

University Policy: Travel Policy

Policy Category: Operational Policy

Subject: Expenses related to University travel.

Office Responsible for Review of this Policy: Office of Finance and Treasurer

Procedures: [Travel Expense Form](#); [Disbursement Request Form](#)

Related University Policies: International Travel Policy

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I. SCOPE

The Travel Expense Policy applies to the following individuals traveling on behalf of the University and are seeking reimbursement for appropriate business-related expenses, regardless of the funding source:

- All employees of the University.
- University students whose travel and other related expenses are being reimbursed by the University.
- Non-employees who have been invited to the University or have been authorized to travel and/or entertain on behalf of the University, such as job applicants, lecturers, and consultants).

The University assumes no obligation to reimburse employees, students and non-employees for expenses that are neither business-related nor in compliance with this Policy.

Schools or departments may impose greater control than required by this Policy but never less.

II. POLICY STATEMENT

The purpose of this Policy is to provide broad guidelines and establish procedures for those individuals incurring official travel and business expenses on behalf of American University. The intent is to control travel expenditures, maximize the ability to negotiate discounted rates with preferred suppliers and to ensure compliance with Internal Revenue Service (IRS) requirements. The Travel Policy is intended to be an information resource and guide to make travel arrangements, as well as processing travel and other related expenses.

III. RESPONSIBILITIES OF THE PRESIDENT, PROVOST & VICE RESIDENTS

The President, Provost, Vice Presidents, and Deans will ensure compliance with this Policy in their respective divisions, schools and centers. The President, Provost, and Vice Presidents may make exceptions to this Policy in the event of extenuating circumstances. All exceptions must be documented in writing and attached to the respective Travel Expense Form.

IV. AUDITING OF TRAVEL & ENTERTAINMENT EXPENSES

The Controller's Office will audit all Travel Expense reports for compliance with University policies and Internal Revenue Service (IRS) regulations. Additional information supporting an expense may be required prior to the expense being reimbursed.

Travel and other related expenses will be included in the audit testing performed by the University's independent accountants in connection with OMB A-133, Audit of Federal Awards and with the annual general purpose financial statement audit.

The Internal Audit Department will include travel and other related expenses in connection with department reviews.

V. OFFICE OF SPONSORED PROGRAMS

In addition to AU's Policies, the Office of Sponsored Programs (OSP) may have additional requirements when University travel is required or paid by a sponsored program activity. In particular, federal government grants are subject to government travel guidelines. For further information, consult the OSP website: <http://www.american.edu/provost/osp/index.cfm>.

VI. PERMITTED TRAVEL EXPENSES

1. Airline Travel

Whenever possible, coach or economy class accommodations should be used and travelers are expected to take advantage of advance purchase rates and educational consortium discounts for domestic flights. Travelers on international flights where one flight segment is longer than five (5) hours may fly business class. Furthermore, flights should be booked, using the least expensive fare via the most direct route, or other reasonable routing that results in the lowest fare possible. Traveling employees may retain frequent flyer program benefits. However, participation in these programs must not influence flight selection which will result in incremental cost to the University beyond the most economical airfare, as defined in this Policy. The University will not reimburse travelers for tickets purchased with frequent flyer miles.

2. Hotels

AU has negotiated discounted preferred rates (based on availability) with local hotels in the area. The University also participates in a network with other universities throughout the country which share their negotiated rates with us. Whenever possible, travelers should stay in a standard room at a non-luxury hotel, or at designated conference hotels with documented, discounted rates. If a traveler elects to stay at a private residence, the traveler will be reimbursed for a small gift or meal extended (in lieu of lodging) as a gesture of appreciation to friends and relatives for their hospitality. A host gift is reimbursable if the payment is less than the expense normally incurred and does not exceed \$75.

3. Ground Transportation

a. The most economical mode of transportation, such as shuttle services and public transportation should be used to and from air, rail or bus terminals, whenever possible. Private sedans or limousine services should be avoided unless there are enough people traveling together to make the expense more economical than other modes of transportation.

b. Rental Cars

AU has discounted car rental rates with Enterprise and Avis Rental Cars. These rates are lower than comparable rates with other major rental car companies and utilize educational consortium discounts. Travelers should use a rental car when other transportation is not available or when their use results in a cost savings. The size of the rental car should be the least expensive model (compact) consistent with the number of travelers, the business requirements of the trip, and safety of passenger. Minivans should be used only if transporting large or bulky material, OR four or more individuals are traveling together, or it is deemed reasonable by the Controller's Office. Travelers should decline the Collision Damage Waiver (CDW) and the Liability Damage Waiver (LDW) option, supplemental liability coverage, personal accident insurance and other additional insurance options when renting a car for business purposes. Such coverage is provided under the University's insurance policies and is not reimbursable. Any additional questions about car rental insurance should be directed to the Risk Management office at (202) 885-2706 . (<http://www.american.edu/finance/rmehs/autoliability.cfm>). Travelers must notify the Risk Management office AND the rental car company within 24 hours if an accident occurs OR as soon as practically possible. Student renters should use the University's corporate ID# W10939 for Enterprise Rent-a-car ONLY when all of the following conditions apply:

- School sponsored event
- Authorized by a school or department
- 21-25 years of age or older
- Possess a valid driver's license

c. Private Vehicles

Employees may use their personal car for business purposes if it is less expensive than other options, such as rental cars or taxis, or if it saves time. It is the personal responsibility of the owner of a vehicle being used for University business to carry adequate insurance coverage for their protection and for the protection of any passengers. Employees are not covered under the University's automobile policy when driving their vehicle for University business purposes. If driving a personal vehicle, your personal insurance covers vehicle damage and you are responsible for any liability or expenses incurred. When driving your own vehicle, the University will reimburse a mileage rate calculated on a per mile basis for the actual miles traveled. This mileage rate covers all transportation and operating costs of the vehicle, including gasoline and is based on the stated IRS rate in effect at the time of travel. Current IRS rates can be found at the following URL - (<http://www.irs.gov/uac/2013-Standard-Mileage-Rates-Up-1-Cent-per-Mile-for-Business,-Medical-and-Moving>). Additional reimbursement will be made for turnpike tolls, bridge tolls and reasonable parking fees. **The University will not reimburse employees for parking tickets, fines for moving violations or vehicle towing charges. No reimbursement will be made for vehicle repair costs regardless of whether it results from the traveler's acts or the acts of others.** Travelers who choose to use their own automobiles on a trip where air travel is more appropriate will be reimbursed an amount not to exceed the most economical air fare to the destination. Expenses associated with normal commuting between an employee's home and regular place of work are not reimbursable.

4. Rail Travel

a. Reserved/unreserved trains

Coach class on these trains is the least expensive mode of rail transportation and is the most appropriate for the vast majority of American University travelers. Reserved and unreserved commuter trains on the northeast corridor should be used for most Amtrak travel. Sleeping accommodations, if justified, may be utilized.

b. Amtrak Metroliner Service

It is up to each department head to determine if it is appropriate for someone to travel on a Metroliner train. Please note that Metroliner service is approximately twice as expensive as reserved/unreserved trains while only marginally faster. If Metroliner service is deemed appropriate, “Metro Business” is the permitted class of service. “Metro First” is considered first class and requires additional approval.

5. Meals

Business meals are defined as meal expenses incurred when conducting University business. Meal reimbursements will commence from the time you leave home until your return. Travelers will be reimbursed for personal meal expenses provided they are documented and reasonable. In general, meals should be taken at the most economical restaurant fitting the occasion. Three meals per day will be reimbursed, which include breakfast, lunch and dinner. If a meal is provided by a conference as part of the conference fees and a traveler elects to purchase a meal independent of the conference, such meals will be considered a personal expense and will not be reimbursed. A business meal also occurs when a University employee meets with business associates, professional colleagues, students and others over a meal during which a business discussion takes place.

6. Alcoholic Beverages

All University sponsored events at which alcohol is served, e.g. meetings, conferences, receptions, parties, retirements, fund raisers, etc., must be pre-approved using a signed Alcohol Approval Form. Purchase of alcoholic drinks on behalf of special guests and donors are allowed and reimbursable if incurred while conducting a University activity with a reasonable business purpose. For more information related to the purchase of alcoholic beverages, please see the Alcohol Policy listed on the [University Policies web page](#).

7. ADDITIONAL GUIDELINES

a. Spouse/Dependent Event Attendance and Travel

AU will not pay or reimburse business travel or expenses for family members who accompany AU employees or students on University business except in unusual circumstances. The appropriate VP or above must approve in writing, and in advance, any such circumstance.

b. Extended Travel

Reimbursement for meals, lodging and other expenses will normally be limited to expenses incurred a day prior to or after the meeting, conference or other business activity attended by the traveler. However, expenses incurred on additional days may be reimbursed if extending the period results in a reduced round trip air fare sufficient to cover the meals, lodging and other expenses.

c. Cancellation Refunds

If the University has prepaid an expense and the trip, event. Or conference is canceled, a refund should be sought. Once the refund is received, it must be deposited back into the account from which the prepayment was paid. The responsibility of ensuring a refund rests

with the individual departments and not the Controller's Office.

- d. **Enforcement-** If employees do not obtain the least expensive way of traveling then departmental budgets and the University is impacted negatively. The University may opt not to reimburse an employee for the full amount of the travel costs if the employee has failed to obtain the least costly method of travel. If an employee fails to consistently turn in original receipts or otherwise violates University Policy, reimbursement of costs may be at risk of not being reimbursed.

VII. APPROVED PAYMENT & REIMBURSEMENT METHODS

The University offers the following methods of payment to assist individuals who are required to travel or entertain on behalf of AU:

Preferred Travel Agency
AU VISA P-CARD
Purchase Orders/Prepayments
Cash Advances
Per Diems

These payment methods reduce the amount that any individual should have to pay out of pocket prior to being reimbursed by the University.

1. **Preferred Travel Agency** – [World Travel](#) should be used when booking business travel for AU Travelers. World Travel was chosen from among the leaders in the travel industry through a competitive sourcing exercise which included members of all University departments. Please [click here](#) for information to obtain a travel profile and to use World Travel

2. AU VISA PCard

The University makes available to full-time academic and administrative personnel who are required to travel or entertain on behalf of the University, an [AU PCard](#), subject to the immediate supervisor's approval. The PCard can be either a travel card, purchasing card or combination of both. The travel component of the PCard provides University employees with the ability to charge business-related expenses without impacting the spending limits of their own personal cards.

The card also allows the capture of travel data that assists in tracking travel patterns and negotiating savings opportunities on behalf of the University. The AU PCard purchasing card component may not be used to purchase goods and services which require a University purchase order, capital equipment, or items over \$500.00, unless prior authority has been secured.

When using your AU PCard for travel purposes, the following insurance is automatically included: (1) Business Travel Accident Insurance with coverage up to \$500,000 for AU travelers while on a business trip, and (2) coverage for lost, damaged or stolen baggage up to \$5,000. Independent flight insurance purchased by individuals is not a reimbursable expense. Travelers must notify the Risk Management office immediately if an accident occurs.

Employees, who have a travel PCard and need to travel internationally, are eligible to use their credit card for cash advances for reasonable out-of-pocket travel expenses. The preferred method of obtaining travel advances is via an ATM withdrawal using the traveler's AU-issued

Travel PCard. ATM advances should not be taken more than three days before the expected travel or expense. Cash advances at ATMs overseas are dispensed in local currency. ATM advances secured via the Travel Card must be accounted for within thirty (30) days following the end of the billing cycle in which they appear on a cardholder's monthly statement. For more topics related to the PCard, please click [TRAVEL PCARD](#)

3. Purchase Orders/Prepayments

“Prepayments” are payments to a third party for services to be rendered in the future. Such prepayments could be used for local caterers, restaurants and hotels where an expense will be incurred and a Performa invoice has been submitted for payment. All requests for payments or prepayments to vendors must be entered into the procurement system (Datatel) as a requisition with the appropriate proposal or back-up attached.

4. Cash Advance

A cash advance is the payment of funds to an authorized full-time employee prior to a University business trip or event. Travelers may request cash advances in the form of an AU accounts payable check issued within two weeks of travel dates. Allow at least three business days for check preparation. Travel advances must be accounted for on a Travel Expense Form and any excess advances repaid within thirty (30) days after traveler's return. Unaccounted travel advances may be deducted from employee's paycheck and/or have personal income tax consequences for the traveler.

5. Per diems

University employees may choose either to file for actual expense reimbursements or a per diem rate. A per diem is given to a traveler to cover lodging, meals, and incidental expenses in connection with the performance of services for the University. Travelers may not request actual expenses reimbursements for one portion of their trip and per diem for the remainder of the trip, except and only in the instance where meals are already included in a trip or part of a trip. Travelers who use per diem allowances do not have to substantiate each lodging and meal expense, but they must demonstrate that the trip occurred by providing an airline or hotel receipt. The following per diem rates are used for lodging, meals, and incidental expenses: <http://www.gsa.gov/portal/category/100120>. These rates cover both hotel and meals and are set by the Internal Revenue Service. Per diems may not exceed the federal per diem rate the specific location and duration of the trip. Independent contractors, alumni and other non-employees who perform services for the University may not use per diems except by prior written approval by the Controller of the University who only approves in rare cases. Travelers may choose to claim a combined per diem for lodging and meals or the per diem for meals and incidental expenses only. If the total actual lodging and/or meals are incidental expenses incurred for the duration of the trip are less than the total State department per diems for the same trip, travelers may claim a lower per diem rate and therefore, do not have to substantiate nor submit receipts for these expenses. When attending conferences or business meetings and events where meals are included as part of the registration or the program, travelers may not request a per diem reimbursement for those related meals and/or days, but show actual expenses incurred for non-covered meals.

Travelers who have and use the university's PCard for travel expenses may not charge their lodging and meals and incidental expenses to the PCard if requesting a per diem reimbursement. Incidental expenses are combined with meals into a single rate and includes but are not limited to: expenses for laundry, cleaning and pressing of clothing personal phone calls tips or gratuities for services (i.e.) waiters, baggage handlers.

VIII. REIMBURSEMENT PROCEDURE

A. Requirements- The authorized signer approving a travel expense reimbursement must verify that expenses and expense reports meet the following criteria:

- Travel and entertainment expenses or advances are incurred while conducting University business
- Information contained on the expense report and in the attached documentation is accurate and complete
- Expense meets any and all sponsor policies, if applicable
- Expenditure is charged to the proper account(s)
- Signer has authorization over the account being charged
- Signer cannot authorize reimbursement for his/her own expenses

Travelers must have their travel plans and expenses approved by their supervisor. Using the standard University Travel Expense Form, travelers must report and substantiate the amount, date and business purpose of all expenses within thirty (30) days upon completion of travel. Original receipts must be attached to the Travel Expense form, including a check for any cash advance amounts in excess of substantiated expenses. Unsubstantiated and unsupported expenses may not be reimbursed. Cash advances not accounted for within thirty (30) days after completion of travel may be deducted from employee's paycheck or considered taxable income to the employee. Travel and entertainment related expenses will be paid by the University if they are deemed to be reasonable, appropriately documented, properly authorized and within the guidelines of this policy.

B. Background- It is a University requirement to retain, for six years, all documentation supporting requests for reimbursement as defined in the [Records and Retention Policy](#). All P-Card transactions receipts should be retained by the Department's budget liaison, while all expense reimbursement receipts will be retained by the Accounts Payable Department.

Travel Expense Forms should be used for travel-related expenses and Disbursement Request Forms should be used for non-travel related expenses. An individual must submit a signed, fully complete and approved Travel Expense Form or Disbursement Request Form in a timely fashion (within the fiscal year), accompanied by the required receipts in order to be reimbursed.

All travel advances that are being reconciled must be listed on the completed Travel Expense Form or Disbursement Request Form. Faculty, staff and students should sign their own names to certify to the best of their knowledge that the information contained on the Travel Expense Form is accurate and that all claimed expenses are allowable and were incurred in the conduct of official University business.

The University will not reimburse travel and entertainment expenses that have been or will be reimbursed from any outside source.

All reimbursements will be made by check, payable to the faculty member, staff member, student or non-employee and will be sent to the requestor by method checked on the Form.

Individuals requesting reimbursement in U.S. dollars for expenses paid in foreign currency must provide the exchange rate being used and the U.S. dollar equivalent on all receipts (www.oanda.com).

The University will pay the travel costs of non-employees (job applicants, lecturers, consultants and other individuals) when the departments have agreed to do so and there is appropriate documentation.

A non-employee's signature is not required on the Travel Expense Form. Individuals requesting reimbursement must provide original receipts for all travel expenses.

If a company elects to be paid for travel-related expenses rather than the individual who traveled, they may do so.

In these cases the company must provide a detailed list of all expenses for which reimbursement is requested and attach it to an invoice or bill for services. It is not necessary for the company to provide original receipts with the invoice; however, the University reserves the right to inspect such receipts.

C. Missing or Lost Receipts- An individual that incurs expenses and subsequently loses a required receipt should seek a duplicate and submit it stating that the original was lost. When an acceptable duplicate cannot be obtained, some supporting documentation must be provided such as credit card statements. Along with the supporting documentation, an explanation must be provided stating that the original receipts have been lost, duplicate receipts cannot be obtained and the supporting documentation is all that can be provided to support the expense.

Travel Expense Forms that are incorrect or incomplete will be returned to the department with an explanation requesting the necessary corrections.

D. Partial Reimbursement- If an expense is being paid by more than one University or entity, copies of receipts may be provided along with a brief explanation. If a school/center has previously agreed to reimburse an individual up to a certain amount, that amount should be shown on the Travel Expense Form/Disbursement Request Form along with the accompanying documentation.

For more information see the account payable website

IX. EMPLOYEE RECRUITMENT

Please refer to the below link for more information on the [University Household Relocation Policy](#)

X. Appendix A- MISCELLANEOUS REIMBURSABLE EXPENSES

Individuals will be reimbursed for the following miscellaneous expenses incurred while on University business; this should be considered a partial listing:

- Business office expenses (faxes, copying services)
- Business phone calls
- Conference registration fees
- Currency conversion fees
- Gasoline (only if using a rental car or an University-owned vehicle AND in lieu of mileage)
- Ground transportation (taxi, bus, airport vans, etc.)
- Laundry/dry cleaning/suit pressing on trips exceeding five days
- Mileage on personal vehicles specifically to and from the airport
- Overnight package service when needed for business documents
- Parking and tolls
- Reasonable tips
- Required vaccinations for international travel
- Visa and passport fees
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XI. APPENDIX B- MISCELLANEOUS NON-REIMBURSABLE EXPENSES

The following are examples of non-payable/non-reimbursable expenses.

This should be considered a partial listing:

Airline club membership fees; annual membership for charge cards;

Fees, interest, and/or late charges associated with personal credit cards;

Car washes;

Clothing;

Commuting costs to/from home and normal place of business;

Costs incurred by unreasonable failure to cancel reservations;

Dependent care; lawn care; maid service; and pet care;

Entertainment under most federal grants and contracts;

Excessive tipping;

Fines or tickets resulting from traffic, parking, or other violations;

Golf or tennis court fees, membership in country, tennis, or golf clubs,

or any sporting equipment, except when part of a preauthorized group event;

Haircuts;

Life, accident, or flight insurance premiums;

Lost, broken, or stolen property;

Luggage or briefcases;

Meals when traveling locally on University business;

Newspapers, magazines, books

Expenses that have been or will be paid or reimbursed by an outside source.

- Passport application fees (new or renewal)
- Alcoholic drinks, except when appropriately authorized (see above)

Please contact Accounts Payable on ext. 2840 with any questions.

XII. APPENDIX C- QUICK REFERENCE TABLE FOR BUSINESS-RELATED EXPENSES

Business Expense	Allowable Costs	Receipt Requirements	Other
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Air Travel-Domestic	(1)Coach class or least costly consistent with the itinerary; (2)Upgrades at university expense are not permitted	(1) Original passenger receipt or coupon; (2) E-ticket or other proof purchase and boarding pass.	
Hotel	-single room rate; -Business telephone calls; -Luggage storage & tips for service; -Other allowable charges	Original receipt with line item breakdown, or copy w/explanation why original was lost.	
Automobile-Private	Current IRS rate	Mileage log submitted on a Travel Expense Form	
Auto-Rental	Use compact rates and the following preferred rental companies: (1) Enterprise(2) Budget (3) Alamo	Itemized rental car receipt including daily rate and other fees.	
Meals	Actual costs	1.Itemized receipt, 2. invoice, or 3. credit card statement or 4.Front and back of cancelled checks	Alcohol will not be reimbursed on Federal awards
Phone Calls	Actual cost, not monthly plan fees or percentages	1. Invoice or 2. Credit card statement itemizing calls and service fees.	
Train/Rail	Coach class, unreserved seats	1. Train/Rail ticket or 2. Coupon or 3. If e-ticket proof of purchase and boarding pass	
International Travel	Coach or business class airfare when any leg of the flight is longer than 5 hours	(1) Original passenger receipt or coupon; (2) E-ticket or other proof of purchase and boarding pass.	
Other/Miscellaneous	Actual Costs	1. Itemized receipt, 2. invoice, or 3. credit card statement or 4. front and back of cancelled checks	
Conference/Registration Fees	Actual costs including any educational discounts	Invoice or proposal with terms and conditions	Usually a prepayment

IV. EFFECTIVE DATE

Revised November, 2010

Revised September 18, 2012

Revised March 3, 2013

VI. SIGNATURE, DATE, AND APPROVAL

This policy needs to be signed by the appropriate officer (listed below) before it is considered approved.

Approved:

CFO, Vice President and Treasurer

Date Approved: