

TRAVEL: PROCEDURES

Procedure 6.b.01

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The KUMC Research Institute (RI) will reimburse persons traveling with funds held by the RI on a “no loss, no gain” basis; in other words, a traveler should neither lose nor gain personal funds as a result of travel utilizing funds held within the RI. A part of the IRS Accountable Plan requires that policies and procedures for reimbursable expenses be applied consistently. Thus, the following is being presented as a guideline for meeting this particular criterion of the IRS Accountable Plan. Additionally, the RI is accountable to the taxpaying public as well as sponsors that funds are being used appropriately. All travel is ultimately governed by the rules and regulations of the funding source.

Pre-Travel:

- Pre-approval is required; allow yourself plenty of time to gain approval before you expect to leave
- Additional pre-approvals may be required for *any* travel including personal days (see below for further instructions regarding combining personal days with business travel).
- Complete the Pre-Travel Process Modules in PeopleSoft.
- Check U.S. Dept of State International travel warnings list if International travel is planned:
http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html
- If traveling Internationally, allow yourself time to obtain a passport, or visa, if applicable
- Travel arrangements are made at the most economical rates unless otherwise justified and should utilize the most direct or usually travelled route.
- Air travel arranged on U.S.-flag air carriers except when unavailable or requires excessive number of flight changes

During Travel:

- Maintain documentation: **original, itemized receipts**
- Collect conference or meeting materials that provide the dates and location of the function
- Document business versus personal days, if applicable

Post-Travel (Reporting):

- Traveler must report and substantiate travel expenses within 60 days of travel
- Traveler and an authorized designee has signed the travel voucher
- Documentation collected during travel, including flight itinerary, should be attached
- If meals are being reimbursed, claim either per diem or submit actual original, itemized receipts
- For conferences, submit a detailed agenda showing meals that were provided at the conference
- Submit **original, itemized** receipts
- KUMC travelers: complete PeopleSoft Travel Module and submit documentation to RI Accounts Payable department
- KUMC Research Institute travelers: submit expenses to RI Accounts Payable department

Allowable and Unallowable Costs:

Allowable:

- Alcoholic beverages charged to residual accounts*
- Business entertainment charged to residual accounts*
- Checked baggage charge assessed by the airline as a requirement (not *additional* checked baggage fees)
- Conference Fees
- Currency Conversion Fees
- Gasoline; may not be claimed in addition to mileage
- Internet access fees when used for official business only
- Lodging
- Mileage
- Meals. *NB: The Research Institute makes individual determinations on how much will be reimbursed for meals based on what is usual and customary for the city and location in which the expense has been incurred. Reimbursement amounts for meals will be reduced if it is considered to be excessive or extravagant, in order to comply with IRS Accountable Plan Rules.*
- Miscellaneous expenses incurred for business purposes while on travel (photocopying, supplies, etc)
- Parking. Parking will be reimbursed at the most economical rate unless otherwise justified.
- Per Diem, except for same-day, local travel. *NB: Per Diem is reimbursed per trip; one cannot claim per diem one day and actual expenses the next day.*
- Taxi/limo/shuttle service while on official business if reasonable and customary
- Tips

- Tolls
- Transportation costs
- Vehicle rental where the expense is justified and the most economical mode of transportation.

Unallowable:

- Additional costs due to the accompaniment of a spouse and/or family members
- Airline Airport Club fees
- Airline Upgrades
- Alcoholic beverages except as provided for above
- Baggage Handling. *Exception: ADA (Americans with Disabilities Act) travelers may claim reimbursement for assistance with baggage handling.
- Cancellation fees due to a traveler's failure to cancel reservations in a timely manner
- Chartered flights on NSF grants
- Child Care
- Credit Card membership fees
- Formal wear, evening-wear rental expenses
- Honoraria
- Insurance on airfare
- Laundry, dry cleaning, shoe shining service
- Mileage between home and official workstation
- Mini-bar, in-room movies, pay-per-view, fitness facilities, spa packages
- Non-business entertainment
- Parking or traffic fines
- Per Diem for same-day, local travel
- Personal liability insurance on vehicle rental
- Room service when not accompanied by itemized receipt and justification
- Souvenirs/Gifts
- Taxi/limo service for personal, non-business use
- Valet parking
- Vehicle Rental where the cost exceeds other modes of transportation (ex: shuttle, taxi, etc.)
- Other Personal expenses

Reimbursement to non-employees

Consultants, participants and other business guests are required to substantiate their travel according to the same guidelines as KUMC and Research Institute employees, including original itemized receipts. The traveler is required to sign the documentation and obtain respective KUMC department approval by means of an authorized signature.

Reimbursement to Foreign Nationals

IRS Accountable Plan Rules stipulate that travel reimbursements to Nonresident Aliens require the same practices as travel reimbursements to U.S. citizens and resident aliens, with the exception of obtaining a SSN or ITIN from the Foreign National if s/he does not already possess one.

Faculty who Terminate Employment with KUMC

When faculty or staff terminate employment with KUMC, it may happen that the department is later notified of an outstanding travel credit or pending travel plans for the employee. On such occasions, any outstanding credits must be applied back to the grant from which the funds originated. If the grant funds are no longer accessible (i.e., has been closed out), the funds must be returned to the sponsor.

Any outstanding travel plans should be cancelled by the department as quickly as possible and a refund requested. These funds would also be applied back to the grant from which payment had originated.

Non-Federal Sponsored Funds

Expenses charged to a non-federal sponsored account will be reviewed for reasonableness by the RI Accounts Payable Office and Division of Sponsored Programs and a determination made on a case-by-case basis. If the charge is determined to be reasonable, the full amount may be charged to the non-federal sponsored account. If the charge is determined to be unreasonable, the request for reimbursement on the item(s) will be returned to the department and will need to be charged to a residual account.

Business Entertainment

Business Entertainment is defined as social gatherings or social events designed for networking or discussing research in a relaxed atmosphere. Business entertainment expenses will be reimbursed from F&A (indirect) funds as long as the costs are reasonable and customary for the city in which the expense occurs. Required documentation for reimbursement includes: original itemized receipts; a guest list including the names of the individuals and the institution they represent; a copy of a flier or announcement of the event, if applicable; and, a description of the purpose for the gathering.

*Residual Accounts: A Residual Account is created for each Principal Investigator (PI) to hold remaining funds from closed and completed industry sponsored project accounts.

International Travel

Pre-approval from the Research Institute Executive Director or Chief Financial Officer is required before a traveler embarks on international business. Pre-approval from the sponsor may also be required for International Travel.

A *detailed* itinerary is required for International travel, with each day designated as either business or personal. Any travel day(s) to and from the destination where KU Medical Center business will be conducted are business days. Any non-travel day where at least four (4) hours are spent conducting KU Medical Center business is considered a business day.

When you combine **Personal Travel with Business Travel** internationally, the traveler should keep in mind that there is a personal tax liability issue if BOTH of the following conditions are met (Internal Revenue Service Publication 463: Travel, Entertainment, Gift, and Car Expenses):

1. The total period of the trip is longer than one week, **and**
2. At least 25 percent of the trip is personal

In the event that both conditions are met, a portion of the common business expenses that are reimbursed to the traveler, including airfare, is taxable to the traveler. This requirement applies to travel outside the 50 United States and the District of Columbia.

If a traveler does choose to combine personal travel with business travel internationally, the following guidelines will also apply:

Airfare

- Airfare reimbursement will be prorated if personal travel exceeds 25% of the travel.
- If the additional personal days increase the cost of the ticket, the traveler is responsible for paying the difference.
- Travelers will be responsible for any additional costs resulting from use of indirect routes or stops for personal reasons.
- Travelers must provide quotes for lowest available airfare for the direct route to your business location for comparison. The traveler will be limited to the cost of the travel by the lower of the direct route to the business destination or the actual airfare; the traveler will bear any additional costs.
- If any portion of the vacation precedes the business period and the business portion is canceled, the trip will be considered vacation and the traveler will be responsible to pay for all travel costs.

Rental Car

- The most economical rental vehicle will be reimbursed, if the procurement of a rental vehicle is deemed to be necessary to the purpose of the business event, for the portion of the trip that is official business. If any personal days are included, reimbursement will be prorated based on the number of days used for personal and the number of days used for business.
- The State of Kansas does not carry insurance coverage for travelers on personal travel. The KUMCRI will not reimburse travelers for additional vehicle insurance coverage.

Subsistence Expenses

- When personal days precede the start of official business, reimbursement for lodging and meals (per diem) will begin with the first official business day. Travelers may only request up to 75% reimbursement on that first day of official business.
- When personal days occur after the conclusion of official business, reimbursement for lodging and meals (per diem) will end on the last day of official business. Travelers may only request up to 75% reimbursement on that last day of official business.
- Individual travelers are limited to reimbursement of the single room rate. If a family member or other non-business related person stays in the room with the traveler, it is the traveler's responsibility to have the hotel indicate the single room rate on the receipt at the time of check-out.
- Airport or hotel parking will be reimbursed only for the days of business travel.

Personal Travel combined with Business Travel (Domestic)

When vacation/personal leave is combined with a business trip, travel is reimbursed *only* when it is clearly established that the business travel is the primary consideration; in other words, the majority of the trip must be for business per IRS guidelines (Internal Revenue Service Publication 463: Travel, Entertainment, Gift, and Car Expenses). Use of vacation/personal time while on business travel must be clearly indicated on the travel itinerary.

KUMC Research Institute Executive Director or Chief Financial Officer approval must be obtained for airfare reimbursement if personal travel exceeds one week. **Expenses in excess of the business travel costs are unallowable costs and may not be charged to a sponsored project.** Following are guidelines travelers must be aware of when combining personal travel with business travel on funds held by KUMC Research Institute:

Airfare

- Airfare reimbursement will be prorated as appropriate if personal travel is greater than business travel.
- If the additional personal days increase the cost of the ticket, the traveler is responsible for paying the difference.
- Travelers will be responsible for any additional costs resulting from use of indirect routes or stops for personal reasons.

- Travelers must provide quotes for lowest available airfare for the direct route to your business location for comparison. The traveler will be limited to the cost of the travel by the lower of the direct route to the business destination or the actual airfare; the traveler will bear any additional costs.
- If any portion of the vacation precedes the business period and the business portion is canceled, the trip will be considered vacation and the traveler will be responsible to pay for all travel costs.

Rental Car

- The most economical rental vehicle will be reimbursed, if the procurement of a rental vehicle is deemed to be necessary to the purpose of the business event, for the portion of the trip that is official business. If any personal days are included, reimbursement will be prorated based on the number of days used for personal and the number of days used for business.
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Subsistence Expenses

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- When personal days occur after the conclusion of official business, reimbursement for lodging and meals (per diem) will end on the last day of official business.
- Individual travelers are limited to reimbursement of the single room rate. If a family member or other non-business related person stays in the room with the traveler, it is the traveler's responsibility to have the hotel indicate the single room rate on the receipt at the time of check-out.
- Airport or hotel parking will be reimbursed only for the days of business travel.