

# Webster University

## Travel and Expense Policies

### **800.00 PURPOSE:**

These policies apply to all who incur travel and other business-related expenses paid by Webster University, regardless of the source of funds. The University will only reimburse for reasonable travel, meals, lodging and out-of-pocket expenses incurred in the transaction of University business.

While this document is intended to be comprehensive, it is impossible to anticipate every situation encountered by a traveler. The University expects that all staff and faculty members will exercise good business judgment and act in accord with both the word and spirit of these policies and procedures. Items of an unusual nature must be discussed with the Finance Department before the submission of expenses. Any exceptions must be approved by the President or the Vice President of Finance and Administration, in advance and in writing. This pre-approval must be included with the request for reimbursement. Departments and Schools are free to implement more restrictive policies and procedures.

Webster University's travel must meet the IRS definition of an "*accountable plan*." As a result, travel reimbursements do not have to be reported as income to the traveler. Under the accountable plan, reimbursement of expenses must meet these two requirements:

1. Reimbursements must be made for business expenses only and must be related to the actual expenses the employee has incurred.
2. Travelers must provide a statement substantiating the amount, time, use, and business purpose of expenses within a reasonable time (not to exceed sixty days) after the expenses are incurred. Original receipts are required for every expenditure regardless of the amount.

In order for business travel expense reimbursements to remain tax-free to the employee, these policies must be adhered to.

Each employee must account for his/her expenses separately.

### **801.00 Policy**

Webster University will pay all reasonable expenses associated with university related travel. To be entitled to payment and/or reimbursement all trips must be approved, properly documented, and in accord with this policy.

### **801.00 Corporate Card Program**

Webster University uses the Commerce Bank Visa Purchasing Card to manage its travel expenditures. The Purchasing Card is the primary payment vehicle for all travel and entertainment expenses incurred by University travelers.

Each individual cardholder is responsible to report all charges made on his/her card. Refer to the Purchasing Card Policy for specific guidelines regarding the usage and reporting requirements.

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The University-issued Purchasing Card should not be used for personal (non-business) purchases. Mis-use of an employee's Purchasing Card can result in card revocation and/or disciplinary action.

### 802.00 Travel Agency Services

Faculty and staff traveling on University business are to make all travel arrangements through the University's official travel service provider, Gwins Travel. They have been contracted to provide complete travel services to the University community, this includes air, hotel and car rental for both domestic and international travel. Gwins can also handle personal, leisure travel however individuals will be responsible for any and all fees.

### 803.00 Air

Travelers must book the *lowest priced coach class airfare available, this applies to both domestic and international travel*. Consolidator tickets will be reimbursed at the actual price paid by the traveler. Consideration should be given to possible penalties imposed by the carrier by comparing the cost of the penalties against any potential savings.

Travelers are encouraged to consider reasonable alternative times/dates/routes for travel to achieve the lowest cost. Airfare costs in excess of the lowest available commercial discount airfare or customary standard (coach or equivalent) airfare on a U.S. carrier are not allowed except when such accommodations would:

- require circuitous routing
- require travel during unreasonable hours
- excessively prolong travel
- greatly increase the duration of the flight
- be inadequate for the medical needs of the traveler

Exception reports will be generated and distributed noting those who are traveling outside this policy.

As a convenience to travelers without a University-issued Commerce Bank Visa Purchasing Card and to avoid any personal hardship on travelers' cash flow, University travel air tickets will be charged directly to a budget unit through the University's official travel service provider. All tickets charged directly to a budget unit must be submitted on a properly approved *Expense Report* including the passenger receipt subsequent to travel.

The use of aircraft owned or rented and operated by the traveler on University business is strictly prohibited.

Individual dues paid for membership in an airline or other travel related clubs are **NOT** reimbursable.

*Frequent Flyer Awards* — Webster University will not reimburse travelers for tickets purchased with frequent flyer miles. Accumulated awards remain the property of the traveler; however, if a traveler arranges a more expensive flight solely based on a Frequent Flyer program, the traveler is responsible for the difference in cost. Frequent Flyer bonus awards are not to be the deciding factor when selecting flights.

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### 804.00 Lodging

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

Hotel arrangements should be made through the University's official travel service provider. The minimum Corporate Rate should always be requested. Rooms can be guaranteed to the traveler's Commerce Bank Visa Purchasing Card. Travelers will not be reimbursed for "no show" charges, unless extenuating circumstances are explained and approved by a Vice President.

Many hotels have frequent guest programs that reward travelers with free accommodations in exchange for a specified number of paid room nights at the hotel. Webster University will not reimburse travelers for the value of free accommodations used for business travel.

### 805.00 Car Rental

The University has discount arrangements with Enterprise Car Rental. This company, and applicable discount rates, should be used when possible. The University's official travel service provider can access current rates and assist in reserving a rental car at the best rate. In the event that "special rates" are available, they should be used when they are more economical than the negotiated rates.

The use of a rental car should be justified as an economical, business necessity. All rentals should be at the Corporate Rate or the lowest possible rate per day. When traveling in groups, sharing of cars is encouraged to reduce costs.

Fuel costs will be reimbursed based upon actual fuel purchased, not mileage. Original receipts are required for reimbursement.

Use of a mid-size, 4-door vehicle or smaller is encouraged for most travel. Use of a higher class vehicle is acceptable to accommodate several travelers with luggage riding together or if special circumstances warrant. Travelers must obtain the appropriate approval before booking a higher class vehicle. These circumstances should be noted on the traveler's *Expense Report*.

### 806.00 Personal Automobile

Rental cars should be the primary means of ground transportation for University related business. The traveler's personal automobile should only be used for short trips in and around the University. Individuals electing to use a privately-owned vehicle instead of air travel must fully document the cost savings including mileage, tolls, meal and hotel expense, versus the price of the lowest available flight and secure the appropriate approval prior to traveling. Personal automobile expenses will be reimbursed at the University's established mileage rate in effect, which is designed to cover gas, oil, and all other fixed costs such as insurance and depreciation. **Total reimbursement for use of a personal vehicle will not exceed the cost of either a rental car (plus fuel) or discounted airfare, whichever is less.** When traveling on University business, the departure and termination point for determining the actual mileage will be the lesser

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of the mileage from the University or from the traveler's home using the most direct route. Tolls and parking fees are reimbursable. Car wash expenses are not reimbursable.

Reimbursement for meals and expenses other than for transportation will be limited to that time applicable to a commercial air flight.

### **807.00 University Vehicle**

When using a University vehicle for business travel, fuel and oil expenses will be reimbursed at the actual costs, supported with original receipts, paid by the traveler, not the mileage rate. The use of a University vehicle should be noted on the *Expense Report*. Tolls and parking fees are also reimbursable with original receipts for these expenses.

University policy is that no one under the age of 21 or who has a bad driving record can operate an owned, leased or rented University vehicle

### **808.00 Taxi and Other Local Transportation**

The cost of taxis or other transportation to and from hotels or airports in connection with business activities is reimbursable. Airport parking over any long-term is to be avoided. More cost-effective alternative arrangements for travel to airports must be considered when airport parking charges will exceed the cost of a round-trip taxi or limousine service.

### **809.00 Car Rental Insurance**

Collision damage insurance (sometimes referred to as CDW or LDW), personal accident insurance (PAI), and liability insurance supplement (LIS) must be declined when traveling within the United States; if elected, this insurance is **not** reimbursable. However, when traveling outside the United States, this coverage should be selected and is reimbursable.

For short term vehicle rental agreements, the University's auto property insurance will cover the cost of damage to a rental car as well as any other vehicle(s) and their driver(s)/passengers. The Department (or individual) renting the vehicle will be responsible for any applicable deductible (presently \$1,000). The University's insurance carrier reserves the right to subrogate against the drivers auto insurance. For long term vehicle rental and lease agreements, the University covers the vehicle under the auto property and auto liability insurance policies and accepts the responsibility for the driver's actions just as though the vehicle was owned by the University. Employees' who opt to use their own vehicles on University business are afforded a mileage reimbursement which is meant to cover all related expenses up through and including all necessary insurance coverages.

Some states and/or car rental agencies require travelers less than 25 years of age to obtain insurance. If the insurance is required, with prior written approval from an AVP level or above, it is reimbursable.

Questions regarding car rental insurance should be directed to Webster University's Risk Management at 314-968-5969.

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### 810.00 Car Rental for Travelers Less than 25 Years of Age

There are certain restrictions for travelers less than 25 years of age. In general, Webster University has contractual agreements with Enterprise that allow travelers over the age of 21 to rent cars if valid identification as a University employee (i.e., the Commerce Bank Visa Purchasing Card or an employee identification card) is presented. Travelers under age 25 should inform the travel agent of their age when making car rental reservations.

Special arrangements can be made through the University's official travel service provider to rent cars for travelers under the age of 21 and for travelers who do not have a credit card.

### 811.00 Meal and Entertainment Expenses

Webster University will reimburse travelers for reasonable meal expenses (breakfast, lunch, dinner) incurred while traveling or entertaining on University business. Travelers will be reimbursed for personal meal expenses according to actual and reasonable costs accompanied by original receipts.

#### Actual Meal and Entertainment- Business Guests

According to IRS guidelines, meal and entertainment charges for business guests are reimbursable when names, positions or titles, and the organizational affiliation of the guest(s), along with the business purpose are indicated on the Expense Report or supporting documentation. An **original** receipt must be submitted with the Expense Report for any individual meal or entertainment expense regardless of cost.

When two or more University personnel incur a meal or entertainment expense, the senior-most staff and/or faculty member will be responsible for paying the bill and reporting the expense.

*NOTE: Original documents must be submitted as support for expenses. Photocopies of invoices, credit card statements or record of charge slips accompanying the monthly billing statement, receipts or restaurant stubs are not acceptable unless the original document was lost and a signed memorandum is attached to the Expense Report giving full explanation of circumstances.*

A receipt is defined as a written acknowledgment that a specified remittance, article or delivery has been made. At a minimum, the name of the payee, date and amount should appear on the receipt. Any unusual items or special circumstances causing a policy deviation should be fully explained on an attached, signed memorandum and properly approved.

### 812.00 Conferences and Professional Meetings

When attending a conference that has a designated airline, the traveler should notify the University's official travel service provider about the designated carrier so that the special conference airfare can be obtained, if lower than other available fares.

When attending a conference, travelers may stay at the conference hotel, even though it may not be the most economical option available.

If a meal is included in the conference fee, but the traveler chooses to eat elsewhere, the additional expense will not be reimbursed. Meals not provided in the conference fee will be reimbursed on an actual cost basis.

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### 813.00 Travel Insurance

Faculty and staff traveling on business, either domestically or abroad, are automatically covered by Webster University Travel Accident Insurance Policy at no cost to the traveler. This coverage applies only to trips on University business, not for a traveler's personal business. Spouses of employees traveling on University business are **not** covered by these policies. Specifics regarding these plans are available through the Human Resources Department.

#### Injuries

Injuries on the job, whether on or off campus, are covered by the workers compensation statute. If injured while on University business, travelers should contact the Human Resource Department.

### 814.00 Tips

Tips are reimbursable for normal services associated with business travel such as food services, porters, etc. Tips included on meal receipts will be reimbursed. As a rule, travelers should keep their tips in the range of 15 to 18% of the bill. Tips should be reasonable and any unusual amounts must be explained and, in some cases, may not be reimbursed by the University.

### 815.00 Telephone and other Communication Charges

*Business* — The University will pay charges for reasonable and required calls made outside a University office, provided the calls are substantiated by a hotel or telephone bill. The Internal Revenue Service requires documentation of the business purpose for all reimbursed phone calls.

*Internet Charges* — It is anticipated that the University's connection to the Internet will be used by all employees when needed. Internet phone charges incurred while traveling will be reimbursed if appropriate business purpose is documented. Monthly internet line charges from an employee's personal residence will not be reimbursed, unless documented as to business purpose and approved by the Vice President of Finance.

### 816.00 Companion Travel

Companion, spouse or family member travel **must** be *preapproved*, in writing, by a Vice President or, if accompanying an Officer, by the President. These expenses will only be allowed when the presence of this companion, spouse or family member on a business trip serves a bona fide business purpose. Documentation of this bona fide business purpose must be provided on the approved travel expense report. Without this substantiation, the related travel expenses must be treated as salary, subject to all withholdings.

*Unapproved expenses for a companion, spouse or other family member **can not** be charged to the University, charged to the Commerce Bank Visa Purchasing Card or claimed for expense reimbursement.* Any unapproved travel expenses, including fees, charged to the University for a companion, spouse or other family member must be immediately reimbursed and can be subject to disciplinary action. (All spouse, companion and/or family travel must be booked under a personal credit card.)

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### 817.00 Miscellaneous Expenses

Laundry and pressing services away from home are allowed when the traveler is away in excess of 5 business days and when the expenditures are reasonable in nature. Receipts must be submitted for these expenses.

The University will not be responsible for any other personal type expenses such as, but not limited to, house sitting, baby sitting, pet sitting.

### 818.00 Club Memberships

Individual dues paid for membership in any club organized for business, pleasure, recreation, or any other purpose are generally not reimbursable. If an exception is approved by the President, the reimbursement will be considered a working condition fringe benefit, excludable from income, to the extent that the employee meets the substantiation requirements of the IRS. The University will provide the form *Allocation of Personal and Business Expenses - Club Memberships* to each employee receiving any club membership. This form should be submitted annually before December 1 of each calendar year as a method of reporting the breakdown between business and personal use to the Finance Department. To the extent that the employee fails to substantiate business purpose, that portion of the dues must be treated as salary, subject to withholding.

Note: Memberships in professional societies, organizations, or institutions that are a requirement of the employee's job and approved by their department are reimbursable and not taxable.

### 819.00 Gifts and Awards to Employees

Gifts (including gift cards) and awards, with value in excess of \$25 annually, are **not** to be given to University employees including student work staff. These are considered taxable income to the recipients and must be reported as such. Questions regarding the taxability and processing of gift and awards should be directed to the Finance Department.

### 820.00 Fellowships, Scholarships, and Grants

Fellowships, scholarships, or grants awarded to individuals must **not** be processed on an *Expense Report* form. The recipients are not employees performing services and therefore cannot satisfy the "business purpose" requirement under an "accountable plan" as defined by the IRS.

### 821.00 Employee Recruitment

Travel for prospective employees and their families must be authorized by the appropriate vice president for that school or department in order to be reimbursed. Reimbursements for authorized, reasonable travel expenses such as airfare, hotel, and meals will only be paid based on original receipts for expenses incurred during the recruitment process and will not be taxable to the prospective employee.

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Once an offer of employment has been accepted, travel expenses incurred by the prospective employee and family are considered taxable. Incentives negotiated during the recruitment process may not be considered “necessary or ordinary” and may therefore be reportable and taxable whether directly reimbursed to the employee or paid to a third party.

### **822.00 International Travel**

Reimbursable international expenses include expenditures incurred for travel, personal meals, business meals and entertainment, lodging, airport taxes, exchange rate fees, and other items necessary for conducting University business. Passport and visa fees may be reimbursed only as business requires.

Expense reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts and their conversions. Travelers must use the currency rates that were in effect when travel took place.

The Travel Insurance carrier does not provide coverage in those countries which are considered “war risk.” Risk Management should be contacted to verify that the country in which you are traveling is afforded coverage.

### **823.00 Group Travel**

Group travel guidelines are normally applicable to groups of ten or more. Airfare and hotel discounts are often negotiable for group travel. The University’s official travel service provider can be consulted for specific information. Group discounts should always be utilized when available.

The University is considered exempt from sales tax on lodging and meals in many states. The Finance Department should be contacted to obtain more specific information regarding exemption for a group trip.

### **824.00 Study Abroad Programs**

All student travel paid by the University must be coordinated through the University’s official travel service provider.

### **825.00 Implementation**

The Director of Procurement Services will establish procedure for the implementation of the above policies.