

ANDERSON UNIVERSITY

BUSINESS EXPENSE REIMBURSEMENT POLICY

POLICY TITLE: Anderson University Business Expense Reimbursement Policy

RESPONSIBLE DEPARTMENT: Business Office. Questions about policy content should be directed to Vanessa Tijerina, Assistant Treasurer and Controller, x4115.

RELATED DOCUMENTS: Credit Card Policies and Procedures; Credit Card/General Purchasing Reminders

ABSTRACT: Anderson University will reimburse reasonable and necessary expenses incurred by individuals in the conduct of official university travel and activities.

Policy Statement

This policy is intended to:

- provide a clear and consistent understanding of Anderson University's business expense reimbursement policy;
- ensure institutional compliance with applicable federal regulations;
- explain requirements that promote the reasonableness of costs incurred by Anderson University for travel and activities expenses.

This policy applies to all individuals who incur business expenses in the conduct of official university activities. The business expense program meets the Internal Revenue Service (IRS) definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not reported as taxable income to the individual.

Preferred purchasing methods at the university include the Anderson University MasterCard and purchase orders. Refer to the Business Office Guidelines for Operations (<http://www.anderson.edu/business/downloads.html>) for complete information on how to purchase goods and services at Anderson University. Anderson University discourages the use of personal credit cards and cash for university-related activities.

Both the person who incurs the expense and the person who approves reimbursement of the expense are responsible for ensuring maximum practical economy in the expenditure of funds. For purposes of determining economical purchases, the price paid by the individual is compared with the price that would have been paid by the university in a similar situation. When the price paid by the individual exceeds that which would have been paid by the university, the lesser amount will be reimbursed.

Anderson University appreciates the efforts of those who travel on University business to keep costs within reasonable limits and to follow consistent policy and procedures with respect to the reimbursement of these expenses. It is expected that all Anderson University faculty, staff, and students will exercise appropriate care in incurring such travel expenses. Only actual expenses incurred will be reimbursed. It is the responsibility of each individual incurring such expenses as well as the individual approving such expenses to comply with the University's policies and procedures as set forth within this document. Due to budget constraints, department chairs/budget directors may place more restrictive limitations on the amounts spent by their specific department or area if deemed necessary.

Individuals preparing MasterCard and/or Travel/General Expense Reports have the responsibility for applying the correct account to each receipt to ensure compliance with university requirements.

The University reserves the right to amend or revise policies and procedures at any time. Changes in policies and procedures will be readily distributed throughout the University community and are to be considered effective on their date of issuance.

IRS Regulations: IRS regulations require that employers have an "Accountable Plan" for the reimbursement or payment of business expense for employees. An "Accountable Plan" must include requirements for proper substantiation, a bona fide business connection and a timely return of amounts in excess of expenses. Payments not meeting these requirements would be considered

taxable wages to the individual receiving the funds and Anderson University would be required to pay FICA taxes on these amounts. Consequently, the University will only reimburse individuals for expenses which meet the requirements of an "Accountable Plan".

Exceptions: The Assistant Treasurer and Controller has authority to approve exceptions to provisions of this policy. Approved exceptions must be explicitly justified as beneficial to both the university and the individual and generally require the recommendation of the individual's department chair or budget director.

Responsibilities

Individual Incurring the Business Expense

Individuals should spend university funds prudently. Business expenses will be paid by Anderson University only if they are reasonable, necessary, and in accordance with this policy. Individuals who incur business expenses should neither gain nor lose personal funds as a result of their activities.

The individual is responsible for submitting all forms related to his/her business expense within 30 days of incurring the expense. The individual may delegate responsibility for preparation of the forms but will always retain accountability for business expenses. Individuals preparing expense reports have the responsibility for applying the correct account to each receipt to ensure compliance with university requirements.

For business travel, the use of actual daily meal costs is preferred. For students and certain groups, per diem rates (no receipts required) are acceptable. See the per diem rate guidelines later in this document.

Itemized, dated, original receipts are always required for all travel.

Authorized Departmental Approver

All forms related to business expenses must be approved by the department chair/budget director or designee with appropriate decision-making authority. The authorized approver is responsible for verifying the following:

- Business purpose of the expense is valid and directly related to official university business.
- Total cost of the expense is within the approved budget.
- Expenses are charged to the proper department and account(s).
- Deans and Vice Presidents should not sign their own Travel/General Expense Reports. The Vice President for Finance will sign all executives' Travel/General Expense Reports except for her own, which shall be signed by the President.

Authorized Central Reviewer

All forms related to business expense must be approved by an authorized central reviewer (accounting staff member) in the Business Office. The authorized reviewer is responsible for ensuring compliance with this policy and must verify that expenses are reasonable and meet the following criteria:

- Information contained on the travel request, expense report and in the accompanying documentation must be complete, accurate, and in accordance with this policy.
- Expenses must conform to any requirements imposed by the IRS or granting agencies as applicable.
- Expenses must be charged to the proper department and account(s).
- Authorized reviewers may not authorize reimbursement of their own business or travel expenses.

Anderson University MasterCard

Anderson University utilizes Fifth Third Bank to issue credit cards to university employees for charging university-related business expenses, including travel. This MasterCard is the preferred method of payment for all non-capital purchases and travel expenses. See the Anderson University Credit Card Policies and Procedures and the Credit Card/General Purchasing Reminders documents for further guidelines. (<http://www.anderson.edu/business/creditcardpolicy.pdf>) (<http://www.anderson.edu/business/genpurchasingreminders.pdf>)

Capital Assets

A capital asset is any item that costs \$5,000 or more at the time of purchase and has a useful life of three years or more. There are a number of special requirements for purchasing capital assets, as well as for recording its purchase that are effective whether or not the asset is funded by operating or restricted account funds. To ensure that these requirements are met, capital assets must be purchased using a purchase order as defined in the Business Office Guidelines for Operations.

(<http://www.anderson.edu/business/downloads.html>) Individuals will not be reimbursed for purchases of capital assets unless prior approval has been granted by the Assistant Treasurer and Controller.

Cash Advances

The university encourages individuals to utilize an Anderson University MasterCard to pay for business and travel expenses. However, there may be times when a cash advance for incidental business or travel expenses is required. Cash advances are funds given to an individual that are used to pay for incidental expenses incurred on university business. These advances are the sole responsibility of the individual, and such funds should be safeguarded from loss or misuse. Advances are recorded as a loan to the employee until the employee settles the advance through submission of the Travel/General Expense Report. A department budget is not charged for expenses until the individual submits final receipts along with the Travel/General Expense Report to the Business Office.

Requests for travel cash advances may be made by submitting an approved requisition form no more than two weeks prior to the date funds are needed. The traveler must sign the advance form and secure approval from his/her department chair or budget director. Travel cash advances will be made up to \$50 per each day of travel up to a \$500 per trip maximum. Travel cash advances will be issued to the traveler via direct deposit. Amounts requested in excess of \$500 or advances required prior to two weeks before the trip will require the approval of the Assistant Treasurer and Controller.

A travel cash advance should not be requested for expenses that can be paid directly by the university either by check or by using the Anderson University MasterCard (registration fees, airfare, hotel, etc.).

Individuals receiving cash advances are required to account for them within thirty (30) days of the expenditure, or the end of their trip and their return to the university, by completing the Travel/General Expense Report. The IRS requires that expenses be substantiated and amounts exceeding expenses be returned (reimbursed) within a reasonable time. Cash advances not cleared within 120 days from the date the money was received are considered to be personal income by the IRS. If the Travel/General Expense Report is not received within 120 days, the Business Office will advise the individual of his or her past due status and the monies will be reported as taxable income on the individual's W2. No further cash advances will be issued to an individual that has an over-due cash advance.

Entertainment

The University will reimburse faculty, staff and students for approved, necessary, and reasonable entertainment expenses if such activity was directly related to University business and was conducted for the benefit of individuals outside the University who were present.

Civic and professional club membership fees are reimbursable when the University's need for the memberships can be demonstrated. The club's membership criteria must be consistent with the University's non-discrimination policy: Club membership will be reimbursed with approval of the Chair, Dean, or Vice President. Every effort should be made to share memberships in order to avoid duplicate fees. When requesting reimbursement for membership fees on a Travel/General Expense Report, indicate the percentage of business-related use of the club. The University must report the percentage of the reimbursement not business-related as taxable income to the employee.

University policy prohibits reimbursing expenditures for alcoholic beverages under any circumstances. Federal regulations prohibit the University from reimbursing expenditures for entertainment, alcoholic beverages, and club memberships with Federal funds under any circumstances. Costs of all entertainment and club memberships must be segregated as defined in the Travel/General Expense Report and funded from non-government accounts.

Laundry

Travelers will be reimbursed for reasonable and actual expenses for laundry services that are necessary due to an absence from home for five or more days or when unusual and documented circumstances mandate these services. These circumstances should be documented on the Travel/General Expense Report.

Lodging

Anderson University will reimburse a traveler for allowable lodging expenses incurred during university-related travel.

Lodging Receipts

As with other travel expenses, lodging receipts are always required. A lodging receipt must include all of the following information:

1. The name and location of the lodging establishment.
2. The dates of stay.
3. Separate amounts for charges such as lodging and meals.

Room Charges

Anderson University reimburses travelers for the single occupancy cost of a standard room. Travelers should always select a hotel that is the most economical for their business trips. When traveling to a conference, it is appropriate to stay at the hotel hosting the conference, assuming that the daily rate is not unreasonably expensive relative to other alternatives. In-room movies are not reimbursable.

Deposits and Cancellations

Hotels normally hold a room without prior financial commitment until approximately 6:00 p.m. on the check-in date (local destination time). In order to hold a confirmed reservation beyond that hour, the hotel will generally require an advance deposit (normally prepayment for one night) or a guarantee by the traveler's credit card. After a deposit is submitted or a guarantee is made, the traveler is responsible for notifying the hotel of cancellation. The traveler will not be reimbursed for the deposit or guarantee penalty if he/she fails to make a cancellation notification unless there are extreme extenuating circumstances beyond the control of the traveler (for example, a canceled flight). Such circumstances must be documented on the expense report.

Some hotels hosting large conferences may require a prepayment irrespective of the guest's arrival time. Such prepayments should generally be charged to the traveler's Anderson University MasterCard. If the traveler cannot use the card, the prepayment can be made directly by the university to the hotel through submission to Accounts Payable of a requisition form.

Hotel Frequent Guest Programs

Business travelers will not be reimbursed for accommodations awarded in connection with hotel frequent guest programs.

Lodging in Private Residences

The University will reimburse expenses, not exceeding \$50 per night, incurred extending appreciation to hosts for their hospitality by those traveling on business that stay in a private residence.

Meals and Incidentals

Traveling

Anderson University will reimburse a traveler for allowable meal and incidental expenses incurred during university-related travel.

Department managers may choose to specify meal and incidental per diem rates that are lower than those in this policy for budgetary control purposes. If they choose to do so, this should be communicated in advance to the traveler.

Incidental expenses include fees and tips for persons providing services, such as food servers, hotel housekeeping, and luggage handlers. Incidental expenses do not include ground transportation, telephone calls, or laundry. These expenses will be reimbursed based on actual costs as described herein.

Meals and incidentals on lodging receipts must be itemized separately.

Meal Reimbursement

The university will generally reimburse travelers for three meals per day. On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel.

While department managers may set lower meal limits than the university guidelines, the university suggests the following meal reimbursement guidelines:

1. Total meal expense for the day should generally be in line with the average per diem level of \$40. (Suggested guidelines: Breakfast - \$8.00; Lunch - \$12.00; Dinner - \$20.00)
2. Itemized restaurant receipts are required for each meal expense.
3. Individual meals over \$30 should include justification.

The university will not reimburse for gratuities that are greater than the accepted standards. (Currently, the domestic standard is 15-20% of the total bill; international standards may vary.)

Expenses for Meals for Others

Individuals sometimes pay for meals for others. These expenses are reimbursable when the name(s) of the meal attendees are listed and the business purpose of the meal is justified. If more than five people besides the university employee are in attendance, the individual may list only his/her name along with the number of other people at the meal.

Meal Receipts

Original, restaurant receipts should include the following information:

1. The itemization of goods purchased.
2. The names of persons involved in the meal (if 5 or fewer total).
3. The date and amount of expense.
4. The business purpose of the meal.

A credit card receipt without itemization is not sufficient documentation for meal expenses.

Gratuities should be shown on the credit card receipt or restaurant receipt.

One-Day Travel

In instances where overnight travel is necessary, the University will pay for the meals where the traveler is away from campus. When travel away from campus begins and ends on the same day (e.g. to attend a seminar in Indianapolis), the employee is entitled to be reimbursed for lunch only, unless the event, including travel time, extends beyond normal work hours.

Local Business Meals

Faculty, staff, and students may be reimbursed for an approved, necessary, and reasonable local business meal expenditure. Suggested guidelines for local business meal expenses, excluding tips, are \$8 for breakfast, \$12 for lunch, or \$20 for dinner, per person.

Business meals are those taken with guests, colleagues, or donors, during which focused business discussions take place. Business meals are also those taken with other employees when, to ensure confidentiality, business must be conducted off campus. When authorized by a department, business meals may also be taken with other employees for reward, recognition, or other appropriate business purpose. Meals with vague, unfocused purposes (such as "to foster collaboration between departments") do not satisfy the criteria of legitimate business purpose.

The focused purpose of a business meal (such as “to plan activities for the first day of freshmen orientation”), the type of meal (breakfast, lunch or dinner), and a list of attendees (or a number, if there are more than 5 names) must be clearly documented on a Travel/General Expense Report.

Miscellaneous Expenses

Certain miscellaneous expenses essential to the purpose of authorized travel will be reimbursed. Miscellaneous expenses include:

- **Meeting Expenses:** Registration (if not prepaid), costs of presentations, published proceedings, rental of meeting rooms, and other actual expenses in connection with professional meetings, conferences, and seminars will be reimbursed.
- **Baggage:** Charges for one checked bag are reimbursable. Charges for additional baggage are reimbursable only when the traveler is transporting university materials or when the extended period of travel necessitates excess personal baggage.

Non-business Days

Weekends, holidays and other necessary layover days may be counted as business days only if they fall between business travel days. If they are at the end of a traveler's business activity and the traveler remains at the business destination for non-business reasons, reimbursement is not allowed for the additional days. The only exception is when travel is at a lower total cost if the traveler stays over a weekend or holiday. This case must be explicitly justified on the Travel/General Expense Report.

Non-reimbursable Expenses

Cash Gifts

Under no circumstances will individuals be reimbursed for cash gifts (cash or personal check) given to employees, students or guests.

Non-Cash Gifts

Any non-cash gift (jewelry, clothing, office accessories, etc.) with a value greater than \$50 must be purchased directly with university funds and recorded as taxable income to the recipient. A W9 should be provided to Accounts Payable for inclusion in the recipients' 1099 at year end. Under no circumstances will individuals be reimbursed for non-cash gifts given to employees.

Employee achievement and retirement awards will be given exclusively through the Human Resources Department. An employee achievement award is tangible personal property that meets all the following requirements and as such will not be counted as taxable income:

- It is given for length of service of five years or greater, no more frequently than every five years.
- It is awarded as part of a meaningful presentation.
- It is awarded under conditions and circumstances that do not create a significant likelihood of disguised pay.

No gifts to employees, including students, should be charged to any department operating or restricted account, with the exception of Human Resources as noted above.

Other Non-reimbursable Expenses

In addition to the items noted above, the following expenses are not reimbursable under this policy:

- Alcoholic beverages
- Car rental insurance purchased for domestic travel
- Child care
- Dues in private clubs where no business purpose exists
- Frequent flier and other similar awards for hotel and car rentals
- Gym and recreational fees, including massages and saunas
- Insurance costs such as life insurance, flight insurance, personal automobile insurance and baggage insurance
- Laundry or valet service for travel of fewer than five days

- Loss or theft of cash advance money, airline tickets, personal funds or property
- Lost baggage
- Movies (in-room, rental, or theatre)
- "No-show" charges for hotel and car service
- Parking tickets or traffic violations
- Personal automobile repairs
- Personal grooming services, such as barbers, hairdressers and shoe shines
- Personal telephone charges in excess of reasonable calls home, generally one per day
- Pet care
- Snacks
- Upgrades (air, hotel, car, etc.)

Per diems

Per Diem Reimbursement

Receipts and detailed documentation are not required when requesting reimbursement of meals and incidentals using the per diem option. The following apply using the meal and incidentals per diem method of reimbursement:

Per Diem Rates

The university will reimburse meal and incidental expenses based on the per diem rate for the geographic region where the expenses are incurred. The university's reimbursement rate for domestic travel is based on the General Services Administration-maintained Web site of domestic per diems by geographic area, at <http://www.policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd02d.html>. Consult that site for the per-diem rate of the destination city or region.

Per Diem Meal Reductions

On the days of travel to or from the destination, per diems should be adjusted for the individual's departure and return times, to exclude any meals not incurred during the time of travel using the reduction schedule below.

The university's meal and incidental per diem will be reduced to account for meals furnished at no cost or nominal cost to the traveler. If meal costs are provided in the cost of a conference, those meals should be deducted from the per diem rate following the reduction schedule below.

The percentage rate for reductions is:

Meal	Amount
Breakfast	20%
Lunch	20%
Dinner	55%
Incidentals	05%

Receipts

Required Receipts

Receipts for lodging are *always* required. All other expenses require dated, original receipts that must be submitted with the Travel/General Expense Report.

Incidental Expenses

Small dollar expenses (such as tolls, or tips to bellhops or taxi drivers) do not require receipts. However, the amounts claimed must be accurate.

Lost Receipts

If any receipt equal to or greater than \$25 is not issued or is lost, a lost receipt form (available at <http://www.anderson.edu/business/downloads.html>) must be submitted detailing the following:

- 1) Date of transaction
- 2) Amount of transaction
- 3) Vendor (store/restaurant/etc.)
- 4) Item purchased
- 5) Business purpose
- 6) Persons entertained (if meal and five or fewer individuals)

The university expects that a good faith effort will be made to collect and retain all required receipts. A detailed lodging receipt is always required. An individual should avoid using a lost receipt form unless absolutely necessary. Receipts are always the preferred form of documentation.

Reimbursable Expenses

The following are reimbursable expenses under this policy:

- Retail purchases of supplies, books and other low-cost items required for business purposes.
- Our preferred provider for office supplies is OfficeMax. Purchases may be made on-line with next-day delivery. Purchases of office supplies through other means should be by exception only. Regular, systematic purchases of office supplies through other providers will not be reimbursed.
- Expenses associated with business meetings. These are authorized as long as the expenses are reasonable and directly connected with university business. Names of meeting attendees, if five or fewer, are required; if more than five persons attended, it is sufficient to list the number of attendees.
- Expenses incurred by university employees, including employees who incur expenses on behalf of another (for example, a student), and non-employees. These may be reimbursed from university funds if the expenditures have a direct connection with university functions and purposes.
- Reasonable expenses for improvement of working conditions, employer-employee relations and employee performance recognition. Examples of items in this classification include employee morale activities such as a holiday party, summer picnic, employment anniversary celebration or retirement party. It is important to identify on the expense report the purpose of employer-employee relations expenditures and the names of individuals or groups involved and to secure approval of the area Vice President or Dean for such expenditures.
- Non-cash gifts for non-employees. The university may give gifts to lecturers or speakers to show appreciation for their time spent with the university community. The value of the gift should be reasonable (not more than \$250) and be awarded under conditions and circumstances that do not create a significant likelihood that the gift is disguised pay. In this and similar cases, individuals can purchase gifts with personal funds for the guest and request reimbursement from the university with department approval.

Sales Tax

Anderson University is incorporated as a 501(c) (3) non-profit organization and is exempt from Indiana state sales tax. All purchases on behalf of the university should reflect this status and be net of sales tax. Tax exempt forms are available in the Business Office and

at <http://www.anderson.edu/business/downloads.html>. The University will not reimburse individuals for payment of Indiana state sales tax.

Technology

Travelers will be reimbursed for fax and computer connection costs that are reasonable and necessary for conducting university business.

Transportation

This section contains information on reimbursable transportation expenses.

Domestic Travel

Domestic travel is any travel within and between any of the 50 states of the United States and its possessions and territories. Travel to Mexico and Canada is also considered domestic.

Transportation Tickets

Passenger copies of transportation tickets are required for all expenses. For electronic tickets, obtain proof of payment from the travel agent or website or obtain a passenger coupon at the ticket counter.

Transportation receipts should include dates, destinations, and amounts.

Air Travel

Travelers must purchase the lowest-priced tickets available using a commercial discount airfare or customary standard (coach or equivalent) airfare.

Exceptions may be allowed if the lowest-priced fare would:

- require circuitous routing;
- require travel during unreasonable hours;
- excessively prolong travel;
- greatly increase the duration of the flight;
- result in increased costs that would offset transportation savings;
- be inadequate for the medical needs of the traveler.

Justification for any of the aforementioned exceptions must be approved in advance by the Assistant Treasurer and Controller and should be documented on the Travel/General Expense Report. In the unusual event that Anderson University approves business-class or first-class travel based on factors other than those listed above, the difference between the actual airfare and the lowest-priced fare must be coded as an unallowable expense. Travelers should make reservations as soon as travel plans are finalized to obtain advance purchase discounts.

Upgrades

An upgrade at the expense of Anderson University will not be reimbursed. A free upgrade must be noted on the Travel/General Expense Report submitted for the respective trip to demonstrate that the university did not pay for the upgrade.

Frequent Flier Programs/Advance Purchase of Miles

Anderson University does not reimburse travelers for tickets purchased through personal frequent flier miles or for advance purchase of travel miles (VIP Miles).

Reimbursement of Early Airfare Purchase

Travelers should have their transportation tickets paid directly by their Anderson University MasterCard. If transportation tickets are purchased with personal funds far in advance of the trip, travelers may be reimbursed by submitting a Travel/General Expense Report before the start of their trip.

Rental Cars

Long distance travel by rental car is discouraged, since it increases travel time and places the university at higher risk for business travel accident liabilities.

Anderson University has a fleet of vehicles that should be used in lieu of a rental vehicle when availability exists. A traveler should work with the Physical Plant to secure a rental vehicle should it be needed. Pricing for rental vehicles is billed as an internal transfer from the Physical Plant. Any expenses incurred through cancellation of a rental vehicle will be passed on as direct costs to the department of the traveler. As a general rule, a compact or standard-size car should be used for business travel. Upgrades to full-size cars can be approved by the departmental manager if a detailed explanation (for example, number of persons, luggage accommodations, length of commute between airport and destination) accompanies the receipt. Before renting a car, the traveler should consider shuttle services and taxis, particularly for transportation between airport and lodging. Mileage is not reimbursable for rental cars. In these cases, the direct cost of gasoline may be reimbursed.

Car rental agreements for both employees and non-employees renting cars for university business should, for insurance reasons, include "Anderson University" with the name of an individual. Use of the Anderson University MasterCard serves this purpose for employees since both names appear on the charge card.

Accident Notification

If a rented vehicle is involved in an accident, the Executive Director of Facilities should be notified at x4000 no later than the following business day.

Insurance

For the traveler to be covered by the rental agency's basic insurance, the rental vehicle may not be driven by persons other than the renter or leave the state in which it is rented without the agency's permission.

Other Ground Transportation

Travelers should select the most cost effective means of ground transportation, whether shuttle, taxi, limousine, or local bus, as needed to travel between business locations.

Private Automobiles

Anderson University will pay a standard rate per mile for official university travel by private automobile based on the actual driving distance by the most direct route, or round trip from Anderson University, whichever is less. Contact the Business Office for the current rate. The rate is in lieu of all actual automobile expenses such as fuel and lubrication, towing charges, physical damage to the vehicle, repairs, replacements, tires, depreciation, insurance, etc. If a private automobile is used for a trip, the transportation expense should not exceed the comparable cost of airfare for the trip. Reimbursement for gasoline in lieu of mileage is not permitted. A department may reimburse at a rate lower than the current university rate if the traveler is notified in advance and agrees to the proposed reimbursement rate.

In addition to the standard mileage allowance, necessary and reasonable charges for the following automobile-related expenses are allowed: tolls, ferries, parking, bridges, and tunnels. Traffic ticket and parking ticket expenses will not be reimbursed.

Travel: Combining University and Personal

Anderson University does not pay travel expenses that are not required for official university business.

Indirect Routes

If the traveler takes an indirect route or interrupts a direct route for other than university business, reimbursement for air fare will be at either the actual charge or the charge that would have been incurred by traveling the direct route by the most economical means, whichever is less.

Rental Cars

Any personal portion of the cost of a rental car must be subtracted from the total rental bill before requesting reimbursement. The personal portion is calculated by prorating the cost of the rental over the number of days for personal use and number of days for business use.

Insurance

If the traveler accepts extra insurance cost for a domestic car rental in order to be covered during the personal portion of the trip, the entire cost of the insurance coverage for the entire rental period will be a personal expense and not reimbursable.

Travel: Spousal Expenses, and Others

In general, the expenses of a spouse, family, or others accompanying the business traveler are not reimbursable.

Spouse's Role

The university will not reimburse spouse's travel expenses when a spouse or other person attends a meeting or conference and has no significant role or performs only incidental duties of a clerical, secretarial or medical nature. Such attendance does not constitute a valid university business purpose.

When a spouse who attends a function has a significant role in the proceedings or is involved in fundraising activities, this constitutes a valid university business purpose. Prior to travel for fundraising purposes, all reimbursed spousal travel must be approved by the President or the Vice President for Finance. In such cases Anderson University will reimburse the business traveler for the spouse's non-personal expenses directly resulting from travel on university business. The business purpose for the spouse's expenses must be stated on the Travel/General Expense Report. Other expenses for spouses of travelers, if reimbursed as an approved exception, are taxable and included on the employee's payroll records as taxable income if they are not reimbursed directly to the university by the traveler.

Hotel Rates

When a double hotel room is occupied by the business traveler and others whose attendance does not constitute a business purpose, Anderson University will reimburse at the single room rate. In all cases, only reasonable and necessary accommodations will be reimbursed.

Visitors Traveling to Anderson University

If a guest is visiting Anderson University for business purposes and Anderson University has agreed to reimburse the guest for travel expenses, the guest may request reimbursement under this policy and avoid taxable income reporting under the university's accountable plan. Any guest, visitor or consultant requesting reimbursement but not substantiating expenses as required under this policy will be subject to taxable income reporting on IRS Form 1099 and may be subject to withholding of federal income taxes from the reimbursement.

Payments to Local Hotels and Transportation Services

If a guest is visiting Anderson University for business purposes and Anderson University has agreed to provide lodging and local transportation, payment for such expenses can be made directly by the university to a local hotel or licensed transportation service. The guest may also pay for expenses directly and submit a Travel/General Expense Report following the provisions of this policy.

Questions

General questions related to this policy should be directed to Vanessa Tijerina, Assistant Treasurer and Controller (x4115).

Other Sources of Help

Business Office, x4001
Office of Facilities, x4000

Related Web Sites

Anderson University Business Office (for forms, etc.): <http://www.anderson.edu/business/downloads.html>

General Services Administration domestic per diems: <http://www.gsa.gov>

IRS Travel, entertainment, gift and car expenses: <http://www.irs.gov/pub/irs-pdf/p463.pdf>

IRS Per Diem Rates for travel within the Continental United States: <http://www.irs.gov/pub/irs-pdf/p1542.pdf>

Approved by: Executive Committee of Board of Trustees

Date: March 1, 2010

Revised: March 14, 2012