

Travel Policies and Procedures Manual



University of Massachusetts
Central Administration

January 2010

The travel policies and procedures explained in this manual pertain to all Umass Central Administration employees. These policies and procedures have been developed to help the traveler expedite the process of traveling while following the guidelines set out in Doc. T92-031 by the University of Massachusetts Board of Trustees.

**University of Massachusetts
Travel Policy
(Doc. T92-031, Appendix B)
GUIDELINES**

I. General

The University's travel policy provides for necessary and reasonable travel expenses incurred for authorized University business. The intent of these guidelines is that payment be fair, equitable, and efficient for both the traveler and the University. These guidelines have been designed to be easy to understand and administer.

The University recognizes that employees who travel from home on authorized business must forego their living accommodations and may forfeit personal time. Accordingly, the University will assume the cost of appropriate accommodations. However, such accommodations are not intended to be perquisites and the University reserves the right to deny reimbursement of expenses that are considered lavish, extravagant, or are unsupported by required documentation.

II. Scope

These guidelines apply to all travel expenses regardless of the source of funds. At their discretion, University campuses and departments may impose more restrictive guidelines for budgetary or control reasons.

III. Purpose

The purpose of these guidelines includes:

- Providing guidance to travelers, travel arrangers, approvers, and auditors on cost-effective management of travel expenses.
- Defining the responsibility and accountability of the traveler and the authorizer of University business travel.
- Defining the consequences of not adhering to the guidelines.
- Setting the rates of reimbursement for mileage and meal per diems for employee and Trustee travel on University business.

IV. Authorization and Responsibility

Traveler

A traveler on University-related business has the responsibility to act prudently and incur expenses that are necessary, appropriate, and reasonable. Travel arrangements should use the most cost-efficient means available to meet the programmatic requirements of the trip. The traveler is responsible for prompt submission of travel-related expenses.

Department

Authority and responsibility for approval and control of travel by employees rests with the supervisor or manager of the account to which the expense is to be charged, usually the

department head, or Principal Investigator for sponsored projects. Travel expenses are payable only when required approval(s) are appropriately obtained. Employees may not authorize travel or approve travel expenses for themselves.

V. Accountability

Departments

Accountability for carrying out the University travel guidelines rests with the department head, or Principal Investigator for sponsored projects. Required documentation of travel expenses will be retained in accordance with the written procedures adopted by the campus, and is subject to audit.

Traveler

Travelers are liable for overpayments that may be discovered in a post-audit review. Discovery of fraudulent practice by travelers while on authorized University business is cause for dismissal as well as other consequences that may be determined.

VI. Training

Each campus is responsible for providing training and explaining the University Travel Guidelines to the traveler, travel arrangers, and departmental staff responsible and accountable for the travel guidelines. The training program is intended to explain and illustrate current travel guidelines and procedures and any changes made to these rules.

Travelers, travel arrangers, and departmental staff responsible and accountable for the travel guidelines are expected to complete the training program and keep themselves current with changes in the guidelines.

VII. Rates

Per Diem Meal Allowance

The treasurer shall promulgate and keep current a Travel Reimbursement Rate Table showing allowances for meals.

Personal Vehicle Use

Reimbursement for personal vehicle use will be reimbursed at the then current rate established by the United States Internal Revenue Service, which rate shall be deemed to include the cost of fuel and other operating expenses of the motor vehicle. The treasurer will promulgate changes to vehicle reimbursement rates as necessary.

VIII. Written Procedures

Each campus shall establish written procedures to implement these guidelines. The campus shall provide these procedures to the Vice President for Management and Fiscal Affairs and Treasurer. At a minimum, the campus procedures shall contain approval and documentation requirements for:

- Authorization to Travel
- Prepaid expenses and Cash Advances
- Local Travel
- Air Travel – Commercial/Foreign/Frequent Flyer Programs
- Cancellation Penalties
- Ground Transportation – Private Automobile/Rental Cars
- Authorized Use of State Vehicles (Where Applicable)
- Reporting Car Accidents Related to State Vehicles
- Lodging and Meal Guidelines
- Miscellaneous Expenses
- Travel Expenses of Spouse and Others
- Special Travel (Interview and Student)
- Travel Expense Report

- Required Receipts and Lost Receipts
- Commitment to Timely Reimbursements
- Foreign Travel

Exceptions to the above-described procedures require the approval of the appropriate dean or vice chancellor.

IX. Exceptions

Exceptions to the above travel guidelines require the approval of the President.

General Expense Guidelines

Travel is a necessary operation of the University. The University has no intention of denying any employee reimbursement for official University travel. Similarly, the University does not intend to compensate employees for the inconvenience of travel, per se, or for personal (non-University) expenses incurred while traveling on behalf of the University. Travel expenses must be directly related to the University's interest. When deciding whether or not to request reimbursement for an item, an employee should be able to answer yes to each of the following questions:

1. Was the expenditure necessary to the conduct of University business?
2. Would a prudent employee have incurred this expense?
3. Did I actually spend this amount of money?
4. Is it reasonable to request and to expect travel reimbursement?

Questionable items must be resolved with the appropriate Business Manager or Vice President and with the Controller's Office before the expense is incurred.

Travel Authorization

All out-of-state and international travel must be pre-approved. A Travel Authorization Form must be completed by the traveler and signed by the employee, their direct supervisor and the fund administrator. The original, signed authorization form should be kept within the department but a copy should be submitted with either the Travel Reimbursement Form or the Procard Transaction Log, depending on how expenses were paid during travel.

Timeliness of Travel Submissions

All travel expense reimbursements to employees must be accounted for within "a reasonable period of time" of when the expense was incurred. For IRS purposes, a reasonable amount of time is considered to be 120 days. Accordingly, all reimbursement requests must be received within 120 days of when the expense was incurred. Travel Reimbursement requests that are submitted after 120 days will still be accepted but the IRS requires that the reimbursement be treated as taxable to the individual receiving payment. This will result in those amounts being added to the employee's W-2 at the end of the year.

Travel Status

Unless they are attending a local conference or retreat, employees are considered to be on travel status only if they are traveling on approved University business away from both

home and the traveler's normal campus address. For the purpose of clarifying policy for overnight travel, "away" will be defined as a distance of fifty miles. This means that an employee may be reimbursed for both lodging and meals only if the destination is fifty miles or more from either the employee's home or assigned campus address.

When personal and business travel is combined, expenses must be clearly documented and may not exceed the lowest available cost of a direct or uninterrupted route. If the traveler uses an indirect route or interrupts travel for personal convenience, any additional expenses incurred are the sole responsibility of the traveler.

Spousal Travel/Domestic Partner Travel

Travel expenses for an employee's spouse/domestic partner are not reimbursable except as allowed in specific campus policies such as the University Executive Compensation Policy.

- When an employee traveler and a guest occupy a double room, the single room rate will be reimbursed and must be noted as such on the travel expense voucher.
- Airline mileage and other fares will only be reimbursed at an amount equal to the most economical direct route.

Ground Transportation

Travelers are expected to utilize the least expensive, most direct, and efficient means of transportation available. This includes rental vehicles, University-owned vehicles, taxis, limousines, and transporter services.

Employees traveling to the same destination should consider sharing ground transportation when possible.

Personal Vehicle

Personal use of automobiles is permitted and reimbursed on a mileage basis at the effective Internal Revenue Service mileage rate. The current reimbursement rate as of January 1, 2010 is \$0.500 per mile. This mileage rate covers all automobile expenses such as fuel, maintenance, towing, repairs, tires, depreciation, and insurance. No reimbursement will be made for vehicle repair costs regardless of whether it results from the traveler's act or acts of others.

In addition to the standard mileage allowance, tolls and parking fees are also reimbursable expenses.

The University will not reimburse employees for parking tickets, fines for moving violations or vehicle towing charges.

Mileage is measured from the employee's home to the destination and return. Or, from the University or Department Address to the destination and return, whichever is less. Mileage between an employee's residence and place of work is not reimbursed.

When **two or more passengers** travel in one private automobile on official University business, only one employee may claim reimbursement for mileage.

Personal vehicles may be used in lieu of commercial airline travel. Mileage will be reimbursed at the established current rate but should cost the university no more than the commercial coach/economy airline fare. Similarly, transportation by bus, train, or other means will be reimbursed for the actual cost but no more than the commercial coach/economy airline fare.

University Vehicle

When available, the traveler should utilize state owned vehicles. Any operator driving a University-owned vehicle must be employed by, or working on behalf of, the University. The operator must also have a valid driver's license, comply with all traffic laws, and obtain approval as required by the department who owns the vehicle. University-owned vehicles are to be used for official business only. Operators of such vehicles should only transport passengers who are also traveling on official business.

A mileage log must be maintained for each University-owned vehicle, identifying the date and purpose of each trip and the beginning and ending odometer reading.

Reimbursement will be allowed for necessary expenses incurred while using a University-owned vehicle. These include: fuel, oil, windshield washer fluid, parking fees, toll charges, and reasonable charges for car washing. All fuel receipts for state vehicles that are submitted for reimbursement must have the vehicle registration number written on the receipt.

Taxi/Limousine/Transporter Services

The costs of taxis or other transportation to and from hotels, airports, or railroad stations in connection with business activities is reimbursable. The costs of limousine or transporter services are allowed as a reimbursable expense only if the cost is less than, or

equal to, the cost of a customary taxi charge. Long-term airport parking should be avoided. Alternative arrangements for travel to airports should be considered when airport parking charges would exceed the cost of a round-trip taxi or limousine service.

Rental Vehicles

The use of a rental car should be justified as an economical and/or business necessity. Travelers will be reimbursed for the rental of a compact, economy, or mid-sized car. Travelers who choose to upgrade to a full-size, luxury, or sport utility vehicle will not be reimbursed for the difference in price unless the traveler provides a specific business or medical reason for the upgrade, which must be explained on the travel reimbursement form.

Reimbursable items include the rental fee, fuel charges, tolls, and parking.

Non-reimbursable items include tickets, fines, and car repairs.

Vehicle Insurance Information

In general, there are two types of insurance needed for a vehicle. Liability Insurance and Physical Damage Insurance (Collision and Comprehensive).

Rented Vehicles

Liability Insurance--The University has a hired and non-owned **Liability** insurance policy for vehicles rented for University business. We have a generic Certificate of Insurance to evidence this coverage. We can also request a specific Certificate of Insurance if needed. This policy has a \$1,000,000 combined single limit for bodily injury and/or property damage. When renting a car for University business, you should decline additional liability insurance offered by the rental company. Be sure the renter has a copy of the Certificate of Insurance with him when he/she is leaving and renting a vehicle as it may be required. This policy is generally an excess policy to cover any damages in excess of the rental company's liability insurance limits.

Physical Damage--The vehicle also needs to be covered by **Physical Damage** Coverage (Collision and Comprehensive). The University does not have this insurance coverage for rented vehicles. If you are using a Purchase Order, a credit card not issued by UMass, or if renting anything over 8+ passenger van, the general policy is to purchase the Physical Damage Coverage from the rental company. If you are using a UMass Corporate Travel credit card, and are renting a car or less than 8 passenger van, check the terms of your specific credit card as it may have the insurance included. If so, then you can waive the Physical Damage insurance. If in doubt, the Physical Damage Insurance is a good protection at usually a low daily rate. If the Physical Damage

coverage is not purchased, then the University would be required to pay for any applicable damages to the rented vehicle.

Owned vehicles

The University of Massachusetts is self-insured in accordance with Chapter 258 of the Massachusetts General Laws for automobile liability with respect to vehicles that are **owned** by the University. The University is self insured for both Liability and Physical Damage. Visit www.umassp.edu/treasurer for more information.

Leased Vehicles

University leased vehicles carry full liability and collision coverage as required by the leasing company.

Non (University)-Owned Vehicle

If an employee uses their personal car on University business and is in an accident, their personal insurance is primary and they are responsible for any deductibles. If their personal insurance limits are exhausted, the University has an excess policy that could then be available.

Employees should contact the University Treasurer's Office when involved in an accident on University business.

Air Travel

Travelers are expected to book the lowest-priced economy class rates available. It is the responsibility of the traveler to obtain the most economical airfare available consistent with the purpose of the trip. Whenever possible, travelers should take advantage of discounts and purchase airline tickets 30 days in advance, if possible. The University will not reimburse upgrades to Business and First Class seating. Travelers who choose to upgrade must pay the difference between the lowest priced nonstop economy class fare and the final fare. Complete documentation of such arrangements must be submitted with the travel reimbursement form. Air carrier selection cannot be biased by the traveler's frequent flyer affiliation. The lowest cost air travel should take precedence.

The University **will not** reimburse travelers for tickets purchased with frequent flyer miles.

The University will reimburse individuals for change or cancellation penalties imposed by the airlines provided the change or cancellation was caused by unavoidable circumstances. Individuals must submit supporting documentation with their expense report along with a Refund/Exchange Notice showing the amount of penalty.

Accounting for Savings by Early Arrival

If an employee chooses to arrive early for a conference or meeting to take advantage of reduced airfare, the employee must reconcile the standard economy airfare with the reduced airfare, the additional hotel and meal expenses, and any other expenses that were incurred because of early arrival. This reconciliation should be submitted with the travel voucher.

If an employee chooses to arrive early or stay at a location after a conference has ended for personal reasons, the employee will not be reimbursed for hotel or meals for the time not spent on University business.

An employee is allowed to depart the day before the conference or meeting begins and

Meals

Per Diem

Employees traveling on University business are eligible for reimbursement for their personal meal expenses. Employees may choose to submit receipts for their actual meal expenses or they may opt to use the Per Diem rate; they cannot combine both methods on the same trip. Actual meal expenses will be reimbursed only up to the maximum amount of the Per Diem Rate. **(Please note: Using the Procard for any meals while traveling will require that you submit receipts for all meals for that trip!)** Reimbursement on a per diem basis is the payment of a flat sum to cover meal and incidental expenses each day. All tips and gratuities are included in the per diem amounts.

The current per diem rate is \$40 (\$50 for Boston, New York City, Washington DC, San Francisco, Baltimore, Chicago, Philadelphia, and Seattle) for employees who are traveling for at least 24 hours.

One half the per diem rate is allowed when travel status is at least 12 consecutive hours but less than 24 hours. The IRS does not consider per diem for travel that is not accompanied by an overnight stay as a reimbursable expense. The University will continue to reimburse these requests but they will now be recorded with the account number 726500 so that these payments can be tracked and ultimately added to an employee's W-2 at the end of the year as a taxable benefit.

Exceptions

Conference Meals

Conferences frequently provide meals to attendees as part of the registration fee. The traveler is not entitled to a meal per diem allowance for meals that are included as part of the registration fee. The same is true for any meetings attended where a catered lunch is

provided or where the traveler has been included on a list of attendees for a business expense.

The breakdown of the per diem rates is as follows:

Base Rate		<u>Total Per Diem</u>	High Rate	
Breakfast	\$ 7.50		Breakfast	\$ 9.50
Lunch	\$12.50		Lunch	\$15.50
Dinner	<u>\$20.00</u>		Dinner	<u>\$25.00</u>
Total	\$40.00		Total	\$50.00

To assist with the determination of which meals were provided during a conference, a copy of the agenda (meeting schedule) must be included with the travel reimbursement request. Travel forms must also include the actual time of departure from the traveler's home or place of business for the trip and time the traveler arrived home (or ended their University business if using personal time while on their trip.)

If certain circumstances, such as unique dietary needs, make it necessary for the traveler to forego the provided meal, the traveler may then claim up to the maximum meal allowance. **In such cases, a receipt(s) and a written explanation are required.**

Determining Per Diem Amounts

Per Diem is calculated using the traveler's time of departure and time of return. The traveler is entitled to one day per diem for every twenty-four hour period and one half-day per diem for any 12 hour period. For instance, if a traveler left for a trip at 6am on 01/01 and returned at 4pm on 01/04 the traveler would be entitled to 3 days per diem. The traveler would not be eligible for a half-day per diem on 01/04 because it is only 10 hours from 6am to 4pm and therefore does not meet the 12 hour half-day requirement.

The breakdown of the per diem amounts by meal is to be used only to deduct meals that are provided at a conference or were paid as a business/entertainment expense.

Business Meals Incurred While in Travel Status

Per Diem may not be claimed for any meals that are reimbursed by the filing of a Business Entertainment Expense Report.

Lodging

The University will pay actual room costs for each day that lodging away from home is required for business purposes. Travelers are entitled to accommodations that are suitably located and meet reasonable standards for safety, cleanliness, and comfort. Travelers

should choose good quality, but reasonable priced hotels or motels whenever practical. However, when attending a conference, travelers may stay at the conference hotel even if it is not the most economical option available. If there is a choice of hosting hotels, travelers are expected to stay at the least expensive one.

Reservations

When securing reservations, travelers should ask if there is a discounted university/college rate available. When traveling on federally funded projects, travelers may request the hotel's government rate. A letter from the project sponsor may be required upon check-in to confirm funding source.

Since hotel reservations are usually guaranteed to assure lodging for late arrivals, travelers are required to cancel these reservations in a timely manner to prevent “no show” charges.

When requesting reimbursement, the original itemized hotel bill and the original receipt showing proof of payment must be attached to the travel reimbursement request form.

The original receipt must contain:

- 1) The name of the traveler
- 2) The lodging date(s)
- 3) The name, address, and telephone number of the lodging establishment
- 4) The per night cost
- 5) The total cost of lodging

The following is a list of items that are not reimbursable expenses:

- In-room movies or pay TV
- Laundry
- Personal telephone calls in excess of \$20 per trip
- Personal toiletries
- Mini-bar refreshments
- Recreational Activities
- Newspapers

Reimbursable expenses include:

- Computer access charges for laptops
- Business fax charges
- Parking
- Business telephone calls

International Travel

Employees traveling internationally on University business are reimbursed for the same travel expenses as someone who travels domestically. They may also be reimbursed for passport fees, exchange rate fees, and other items necessary for conducting University business.

Hotel receipts are required for both domestic and international travel. The receipt should state the dates of stay, room rate and applicable taxes, and any additional charges. A credit card receipt is not acceptable.

Reimbursement amounts should be converted from foreign currency to US dollars before submitting the travel reimbursement form to Accounts Payable. The applicable exchange rate for the dates of travel can be found at: www.x-rates.com. Rates that were current at the time of travel can be found at the site's "Historical Lookup." Receipts should have an explanation and translation in addition to being converted to US dollars.

Per Diem

The International per diem rates for meals and incidental expenses can be found at the following website:

<http://www.state.gov/m/a/als/prdm/>

Federally Funded International Travel

The Fly America Act was enacted in 1974 to mandate the use of U.S. flag air carriers for federally funded international travel. Federally sponsored trips must utilize U.S. flag carriers at the lowest available rates. A letter of justification must be included with the travel expense voucher and submitted to the travel audit section of the traveler's department if other than lowest rates are charged.

Federal regulations prohibit the charging of business class or first class air travel to federally sponsored projects. They also prohibit the inclusion in indirect costs.

Sponsored project travel should adhere to the Central Administration travel guidelines unless the sponsor imposes greater restrictions.

For the complete federal travel regulations, please refer to this website:

<http://www.tvlon.com/resources/FlyAct.html>

Completing the Travel Reimbursement Form

All travelers are required to complete a Travel Reimbursement Form to obtain a reimbursement. The following information is required on, or should be attached to, the Travel Reimbursement Form when applicable. Failure to provide all required documentation or information will result in a delay in reimbursement.

- ✓ Employee Name
- ✓ Employee Vendor ID – This is not the employee HR number! It is the employee’s vendor number on the Peoplesoft Accounts Payable system.
- ✓ Home Address – This is needed to verify that the check will be sent to the proper address.
- ✓ Employee’s Campus Department and Department Address
- ✓ Trip Type – Overnight or Day (Quick) Trip
- ✓ Destination Place, Date and Time & Return Place, Date, Time – Required for overnight travel. Travel times begin when traveler leaves his or her home for departure and ends upon returning home unless personal business is conducted in between.
- ✓ Purpose of Overnight Trip – State the reason for the trip such as attending a conference. A copy of the conference agenda must be attached!
- ✓ Dates of Travel for Quick Trips (Multiple trips can be included on one form.)
- ✓ Description – This line should include both destination and purpose of trip.
- ✓ Mileage – Mileage is generally calculated as a round trip amount. Standard “Quick Trip” pre-calculated amounts are available for trips that originate in Amherst or Hadley. Travelers are requested to use actual odometer readings rather than Mapquest or other mileage guides to ensure accuracy.
- ✓ Meals – This should not include meals that are considered Business Entertainment Expenses. Those meals should be submitted separately with a Business Entertainment Expense-Employee Reimbursement Form.
- ✓ Tolls & Parking – Receipts required. Fast Lane users may submit a copy of their monthly statement as a receipt with the appropriate dates and tolls highlighted.
- ✓ Registration – Paid receipt and conference agenda required
- ✓ Hotels – Itemized hotel bill
- ✓ Airfare – Airline ticket receipt and copy of invoice. E-tickets submitted need receipt/itinerary and charge card receipt.
- ✓ Other Expenses – Taxi receipts, etc.
- ✓ Procard Charges – Include all travel amounts that were paid by using the Procard. Include copies of these receipts and attach original receipts to Procard Transaction Log. These expenses should be itemized in the proper expense column and entered, as totals, on the line titled Procard Charges.

Using the Procard for Travel

- 1) Out-of-state travel requires prior authorization from a department head or business manager. A travel authorization form should be completed and signed. The original form should remain in the department and a copy should be submitted with either the Procard Transaction Log or the Travel Reimbursement Form.
- 2) Travelers who use the Procard for personal meals should remember that the amount spent daily on meals can not exceed the prevailing per diem rates. Travelers should also remember that per diem is not granted for meals that are provided as part of the official University business. Per diem is pro-rated according to the attached schedule when some meals are included at conferences or when some meals are provided as a business expense.
- 3) In order to capture all relevant information associated with an out-of-state trip Procard users should still complete a Travel Reimbursement Form, even when there is no reimbursement due to them. The form should be submitted with your Procard Transaction Log only when the trip has been completed. All purchases specific to that trip should be listed such as: conference registration, airline tickets, hotel, etc. If the traveler does have a reimbursement due them they should include a copy of the Travel Reimbursement Form with their Procard Transaction Log and submit the original travel form to Accounts Payable for reimbursement. Please Note: Dates and times for departure on a trip and arrival home from a trip are necessary to calculate proper per diem amounts!
- 4) Receipts – Original receipts for Procard transactions should be submitted with the Procard transaction log. Original receipts for purchases paid with personal funds should be attached to the travel reimbursement form along with copies of any Procard receipts.
- 5) Travelers attending an out-of-state conference should include a copy of the conference agenda with their travel submissions.
- 6) Travelers attending an out-of-state conference are allowed to depart for their trip the day before the conference begins in order to attend early sessions.
- 7) Business Entertainment Expenses – Per the Board of Trustees Business Expense Policy, meals during working hours, including “working meals” where one employee takes another employee to breakfast, lunch, or dinner are not acceptable business expenses. This does not include committee meetings, conferences, retreats, seminars, etc. which are considered acceptable business expenses. For more information regarding Business Expense Policy see Doc T92-031 (Appendix C). This document is available on the President Office website a copy has been included in your Procard information packet.

