**Dominican University**

**TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY**

**GENERAL OVERVIEW**

The purpose of the Travel and Business Expense Reimbursement Policy (the Policy) is to provide departments, supervisors, and employees (staff and faculty) with specific guidelines covering University travel and business expenses as well as the documentation required to substantiate requests for reimbursement of those expenses. Because it is not possible to anticipate all of the situations that an individual may encounter when conducting University business, these policies are designed to allow for some flexibility in addressing circumstances which might require occasional exceptions. As a general guideline, it is expected that employees and those approving the expenses will interpret these policies in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to the University.

Accordingly, the primary responsibility for adherence to these policies rests with the departments and supervisors who are authorizing travel and approving business expense reimbursements. All employees, specifically travelers, should also bear in mind that government agencies and other observers may perceive certain expenditures as being either excessive or inappropriate in the context of a regulatory audit, an IRS audit, or other similar review of University activities. Thus, moderation and discretion should guide employees’ decisions to incur expenses on the University's behalf.

**GENERAL POLICIES**

* The basic policy governing travel expenses is that an individual should neither gain nor lose funds in the course of conducting University business.
* The University will only reimburse expenses incurred in connection with University business that are appropriately documented by the employee.
* The University will not reimburse employees for expenses which are inherently personal in nature. Reimbursable expenses must have a business purpose.
* The University will not reimburse expenses that have been or will be reimbursed from any outside sources (e.g., grants).
* Assuming a reasonable level of comfort and convenience for the traveler, every effort should be made to keep University expenses to a minimum. Departmental policies will govern how authorization to travel is granted, and departments may elect to impose additional controls over travel expenditures beyond those required by this policy.
* Reimbursement will be on the basis of actual and reasonable expenses incurred for transportation, meals, lodging, and other necessary business expenses.
* The Travel and Expense Reimbursement form (Expense Report form) must be approved by the employees’ immediate supervisor or a more senior officer who has the authority to approve such expenditures.
* The University will not provide travel cash advances, or make reimbursements for the travel expenses of spouses who accompany staff or faculty on University business, except in unusual circumstances which require their presence.

**REPORTING REQUIREMENTS**

Regulations issued by the Internal Revenue Service and various other government agencies require that the University maintain a policy under which employees must account for all advances, allowances, and other reimbursements of expenses. This accounting must include:

* Sufficient information to establish the business purpose of the travel, entertainment, or other expenditure;
* An adequate record of each expenditure including the amount, date, and place;
* Substantiation of expenditures with original receipts; and
* Prompt return of any unused monies from cash advances.

Employees must keep track of their expenses and substantiate the expenses by submitting adequate supporting documentation to the Business Office within a reasonable period of time. Any amounts paid to an employee that are not accounted for and substantiated in this way must be included in the employee's income and are subject to payroll tax withholding. (For example, payments to employees of lump-sum, estimated amounts in lieu of reimbursement of actual expenses do not meet the requirements of an IRS-accountable plan and must be treated as employee compensation subject to withholding.)

**AUTHORIZATION**

In order to comply with auditing requirements and best practices, in general individuals will no longer be allowed to approve their own reimbursements. This policy applies to all University employees. The following practices will apply:

* An Expense Report will be required for reimbursement of all expenses regardless of dollar amount.
* Expense reimbursement in the amount of $50 and under should be taken to Student Accounts for cash reimbursement. However, to properly manage cash flow, multiple requests from an individual on a same day should be combined and processed via check.
* Individuals will no longer be allowed to approve their own reimbursement that is over $50.00. Any Expense Report that is over $50.00 in total shall be reviewed by the employee's immediate supervisor to substantiate the business purpose of each charge following the guidelines in the Policy. All documents shall be checked for mathematical accuracy and appropriate account numbers. If the immediate supervisor is not available, a higher level of authority shall approve the Expense Report. The check request form is now available through MyDU Business Office link.
* Any reimbursement requests over $1,200 must be approved by the Dean or VP of that area.
* Travel approval should be obtained prior to undertaking any official University travel; otherwise, expenses are incurred at the traveler's risk.
* The President or her designee will approve all expenses for the members of President’s Cabinet.
* The President's Expense Report shall be prepared by the President's Office and forwarded to the Senior Vice President for Administration for review, then to a member of the Audit Committee for final approval.

**EXPENSE REIMBURSEMENT**

* An original receipt noting the item purchased or cost incurred must accompany all expense reimbursement requests regardless of amount.
* Missing receipts must be explained in writing with the approval of the supervisor who is approving the expenses. Repeated abuse may result in denial of reimbursement by the Business Office.
* For Meals and Entertainment expenses, any meal reimbursements should be supported by the full detail such as names and titles of the parties involved and the business purpose of the meeting. ***Credit card receipt alone and tear-off stubs from the meal ticket are not acceptable means of documentation. Order ticket or bill must be present for reimbursements.*** See section under Meals and Entertainment for more details.
* Alcohol purchased with meals will be fully reimbursed when directly entertaining guests for university-related business purpose (e.g. guests, speakers, fund raising, vendors, etc.), but must meet the documentation requirements noted in the policy (meals and entertainment) as required by various regulatory agencies (IRS, Funding Agencies, etc.). Details and exceptions are documented later in the policy.
* Every effort should be made to use the university’s sales tax exemption certificate to avoid paying taxes, especially on large and frequent vendors/purchases including restaurants.  However, if a particular vendor is not accepting sales tax exemption, document as such and try to identify an alternate source, especially on large purchases. In general, sales taxes paid on small purchases will be fully reimbursed up to $50.00.

*Specific details related to the major components of the policy and procedures are documented in the following pages.*

**TRANSPORTATION**

Workers Compensation Insurance provides coverage for staff and faculty traveling on University business. Transportation costs will be reimbursed using the following guidelines:

* **Airline** – Airline costs will be reimbursed for coach tickets only. ***A business ticket, first class ticket, or cost upgrades will not be reimbursed.*** Any frequent flier miles accrue to the individual, not the University, in recognition of the time spent by the individual traveling outside of normal business hours. Air travel cannot be expensed or reimbursed without an invoice along with itineraries as proof of purchase or travel.
* **Personal Automobile –**The University will reimburse individuals for mileage when their personal vehicle is used on official University business that is properly authorized, reasonable and appropriately documented. This does not include mileage for traveling between the individual's residence and the University. Mileage will be paid for travel from the University to the business or client address. Individuals driving to and from the airport when traveling on business will be reimbursed only for mileage that exceeds the round –trip from their home to the University. The University will reimburse individuals at the rate approved by the Internal Revenue Service. *The current rate is posted on the Business Office website under Resources on MyDU.* This represents reimbursement for all vehicle-related expenses, including but not limited to gasoline, wear and tear, and personal auto insurance. *The traveler must document business miles using a travel log (available on the Business Office website) or* ***printed GoogleMaps or other mapping tool to determine the total mileage for the trip less the normal commute to and from the University.*** Receipts for tolls and parking fees are reimbursed separately and not included in the business mileage rate.

Personal automobile liability insurance is the primary coverage when using a personal vehicle for University business. If the liability limits become exhausted following an accident occurring while on University business, the University's policy provides a second layer of coverage. Individuals traveling on University business should have a valid driver’s license and insurance. This is particularly important when traveling on University business with students. Employees are responsible for all tickets, fines and penalties.

* **University-Owned Vehicle** - The vehicles are subject to University rules pertaining to use. Gasoline purchase receipts will be reimbursed, as opposed to the mileage rate.
* **Rental Vehicle -** Employees may rent a car to get to their destination when driving is more cost effective than airline or rail travel. Employees may rent a car at their destination when it is less expensive than other transportation modes such as taxis, airport limousines and airport shuttles or when entertaining customers. Whenever multiple employees are traveling together, every effort must be made to rideshare or carpool. ***Employees must reserve a car in the mid-size category or less.*** When picking up a rental car, employees should check with the rental car agent for any promotional rates, last-minutes specials or free upgrades. At the time of rental, employees should inspect the car to ensure that any damage found is noted on the contract before the vehicle is accepted. When plans change, employees are responsible for cancellation of rental car reservations. Employees may book a car rental class of service one level higher when:
* The traveler can be upgraded at no extra cost
* Three or more company employees are traveling together
* Entertaining customers
* Cars in the authorized category are not available
* Transporting excess baggage such as booth displays.

**Insurance:**

* Individuals traveling on University business should decline the collision damage, accidental death, and medical insurance. Should a rental car accident occur, employees should immediately contact the rental car company, local authorities (as required), and the University’s Human Resources Department.
* Individuals who are authorized to drive University-owned vehicles will be covered by the University’s liability policy so they do not need to purchase additional liability coverage.
* Individuals not on the authorized driver list and driving a University-owned vehicle may be exposing their personal liability insurance as primary insurance coverage with the University’s insurance covering any excess costs.
* The University’s coverage is applicable only while the individual is for University business. Non-related pleasure trips are covered under the individual's personal policy.

**Reimbursement:** The car rental agreement must be used for documentation for reimbursement or for back up to the credit card purchase.

**Cell Phone Use While Driving:** Use of a cell phone while driving is not recommended in any situation and employees are expected to refrain from using their phone while driving. Employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short.

**GROUND TRANSPORTATION, PARKING, TOLLS**

Preferred choices for ground transportation are taxi, shuttle services, public limousine service, or other forms of public transportation. Public limousine or shuttle service from an individual's home to the airport should be used only when the round trip cost of such service is less than the parking cost and/or mileage reimbursement. Individuals are asked to park in airport satellite parking lots whenever possible. Tolls and reasonable parking costs are reimbursable with a receipt.

**LODGING**

* Hotel accommodations for individuals while on authorized travel status are allowable.
* If two persons, one of whom is not on University business, occupy a double room only the single rate is reimbursable.
* Individuals should always ask for the corporate or educational discount rate before renting a room.
* The original copy of the hotel folio will be used as documentation for reimbursement. There will be no direct billing of charges to the University unless arranged, in advance, with the approval of the Business Office or through the use of the Dominican Corporate Card.

**TELEPHONE**

While traveling on University business, expenses incurred for telephone, fax, and teleconferencing for business communications are reimbursable. Good judgment should be used when deciding to use cellular phones or internet services where fees might be incurred. Personal calls home are reimbursable, though good judgment should be used when determining the number and length of the calls. When staying at a hotel, employees should be alert to the property’s local and long distance phone rates. Employees should avoid making phone calls that have an added surcharge. To avoid substantial charges added by hotels to telephone bills, employees can:

* Use a charge/credit card, calling card, public phone or call collect whenever possible
* Use an 800 number for business calls whenever possible

**MEALS AND ENTERTAINMENT**

The University expects individuals to eat, but not extravagantly, while traveling on the University business. Reasonable gratuity amounts can be provided; excessive gratuities will be the responsibility of the employee.

**Personal Meals** - Personal meals are meal expenses incurred by an individual while dining alone while on travel status or by an individual who has paid the bill for other employees who are traveling with the individual on out-of-town business. Reasonable expenses incurred for breakfast, lunch, and dinner, including tips, will be reimbursed when traveling on University business.

**Business Meals and Entertainment Expenses** - Business meals are meals taken with non-university individuals during which time a specific University business discussion takes place. The following documentation is required by the IRS, and must be recorded on the Expense Report or on the receipt:

* Names of individuals present, their titles, and company name,
* Name and location of where the meal or event took place,
* Exact amount and date of the expense, and
* Purpose of the business meeting.

In general, in order to obtain reimbursement the original receipt of the meal order must accompany these expenses. ***Credit card receipt alone and tear-off stubs from the meal ticket are not acceptable.***

**Alcoholic Usage:**  Alcohol purchased with meals is not allowed, unless you are entertaining guests for university-related business purposes (e.g. guests, speakers, fund raising, vendors, etc.), but must meet the documentation requirements noted in the policy (meals and entertainment) as required by various regulatory agencies (IRS, Funding Agencies, etc.). Employees dining alone on a business trip will not be reimbursed for alcoholic beverages*.**However, exceptions can be made for internal university-wide or departmental special events such as holiday or retirement celebrations. For these infrequent occasions, a reasonable amount can be charged back to your department as long as they are approved by the overseeing Dean/Vice President.*

**PROFESSIONAL DEVELOPMENT**

Expenses incurred in attending professional development programs may be reimbursable. Department heads determine who may attend such programs at University expense. Employees must obtain written approval before registering for the program and the approval should be made part of the Expense Report. These policies are to ensure that the content of the program is of a substantive nature which directly relates to the employee's job responsibilities and that limited budgets for such activities are equitably allocated. Travel costs and fees associated with continuing education credits required to maintain a professional certification that is not directly related to the employee's current position are not reimbursable business expenses. Travel to programs outside the country is discouraged unless there are no comparable domestic resources or a compelling business reason exists to travel to a particular destination. Foreign travelers must seek advanced approval of the trip from their Vice President.

All expenses related to professional development such as fees, books, travel, lodging, etc. should be charged as Professional Development cost, with details provided in the Expense Report.

**CONFERENCE REGISTRATION FEES**

There is no change in the current practice of attending business-related conferences and training classes. This includes seeking approval from the Dean or the department head prior to making registration and travel arrangements, making arrangements for payments (pay upfront), and submitting an expense report for reimbursements. In instances where an employee cannot pay upfront, other arrangements should be made with the department head *first* and/or the Business Office before registration. The expense report form should not be used for faculty professional development reimbursements. Please continue using the existing professional development form that requires pre-approval by your Dean. The expense reimbursement form should not affect the process for prior approval.

**MEMBERSHIPS, DUES, AND SUBSCRIPTIONS**

The University's affiliation with a university or group is based upon the business benefit to be derived from such affiliation. In the case of certain civic, community, and educational organizations that serve a broader purpose and constituency, the University typically joins as an institutional member, and, as such, designates employee representatives. Institutional memberships often provide certain benefits (such as reports, studies, etc.) to the University at large and may also provide news updates and magazines which are routinely sent to a specified number of individual employees on the membership mailing list. Employees who attend meetings or functions as representatives of the University are eligible for reimbursement of travel expenses if the specific departmental policies allow such costs to be treated as University expenses.

Fees for individual memberships in business associations as well as fees for magazine, newspaper, or newsletter subscriptions may be reimbursable. Departmental policies establish whether these costs will be covered by the University. Individual membership in professional associations or other costs incurred to maintain professional certifications or licenses that are directly related to the employee's current position and have a clear business benefit to the University are reimbursable. The cost of memberships in athletic clubs, faculty clubs, social clubs, fraternal orders, or other similar organizations generally do not qualify as business expenses. Employees must pay for these memberships personally, unless there is a clear business benefit and the primary purpose of the membership is to benefit the University.

**HONORARIUM**

In order to comply with audit requirements and other regulatory agency requirements, all expenses paid must be substantiated with documents other than the check requisition form itself. This can be an invitation to the speaker, an agenda or syllabus, or the topic covered. For any Honorariums in the amount of $250 or less, the details clearly written on the check requisition form will be an acceptable form of documentation for payments*.*For honorariums exceeding $600, we require a completed IRS W-9 Form in order to release payment. W-9 Forms are available on the Business Office website.

**MISCELLANEOUS BUSINESS EXPENSES**

Other expenses such as postage, supplies, photocopying charges, books, and other expenses incurred for business use are reimbursable. The reimbursement request for such non-travel and non-entertainment costs should be made on an Expense Report with the original receipts attached.

**IL Sales Tax Exemption**: Sales Taxes should not be paid for purchases made on the University’s behalf due to the University’s tax-exempt status. Employees should obtain the tax certification from the Business Office or from the Business Office’s website. Per the Illinois Department of Revenue Exemption Certificate, the University is exempt from the Retailer’s Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax, and the Service Use Tax in Illinois. The University’s Exemption Identification Number E9987-8895-06 should be given to suppliers when purchasing tangible personal property for University use. For meals and entertainment expenses (i.e. restaurant charges) an exemption might not be available unless payment is with University check or credit card. In general, employees are not expected to ask for tax exemption for restaurant charges unless it is for a group event. In such circumstances, the tax exemption should be coordinated in advance. The link to access sales tax exemption is:  [www.MYDU/Resources/Business](http://www.MYDU/Resources/Business) Office/Forms.

* Penalties: This exemption form may not be used by individual members of the University to make purchases for their individual (personal) use. Misuse of the University’s exemption status could result in loss of its exemption from Illinois sales and use taxes. As a result, any individual misusing the exemption number could be liable for unpaid Illinois sales and use tax as well as interest and penalties and in some circumstances, criminal penalties may also apply.

**Hotel/Restaurants:** The hospitality industry does not *always honor* the sales tax exemption; as such expenses will be fully reimbursed.  However, for catered events or preplanned hotel/conferences, efforts should be made to avoid sale tax during booking.   ***An easy to carry sales tax exemption card is available at the Business Office for frequent use of entertainment needs.***

**Office supplies:** The University has a contract with Garvey’s Office Products for University-wide purchases of supplies. The university has secured pricing to include green and MWBE (minority and women owned business enterprises) office products.  Every effort should be made to purchase office supplies through our corporate vendor, Garvey’s, via online ordering for better pricing, corporate discount, and tax exemption.  However, in case of urgency or unusual circumstances, office supplies can be purchased outside of Garvey’s and expenses will be reimbursed.  A link to Garvey’s web site is available on mydu. To set up an account, contact the university’s representative, Dawn McAnaney at [dawnm@GetGarveys.com](mailto:dawnm@GetGarveys.com). For questions, please contact the accountant in the Business Office. All ordering is online.

**Overnight delivery charges:** University Policy is to use only **standard overnight** delivery methods and will reimburse as such. Any exceptions should be documented and approved by the head of the department.

**Gifts to Employees:** Modest gifts or other means of appreciation are chargeable to the department accounts when made pursuant to a recognized University-wide policy or practice such as service awards for employees or tokens of appreciation upon retirement. Flowers or a small donation upon the death or serious illness of an employee or family member are also chargeable to department accounts. Other gifts or bonuses to employees are not allowed and should not be charged to the department.

**Gift Cards:** Based on the IRS rules, cash and cash equivalent provided by the employer are rarely excludable from personal income. Gift certificates that are redeemable for general merchandise or have a cash equivalent value are not de-minimis benefits (is determined by its frequency and its value) and are taxable.  However, u*sing departmental budgets for modest gifts are permissible ($20.00 and under) during holiday season, end of school year, volunteer work when appropriate).*  However, gift cards should be avoided unless they are a nominal amount and used infrequently as they are considered taxable income by the IRS when given to employees. Purchase of any gift cards should be pre-approved by the department manager, and all gifts and gift cards should be for appreciation purposes only, not as payment for services. In case of gift card purchases, documentation should provide name, date, amount, business purpose, and pre-approval from dept. supervisor (*not business office*).

The IRS ruling on De Minimis Fringe Benefits covering gifts cards are available upon request from the Business Office.

Purchases of gifts cards or gift certificates for University-related business purposes (prizes, contests, raffles at University-sponsored events) are reimbursable with approval from your supervisor and adequate documentation of recipient’s information such as name, amount, date, description of the award/gift and the purpose of the award**.** Purchases of gift cards or gift certificates for employees, which include student workers, as a holiday gift cannot be charged to the department and/or funded by the university and are not reimbursable.

**Reporting Raffle Prizes**: A tax-exempt organization that sponsors raffles may be required to secure information about the winner(s) and file reports on the prizes with the Internal Revenue Service. The organization may also be required to withhold and remit federal income taxes on prizes.

“Raffle” Defined: In general, a raffle is considered a form of lottery. As such, a raffle generally refers to a method for the distribution of prizes among persons who have paid for a chance to win such prizes, usually determined by the numbers, or symbols, on tickets drawn.

Generally, an exempt organization must report raffle prizes if (a) the amount paid reduced, at the exempt organization’s option, by the wager (the amount a person paid for the chance to win a prize), is $600 or more; and (b) the payout is at least 300 times the amount of the wager. The organization uses Form W-2G for this report. Therefore, additional due diligence review should be performed. This includes:

* **Obtain proper identification of the winner;**
* **Obtain other information such as name, social security number, amount, date, description of the award/gift, and the purpose of the award; and**
* **Provide the information to Human Resources and to the Business Office.**

**Relocation Expense:** All employees are required to follow instructions provided in the Staff and Faculty Handbooks for processing relocation expenses.

**USE OF PERSONAL CREDIT CARD FOR THE UNIVERSITY PURCHASES OR BUSINESS PURPOSE**

Personal use of credit cards for costs in excess of $1,200 is strongly discouraged. Before using a personal credit card for business purpose, other alternative means of payment for approved expenses should be explored (e.g., using department Corporate Card or the Business Office Corporate Card). Prior written approval should be obtained for usage of a personal credit card for University purchases over $1,200 from the immediate supervisor or department head. Approval documentation should be part of the Expense Report when requesting reimbursement. For recurring and standard expenses, employees should work with their department head and the Business Office in obtaining a corporate credit card for business use.

**NON-REIMBURSABLE EXPENSES** are below:

The following is a general list of non-reimbursable expenses incurred during travel or the normal course of business. This list is not all-inclusive.

**Travel**

* expenses of a spouse or person accompanying a traveling individual or babysitting fees
* airline class upgrades
* Memberships, clubs, or organizations (e.g., AAA vehicle, airline, fitness, discount retailers, etc.)
* kennel costs for pets
* lost or damaged personal items such as briefcase, calculator, computer, cell phone, etc.
* prescriptions or over-the-counter medications
* car washes, except for University-owned vehicles
* traffic and parking violations
* sightseeing or other personal side trips
* personal care items (e.g., toiletries or haircuts/styling) or personal entertainment such as books, magazines, newspapers, hotel room movies, hotel room mini-bar charges, sporting events, etc.
* valet and laundry services on trips less than four consecutive business days
* library fines
* repair of personally-owned equipment
* equipment purchase/repair, unless prior approval from the IT Department or the Business Office.

**Entertainment and Alcohol**

* alcohol purchases with limited exceptions as stated above;
* alcohol purchases for students, regardless of their age;
* meals for spouses and significant others, unless:
  + the event is explicitly intended and justified as a social event, or
  + the presence of a spouse or significant other is intended, and justified in the request for reimbursement, as serving the University for a legitimate business purpose.

**Gifts to Staff, Faculty and/or Students**

* gifts to faculty or staff members or a member of the family of a faculty or staff member
* gifts to students;
* expenses associated with birthdays, holidays, promotions, or other comparable occasions. Exceptions to include working lunch expenses for personnel evaluation, planning and strategic meetings etc. may be allowed; but not extravagantly and not frequently.
* employee parking permit fees at the University

***Effective Date: This policy is effective January 1, 2021***