

Department: Business Office	
Policy Title: Travel and Entertainment Expense Policy	
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POLICY

The University will only reimburse employees for reasonable and necessary expenses incurred for the benefit of the University. If an officer or employee is uncertain as to whether an expense qualifies as reasonable and necessary, advance clarification should be obtained from the Controller's office.

DEFINITIONS AND EXAMPLES

1. "Reasonable" means that the expenditure was for an amount normally to be expected. As an example, the University would normally not pay for first-class plane fare if suitable accommodations were available at a lower rate. Meal and lodging costs will and are expected to vary depending on the areas involved and continue to be subject to periodic review by the Department Head for reasonableness.
 - a. "Necessary" means that the purpose was appropriate.
 - b. There is no problem in determining if expenses are necessary when they are incurred in connection with an out of area trip. The purpose of the trip is usually quite clearly defined and, therefore, identifiable as University business. The expense of getting to and from the destination, and the length of time outside the University, determines what travel and meal expenses are "necessary."
 - c. On the other hand, the fact that dinners or other forms of expenses may make meetings more pleasant or facilitate the proceedings is not an adequate reason to convert the expense into a necessary expense.
2. "University Business" means activities directly related to the legal functions of California Lutheran University. To be eligible for reimbursement, the claimant's job responsibilities must be directly and significantly involved with the subject matter of the claim. For questions about what constitutes University business, consult with the Controller.
3. "Expenses Not Reimbursed by the University" include, but are not limited to items such as:
 - a. Airline or other travel insurance;
 - b. Barbers and hairdressers;
 - c. Suitcases or other luggage purchased for traveling;
 - d. Personal telephone calls, except when authorized;
 - e. Traffic and parking violations;
 - f. Gift cards
 - g. Doctor bills, prescriptions, or other medical services;
 - h. Alcoholic beverages;

- i. Fees, service charges, interest, etc. related to personal credit cards, even if they are used exclusively for University business;
- j. Travel from home to the normal work site on holidays, weekends, and other scheduled days off;
- k. Events that is celebratory in nature that did not relate to University business like birthday parties, baby showers, holidays lunches, etc.; and
- l. Greeting cards and personal stationery.

EXPENSE CLAIMS

4. Justification for reimbursement must include adequate information to justify payment, including:
 - a. The date and location;
 - b. Identification and cost of the various items involved (i.e. meals, plane fare, parking, etc.);
 - c. The specific University business involved and exact purpose of the expenditures;
 - d. The individuals involved and their relationship to the matter at hand. If the expense includes meals or travel costs for other University employees, a listing of these employees should be provided. If the claim includes expenses for a non-University employee, the claim should contain an explicit explanation as to why the non-University employee's expenses should be funded by the University and;
 - e. Such additional explanation as would serve to substantiate the claim.
5. Supporting Documentation: Generally should be the actual invoices, receipts, sales slips, passenger coupons, hotel bills, etc. Each instance of expense for non-University employees will be detailed to insure the University and respective tax authorities' requirements for explanation are met. For example, meal receipts should detail the items purchased, not just the credit card receipt.
6. Meals: Whether or not a business meal is a necessary University expense depends on whether this is the only reasonable time to conduct the University business involved. Generally, it is possible to schedule and conduct business meetings during normal business hours. Therefore, a clear, specific explanation must be made as to why the meal cost was a necessary part of the meeting.
7. Refreshments: A Cabinet member may authorize payment for refreshments provided on location in conjunction with official meetings that will extend over the normal "break" periods under the following conditions:
 - a. Where it is for the convenience of the University; and
 - b. Where it is to the benefit of the University to keep all participants together and not have them disperse for breaks. (University employees at their regular work stations are not included.)
8. Meetings: This includes formal training sessions, conferences, seminars, workshops, study sessions, staff meetings, board, and committee meetings, etc.
9. Special Ceremonies or Events: There are occasions when recognition of an event merits special ceremonies. Examples are completion of a major construction project, open house or recognition of a significant University event that advances the cause of University business. Expense reimbursement for such activities (e.g. decorations, refreshments, entertainment, informational materials, etc.) requires approval of a Cabinet member.

10. Weekend or Late Work Meals at Regular Work Site: The following meals are reimbursable, if outside of the normal work schedule and at your regular work site:
 - a. Late Work Meals: Costs incurred for meals when required to work in excess of two hours beyond the normal workday are allowable if approved by the responsible VP and the employee returns for the required work after the meal.
 - b. Weekend and Holiday Meals: Claims incurred for lunch when required to work a minimum of four hours on a Saturday, Sunday or holiday are allowable if approved by the responsible VP and the employee returns for the required work after the meal.
11. Business Expenses: Business travel, parking, meals and entertainment, on or off campus, are considered proper University expenses only if they are directly related to conducting University business and only if they are deemed reasonable and necessary and properly authorized by the supervisor. Generally, reimbursement is not provided when University colleagues dine together within a 25-mile radius of the campus, unless a compelling business reason exists, and is approved by an area Vice President, within reasonable limits. Charges for personal entertainment, including movie rentals, club fees and alcoholic beverages are considered personal expenses. Such expenses are the responsibility of the employee unless a compelling business reason exists and the expenditure is approved by an area Vice President.
12. Out of Area Travel: This policy is intended to cover all domestic and foreign travel as well as business entertainment expenses incurred on behalf of the University, regardless of the source of funds. Terms of contracts or grants, departmental guidelines, etc. will take precedence if they are more restrictive.
 - a. Employees are expected to travel by the most direct route using the most economical and reasonable mode of travel available. If an employee chooses to travel on official business by an indirect route, the employee is responsible for reimbursing the University for any Costs above those that would have been incurred by traveling the most direct route. Additional time required for such travel will be charged to vacation or leave without pay in accordance with policies regarding such absence.
 - b. Taxi, Local Bus and Limousine Fares: Employees are expected to use the most economical source of local transportation available to meet their needs.
 - c. Auto Rental Fees: Car rental service may be utilized only when other ground transportation is not practical or the cost of public transportation (or taxi service) is greater than the rental charges.
 - d. The University does NOT allow for the Collision Damage Waiver commonly offered by rental companies, except in foreign countries. The vehicle should be rented in the name of the University rather than in the name of the traveling individual, otherwise, the driver's automobile insurance becomes the primary carrier and the University is the secondary insurer.
 - e. Personal Auto Mileage Reimbursement: The University will reimburse for mileage at the IRS mileage rate at the time the travel is completed when operating a personal vehicle for authorized CLU business. Use of a privately owned vehicle is authorized when commercial service is not available, impractical in the circumstances, or more expensive. Except when authorized for the reasons stated above, total private automobile expense is limited to the lesser of coach air transportation costs for the same destination or actual business mileage driven multiplied by the current mileage reimbursement rate.

- f. No employee is authorized to use a privately owned vehicle on University business unless such vehicle is covered by public liability and personal injury insurance meeting minimum California state requirements. The University does not provide property damage or liability insurance coverage and accepts no responsibility for accidents and injuries for employee travel in privately owned vehicles.
 - g. Parking and Toll Charges: Necessary parking and toll charges incurred on University business are reimbursable.
 - h. Laundry and Dry Cleaning Services: The University will reimburse reasonable laundry, dry cleaning and pressing service costs only when an employee is traveling in excess of four consecutive days.
 - i. Passport and Visa Charges: Passport and Visa charges are payable by the University only when they are required for University related international travel.
 - j. Baggage and Equipment Handling: The University will pay for reasonable and necessary baggage handling charges. Excess weight charges will be reimbursed only when carrying University equipment.
13. Professional Association Membership Dues and Subscriptions: The University will pay for memberships to professional organizations when such membership is approved by a supervisor at least one step above the individual most directly benefiting from the subscription or membership. Whenever feasible, the memberships and subscriptions should be in names of University offices rather than in the names of individual employees.
- All payments for memberships and subscriptions should be processed by accounts payable and not reimbursed in expense reports.
14. Gifts to Employees/Interns: University funds are not to be used for gifts or celebrations for employees or interns that are not linked to service or performance.
15. Expense Advances: An employee may require a cash advance to fund a specific activity. Advance requests must be submitted on the Request for Payment form and approved by the appropriate signer. A full accounting of the use of the funds, appropriate supporting documentation and the return of unused funds must be submitted on a Reimbursement form and turned into the Business Office no later than three days after the date of the event/activity and never beyond the fiscal year end. Failure to comply may result in loss of future advance privileges. Expense advances are issued as a convenience to the employee who is responsible to clear advances promptly. Advances may be authorized when: The reimbursable expense is expected to exceed \$250. The advance is approved by the department head/budget officer. The employee has no advances past due for reconciliation. Authorized expense advance requests should be forwarded to Accounts Payable in enough time to accommodate normal bi-weekly check runs.
16. Off Campus University Sponsored Events: Certain Administrators may be reimbursed for the cost of attending off campus University sponsored events when a bona fide University business purpose is clearly demonstrated and is the primary motivation for attending the event. Reimbursement is generally limited to events directly benefiting the University such as Development, recruitment, serving as the University representative, and Board matters. Prior approval must be obtained by the appropriate area Vice President.
17. Policy Exceptions: Non-reimbursable items noted in the above policy may be reimbursed to individuals on a very limited exception basis. Exceptions must be deemed necessary for the benefit of the University and all must be approved, in writing, by the President.