trip are actual business activities.
10. Can I use a per diem for international travel?
  - Yes, a per diem is allowed for international travel for meals and incidentals only. The traveler must choose between the actual expense method or per diem method for the duration of the trip. If the per diem is chosen, then the traveler must not use a University Procurement Card for meal expenses.

## SCHEDULE E

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### Non-Reimbursable Items

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#### Non-Reimbursable Items for Federal Grants

Certain items may not be reimbursed with federal grant funds according to the Uniform Guidance and/or OMB A-21 Circular, Section J. These items include:

- Alcoholic beverages
- Entertainment costs
- Goods or services for personal use
- First class accommodations on commercial airlines
- Passports and Visa expediting fees

#### Miscellaneous Non-Reimbursable Items

Incidentals, such as personal recreation, movies, snacks, or any other expenditure that are not directly related to, or necessary for, the performance of the travel assignment will not be reimbursed. This includes personal travel while on University business and travel expenses for family members. The following is a list to be used as a guide and is not an all-inclusive list of miscellaneous non-reimbursable items.

- Air phone usage (unless documented with an appropriate business purpose)
- Annual fees for personal credit cards
- ATM fees, unless associated with foreign currency exchange
- Babysitting services
- Barber and hairdresser fees
- Clothing or toiletry items
- Contributions to public officials or candidates to public office
- Credit card (personal) delinquency fees or finance charges
- Doctor's bills, prescriptions, and other medical services
- Employee-Owned or Employee Operated Aircraft charges
- Exercise facility fees
- Expenses related to vacation or personal days taken before, during or after a business trip
- Golf fees (unless associated with business entertainment)
- Flowers for faculty and staff, except in the case of:
  - The death of a faculty or staff member of their immediate family.
    - Immediate family is considered to be a parent; spouse; child or grandchild, including step or adopted child or grandchild; sibling, including step or half-sibling; step-parent; grandparent, father-in-law; mother-in-law; or qualified domestic partner.
  - The hospitalization of a faculty or staff member, or a member of their immediate family for a period exceeding 24 hours.
    - Flowers must be sent to the hospital and not a home address.
- Frequent flyer award ticket fees
- Insurance- domestic car rental, optional travel or baggage insurance



- Kennel costs
- Late fees
- Laundry services, when travel is 7 business days or less
- Valet services
- Loss or theft of personal funds or property
- Luggage and briefcases
- Magazines, books, newspapers, or other personal reading materials
- Medicine
- Membership dues, including airline club dues and country club dues unless authorized by the appropriate authority and required for business use
- Movies
- Mini-bar charges for alcoholic beverages, food, and non-alcoholic drinks(unless in lieu of a meal)
- Personal automobile service or repairs
- Personal entertainment, including sports events
- Pet or house sitting fees
- Recreation
- Satellite radio and other automobile subscriptions (XM radio, ON-Star, etc.)
- Saunas, massages, manicures and pedicures
- Shoe shines
- Shower gifts, engagement gifts, birthday gifts, and congratulations on personal related achievement, whether in the form of a gift or meal
- Souvenirs or personal gifts
- Traffic fines, court costs, or parking violations
- Transportation from home to office, or office to home
- Upgrades for air, hotel, or rental car or unused room reservations not properly canceled
- U.S. Travelers' check fees