**ECKERD COLLEGE**

**TRAVEL POLICY**

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# **POLICY STATEMENT**

The Eckerd College Travel Policy provides guidelines and procedures for employees who travel on behalf of the College. Travel costs are to be allocated and expended within established budgetary limitations and, as funds to support travel are limited, travelers must first obtain appropriate approvals prior to making travel commitments or incurring travel expenses. Travel by College employees must be for necessary and reasonable travel expenses incurred for official business in accordance with established College policies stated herein. Individuals traveling on officials College business should exercise the same care in incurring expenses, as they would exercise in personal travel.

# **PURPOSE**

The purpose of this policy is to establish guidelines in compliance with Internal Revenue Service (IRS) rules. The College reimburses out-of-pocket expenses for approved College business under “accountable plan” rules described in [IRS Publication 463](http://www.irs.gov/publications/p463/index.html).  The IRS requires that specific supporting documentation be provided with all reimbursement requests or charges to the College’s credit cards or the College must treat the payment (if it is made) as taxable compensation to the individual. Under IRC sections 62(a)(2) and 62(c), reimbursements for travel that meet established tests for an accountable plan, are not subject to employment taxes (federal income tax withholding, social security and Medicare).

# **DEFINITIONS**

1. **Accountable Plan**

A plan for reimbursing employees for expenses such as meals, entertainment, travel, and transportation incurred for business purposes on behalf of the College. Under this plan, the reimbursement that the employee receives for the expenses is not included in his/her income. Employees are required to account adequately for expenses with receipts and return any excess reimbursement within 30 days.

The following are the three requirements for an accountable plan:

1. There must be a business connection and the expense must be reasonable.
2. There must be reasonable accounting for the expenses.
3. All excess reimbursements must be repaid in a reasonable time.

1. **Reasonable Period of Time**

The definition of a reasonable period of time depends on the facts and circumstances of the situation. However, regardless of the circumstances, actions that take place within the following timeframe will be treated as occurring within a reasonable period of time:

* An employee adequately accounts for their expenses within 30 days after the expenses were paid or incurred, or within 30 days of returning if expenses involve travel.
* An employee returns any excess allowance or cash advance within 30 days after the expense was paid or incurred. An excess allowance or cash advance is any amount an employee is paid that is more than the business related expenses that were approved and adequately accounted for by the employee’s supervisor.

1. **Official College Business Purpose**

Travel that is necessary for the proper execution of employee duties and required by the College; to maintain or improve job skills that enhance an employee’s service to Eckerd College; or to perform services required for any sponsor, grantor of the College to a research or other contract. Specific examples of College business purpose include, but are not limited to the following:

* Employee attending continuing education conference, symposium or meeting related to the field of employment
* Non-employee candidate for employment at Eckerd College
* Athletic teams competing for and representing the College
* Employees traveling on behalf of a research grant requiring the employee’s presence in another location
* Employees traveling on Winter term, Semester abroad, Internships or Service Learning Trips.
* Students working as an employee when traveling on behalf of their position
* Non-employee students who travel on official College business

1. **Travel Advance**

Funds provided to an employee prior to the trip to cover out-of-pocket expenses expected while on official College travel.

# **RESPONSIBILITY**

1. **Responsibilities of Travelers**
* Travelers are responsible for making their own travel arrangements, either independently or through a travel agency ensuring that the selection is cost-effective. Eckerd College does not maintain a centralized travel service.
* Travelers are responsible for requesting receipts and transmitting original detailed receipts to the Business Office.
* Accidents or other incidents that may result in a claim to the College must be reported immediately to Risk Management.
1. **Responsibilities of Supervisors**
* The supervisor responsible for the budget to be charged should approve travel and business expenditures. If the traveler is the budget supervisor, then the person to whom the traveler reports to should be the approver.
* P-Card statements and receipts should be checked by the supervisor prior to submitting to the Business Office to ensure that all purchases meet the guidelines established by the Eckerd College Accountable Plan Expense and Travel Policies. Purchases outside of this policy are strictly prohibited and will not be reimbursed.

# **TRAVEL APPROVAL**

Travel on College business must be authorized by the Vice President, Dean, Collegium Chair, or Director responsible for the travel budget. This individual is responsible for assuring that budgeted funds are available to meet all travel commitments. Travel expenses in excess of $500 must be approved by the corresponding Dean or Vice President and the Associate Chief Financial Officer prior to incurring the expense.

# **PAYMENT OF TRAVEL EXPENSES**

Payment for travel expenses can be provided through (1) Purchasing Card (P-Card), (2) cash advance, and/or (3) Travel reimbursement. Each section is explained below:

1. **Purchasing Card (P-Card)**

The College provides a P-Card for eligible employees who travel frequently on College business. Travelers assigned a P-Card by the College, may use it to pay for travel and expenses approved by the supervisor and/or the Associate Chief Financial Officer if the total travel expenses exceed $500 per trip. The College encourages use of a Purchasing Card to pay for travel expenses. Employees without a P-Card may use their personal credit card to pay for travel expenses with pre-approval from the Chief Financial Officer (CFO) or designee. Employees who use their personal credit cards without prior approval may not be reimbursed for their expenses.

Employees that have an Eckerd College P-Card are required to follow the College’s Policy and Procedures for its use. This information is found on the College’s web page: <http://www.eckerd.edu/businessoffice/Purchasing%20Card.php>

In signing the P-Card reconciliation or the travel expense, the employee and the approver(s) are certifying that all expenses claimed are:

* ordinary,
* reasonable,
* necessary,
* substantiated through appropriate documentation,
* directly related to College business, and
* in accordance with Eckerd College’s Travel Policy and Eckerd’s Expense Policy.

Cash advances and personal expenses are not allowed on the Purchasing credit cards. In a situation where only cash is accepted (i.e. taxis in certain cities), the employee will be reimbursed as long as the expense is allowable under the Travel or under the Expense Policy. Any expense not covered in this policy is not reimbursable without prior approval by the Chief Financial Officer (CFO) or designee.

1. **Cash Advance**

Two weeks prior to departure, the traveler should check with their service- provider (hotel, airline, etc.) to ensure that their P-Card or the P-Card assigned to the Department is accepted. If the service provider does not accept a P-Card, or the Department or traveler do not have a College P-Card, the traveler should request a cash advance by completing the appropriate form ten business days prior to departure. The completed Cash Advance Form must include all requested information relating to the travel, purpose of travel, amount requested, and the purpose for cash advance. The Form needs to be signed by the traveler and approved by the direct supervisor. The traveler’s signature acknowledges responsibility to account to the College for the amount advanced and to repay the College for any unsubstantiated amounts. Advances in excess of anticipated expenses should not be requested.

Advances will be made only by check. The check will generally be deposited in the traveler’s account. If there is a problem related to an advance request which cannot be resolved by telephone, the request will be returned to the traveler or the approving supervisor for correction.

Upon returning from the trip, the employee traveling must account for an advance within **ONE WEEK** after the completion of the trip by submitting the Travel

Expense Voucher/Cash Advance Clearance. This form is available on the Business Office web page: <https://sites.google.com/a/eckerd.edu/business/accounts-payable>.

Under normal circumstances, the College will not process new advances, prepayments, or reimbursements to an individual who has not accounted for a previous advance. In an attempt to clear the advancement, the Business Office will send notices to travelers with outstanding advances. The Dean, Vice president, Director or Department Head will be notified if advances remain outstanding for a period exceeding one month.

A cash advance is considered to be a loan. As such, each advance must be settled within thirty 30-days of an employee's return from travel. To reconcile an advance, it must be reported on the Travel Expense Voucher/Cash Clearance Report form to document the trip and any unused portion must be deducted from the report's final balance due. Advances unaccounted for after six months will be reported to the Internal Revenue Service as income to the traveler.

In order to exclude travel reimbursements from employee income, the College must keep a log or “accountable plan” of employee business expenses. Expenses not meeting all three conditions may be taxable to the traveler and therefore subject to W-2 reporting. Under Internal Revenue Service (IRS) regulations for an accountable plan, expenses are required to meet the following three conditions:

1. There must be a business connection and only for business expenses that are ordinary and necessary in the performance of duties as an employee.
2. All business expenses must be substantiated with the date, amount, place, and business purpose of the expense being submitted to the employer within a reasonable time period. Specific documentation requirements are noted throughout the policy.
3. Employees are required to return all amounts in excess of substantiated expenses.

1. **Travel Expense Voucher/Cash Advance Clearance**

Travelers that do not hold a College issue P-Card, shall request reimbursement through a *Travel Expense Voucher/Cash Advance Clearance Report* with clear explanations for each expense. This form is used to clear cash advances and to also document any business-related travel reimbursement including mileage, hotel, car rental, and meals.

The Travel Expense Voucher/Cash Advance Clearance Form must be accompanied by purchasing card charge records, original dated receipts, or bills - which are required for hotel, car rental, and airline expenditures and for any other item of expense. If a required receipt is lost or unavailable, first contact the vendor and solicit a duplicate, if a copy is not available, a written explanation of the circumstances must accompany the reimbursement request.

The **detailed receipt** for each purchase or charge receipt must show the date(s), the business name (place), what was purchased (service or goods), sales tax (if applicable and collected), and the total amount paid, including proof of payment.

# **MISSING DOCUMENTATION**

If an original receipt is missing for purchasing card transactions associated with travel, the cardholder should request a duplicate receipt from the vendor. In the absence of a duplicate receipt, one of the following alternative documentation methods is acceptable:

* Vendor confirmation via email or fax for the item(s) purchased, or
* Packing slip delivered with the item(s)

# **POTENTIAL TAX LIABILITY TO THE TRAVELER**

Travelers who frequently fail to submit required receipts will not be reimbursed for expenses incurred while traveling. If purchases were made with the College’s Purchasing Card, and travel receipts are missing, the cardholder will be required to reimburse the college, or it could be treated as taxable income to the Cardholder.

# **ALLOWABLE ENTERTAINMENT & TRAVEL EXPENSES**

1. **Meals**

Meals will be reimbursed when supported by an approved expense report. Detailed restaurant receipts (as opposed to stub-receipts) must be submitted accompanied by an expense report that includes the date, name of the establishment, nature of business conducted, and names and business affiliations of all present. Fiscal prudence should be used when purchasing meals.

The cost of meals will not be reimbursed if the meal is already provided and paid for as part of conference/seminar registration fees.

1. **Companion/Family Travel**

College payment of Companion/Family travel expenses must be authorized by the Dean of Faculty and the CFO. If approval is granted, the amount of travel paid on behalf of the companion(s) will be taxed according to IRS regulations.

1. **Combining College Business Travel with Other Travel**

The College will only reimburse the business portion of a trip when that trip is combined with personal vacation travel. Only receipts from the business portion of the trip must be submitted.

1. **Sponsored Program Travel**

The grant award document should be consulted to determine any travel restrictions. These may include but may be not limited to purchasing the lowest available commercial discount or customary fare must be used.

On government grants and contracts, foreign travel is defined as any travel outside of Canada, the United States, and Mexico, its territories and possessions. Federal guidelines require that travel on United States Flag carriers should be used to the maximum extent possible when commercial air transportation is the means of travel. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference.

1. **Non-Employee Travel**

The provisions of this policy apply to all non-Eckerd College employees when traveling at the College's expense. The travel expenses of non-employees (e.g., prospective employees, speakers, consultants) are reimbursed when required by authorized contractual agreement or when approved in advance by the responsible organizational unit head. Reimbursement is made in accordance with the policies and procedures stated herein.

# **UNALLOWABLE TRAVEL EXPENSES**

When lodging is required, reasonable personal meal expenses, excluding alcohol, are reimbursed, at actual cost including gratuities. Fiscal prudence and common sense should be used. Prior to approving a P-Card expense, supervisors are requested to review statements including receipts to ensure that expenditures are reasonable and necessary.

The following types of expenditures are not allowed:

1. Accident insurance premiums when renting a car;
2. Alcohol including hotel mini-bar, or in flight cash bar
3. Any portion of rental car, hotel or other travel expense unrelated to College business;
4. Any other expense listed in the Eckerd College Accountable Plan and Expense Policy
5. Car washes
6. Child/Elder Care expenses associated with care needed while the employee travels
7. Cost of barbers and/or hairdressers
8. Costs incurred by unreasonable failure to cancel transportation or hotel reservations;
9. Credit Card delinquency fees
10. Excessive tips;
11. Health club, sauna, or massage fees
12. In-flight telephone charges, and in-flight movies
13. Lost baggage
14. Lost or stolen tickets, cash, or property;
15. Other personal expenses such as “pay per view” movies, health and grooming services or supplies;
16. Parking permits, valet fees, fines (parking, traffic, library, etc.), penalties, or interest charges on     personal credit cards.
17. Pet care fees
18. Shoe shines
19. Souvenirs/personal gifts
20. Tobacco products

# **Commuting**

Mileage expense for travel between the employee’s residence and place of work or headquarters is considered commuting expense and is the employee’s responsibility. Eckerd College will not pay mileage for commuting to and from work.

# **AUTOMOBILE TRANSPORTATION**

1. **Private Automobile**

When travel by private automobile is chosen over commercial transportation in order to save time or to reduce costs, reimbursement to the traveler is made based on mileage traveled. The mileage allowance covers all operating costs of the vehicle. Repair costs are not reimbursable, whether they result from the traveler's acts or the acts of others. However, ferry, bridge, tunnel, toll road, and parking charges are reimbursable in addition to the mileage allowance. An accurate daily record of miles traveled is to be maintained. Upon completion of travel, mileage and expenses are to be submitted on a Travel Expense Report form.

1. **Automobile Rental in the Continental United States**

The use of rental cars is authorized when their use is more time or cost-effective than airline or rail-travel, or when other modes of transportation are not available.

When traveling by air or rail, a car may be rented when the destination is reached if doing so would be less expensive than the combined business purpose cost of taxis, buses, or limousines used during one's stay.

At all times, individuals should rent the most economical class size of car for the number of people traveling. Any upgrades or enhancements are personal expenditures and will not be paid for by the College. In such circumstances, the cost of the most economical rental for the same trip should be determined, and substantiation printed. That documentation should be submitted with the receipt for the actual rental and the College will cover the base rate.

Should a rental car accident occur while conducting College business, follow procedures provided by the College’s Risk Manager prior to departure. Eckerd's insurance will cover collision and liability damage incurred by an Eckerd-authorized driver on a route to or from authorized Eckerd business. Personal use of the rental car is not covered by the insurance policy and carrier of the College.

# **International Travel**

1. **International Automobile Rental**

For international rental car reservations, it is important for the traveler to investigate any obligations for insurance coverage before leaving the United States, and if necessary, a written authorization for acceptance of foreign insurance needs to be submitted by the traveler before departure to the College’s Risk Manager.

1. **International Travel – Individuals**

All requirements in this policy related to basic business travel apply equally to international travel.

International currency spent must be converted to U.S. dollars for the expense report and the exchange rate used must be provided under explanatory notes.

If the traveler does not have a P-Card and approval is granted prior to departure by the Chief Financial Officer or designee to allow the use of a personal credit card, the travelers should keep in mind that fluctuating exchange rates make reimbursement for foreign travel complex. Hotel and dining bills paid with a credit card will be charged in the foreign country’s currency, and the credit company will convert the bill to U.S. dollars before billing the traveler. Foreign travel expenses are reimbursed at the federal maximum travel per diem rates for foreign areas in effect at the time or on an actual, reasonable expense basis if original receipts are submitted with the Travel Expense Report. The current federal maximum travel per diem rates for foreign areas are available from the Business' Office.

Arrangements for foreign travel under sponsored project awards can be complex, often requiring detailed justification for each trip. Many sponsors must approve each trip abroad well in advance of departure, whether or not such travel is referenced in the award notification. In particular, foreign travel under federal sponsored project awards must be authorized in advance by the sponsor. Federal awards also require that U.S. flag air carriers be used regardless of cost, convenience, or personal travel preference. For specific information regarding sponsor requirements, individuals traveling under sponsored project awards are encouraged to contact the Senior Accountant responsible for Grants Administration prior to incurring any foreign travel expenses.

All claims for foreign travel expenses must be converted to U.S. dollars. The conversion rate and computation, as well as the source used to verify the rate, (e.g., WALL STREET JOURNAL) must appear on each receipt. Foreign travel expenses charged to a P-Card or personal credit cards are converted by the card ‘s provider, and are reimbursed to the traveler as they appear on the card bills.

To insure accurate, fair reimbursement, a copy of the credit card bill in dollars should be submitted with the request for reimbursement, in addition to the original charge slip in the foreign country. If waiting for the bill in dollars from the credit card company would delay accounting for an advance, travelers should account for all other expenses within 30 days of return, but may request reimbursement for charged items at a later time.

1. **International Travel - Groups**

Group travel is defined as travel by one or more faculty or staff members accompanied by students for athletic or other educational purposes. Adherence to this policy is also required when traveling with College sponsored groups.

Group travel to foreign destinations is coordinated through the Office of International Education. This office will make every effort to use the College’s P-Card to book individual and overseas travel. Purchases of travel tickets and/or hotel accommodations should also be done through the College’s P-Card.

# **Emergency Provisions and Exceptions to Policy**

When emergency or other unusual situations arise, employees have reasonable latitude to make travel decisions that balance their safety with the financial interests of the College. An attempt must be made by the employee to arrange for travel interruption when circumstances allow. The following are guidelines for some common emergencies:

1. **Connecting Flights Cancelled**

 Employee should first attempt to secure alternative flight if possible. If no flights are available that day, make alternative air and lodging accommodations provided by the airline if available. If not provided by the airline, employee can make alternate accommodations based upon availability.

1. **Severe Weather**

When severe weather affects travel, employee can adjust their existing travel arrangements when their safety is at risk.

1. **Illness/Injury**

Employee experiencing a sudden illness or disabling injury while traveling can adjust their travel arrangements to facilitate emergency medical attention or to return home.

1. **Family Emergency**

Employee experiencing a family emergency while traveling can adjust their existing travel arrangements to attend to the emergency. Examples of a family emergency include but are not limited to the following: serious injury to or illness of a direct family member involving hospitalization or death of a direct family member or lineal family relative.

1. **Exceptions**

The College recognizes that emergencies arise and unusual situations occur; many of these situations are unique. Employees must send requests for exceptions in writing through their supervisor to the Chief Financial Officer or designee.