GMU FOUNDATION EXPENSE REIMBURSEMENT AND TRAVEL POLICY

ISSUE DATE: OCTOBER 10, 2017

RATIONALE

The Internal Revenue Service (the IRS) has issued publication 463, Travel, Entertainment, Gift and Car Expenses that describes the underlying regulations in Section 162 of the Internal Revenue Code (the Code). This is the primary source for the Foundation’s Expense Reimbursement and Travel Guidelines.

In the regulations, the IRS states that meals, hotels and entertainment expenses cannot be "lavish or extravagant". The IRS also requires all businesses, whether for-profit or not-for-profit, to reimburse employees for travel and entertainment expenses under "an accountable plan.” For a plan to be deemed accountable:

- there must be a business reason for the expense
- the employee must substantiate the expense
- the employee must return to the employer any amount advanced in excess of the substantiated expenses on a timely basis

To be in compliance with IRS regulations, the Foundation has prepared the following accountable travel expense reimbursement plan. Any expenses that are not in compliance with an accountable plan would be considered taxable to the employee as reported as wages on their IRS Form W-2.

AIR & RAIL TRANSPORTATION

The Foundation will reimburse the cost of airplane or train tickets in coach class only. First class costs are not reimbursable. Supervisors may approve business class travel if travel is for a transoceanic intercontinental trip of more than eight hours of travel. All efforts should be made to obtain the lowest coach fare available. Air travel tickets will be reimbursed on the 21-day non-refundable advance coach class rate. Under special circumstances (a meeting that is likely to be changed several times, for example), you may request approval from your supervisor in advance to purchase a refundable ticket; the easiest way to provide that documentation is to attach a copy of the e-mail chain to the Foundation Travel Reimbursement Form.

Any flights which occur beyond a day before or a day after the business travel must include a cost comparison against the business travel dates with any excess to be paid by the employee (via a reduction of their reimbursement).

For electronic tickets, please request a receipt when obtaining boarding passes. If that is not possible, submit the web page printout or confirmation letter that is e-mailed to the employee and the boarding passes for each leg of the trip. For paper tickets, please provide the last page of the airline ticket (passenger receipt) as receipt for the trip. It is important that documentation is submitted that shows the name of the person traveling, the dates of travel, the destination and the cost of the ticket, including proof of payment (e.g., a receipt indicating the use of a credit card to make payment.)

Most airlines have instituted and strictly enforce rules regarding the number, size and weight of bags allowed for each passenger. Employees should be aware of these rules and make sure they are in compliance with the rules. Some airlines charge additional fees for services, such as checked baggage. These fees are reimbursable with a receipt when limits must be exceeded for legitimate business purposes. Written justification must be provided when requesting reimbursement for two or more checked bags. Charges for personal items will not be reimbursed.
Train travel tickets will be reimbursed at the coach class rate. As coach seating is not available on the Acela Express, these tickets will be reimbursed at the business class rate.

**Getting to the Airport**
- Reimbursement for fares to/from the airport to home cannot exceed the cost from the individual’s University office to/from the airport. Fares will not be reimbursed if the total mileage to/from home to the airport is equal to or less than a work day commute to/from home to the University office.
- Be reasonable in your cab expenditures. If round-trip cab fare will be more expensive than driving, consider using a shuttle service or your car instead. Cab fare in excess of $100 will require written justification, and may not be approved.
- If you drive to the airport, you may submit your parking (economy or long-term parking only) with appropriate receipts.

**Travel Agencies and Ticketing Fees**
The Foundation does not have an "official" travel agent. Employees are free to choose the travel agent they wish to work with or deal directly with the airlines/hotels or purchase transportation/lodging online. Reasonable effort should always be made to find the lowest possible airfare.

When attending a conference or professional meeting, employees should check the group airfare rate negotiated by the event sponsor. Often, these group rates are quite a bit lower than fares that can be obtained directly from the airlines or through a local agent. Discounts are often available through AAA, AARP and other personal and professional organizations. The Foundation cannot pay for personal memberships, but if these discounts are available, the Foundation encourages the employee to use them and appreciates the effort to minimize travel costs.

**Spousal or Companion Travel**
Reimbursement for a spouse traveling on business is closely regulated by the IRS. In the event a spouse, companion, child, etc. travels with the employee, any increased costs must be paid by the employee (e.g. air travel for companion, double vs. single occupancy, meal costs, etc.) or would be considered taxable income to the employee and would need to be pre-approved.

**Frequent Flyer Miles**
Employees may retain frequent flier miles earned while traveling for the Foundation. Individuals that use frequent flyer miles will be reimbursed 75% of the actual cost of a 21-day advance coach class airfare ticket.

**Saturday Night Stay**
When the savings generated by traveling and staying over a Saturday night exceed the cost of lodging and meals for a pre- or post-business period, employees are allowed the Saturday night stay. However, entertainment and other personal expenses (including health club fees) incurred by the employee during this period, or at any other time, will not be covered. Please provide a worksheet showing the airfare with and without the Saturday night stay and the hotel/meal costs for the additional days to document the savings.

**International Travel**
If international travel is required, the Foundation will only reimburse for the cost of coach transportation. Supervisors may approve business class travel if travel is for a transoceanic intercontinental trip of more than eight hours of travel. **First class costs are not reimbursable.** Exceptions to this policy must be approved by the Controller of the Foundation at the request of the Dean.
**CURRENCY EXCHANGE AND ATM FEES**
The Foundation will reimburse employees for currency exchange fees. In most cases, using an ATM machine will provide an excellent exchange rate and will reduce the amount of cash the employee has on his/her person. ATM fees for cash withdrawals will be reimbursed. When the use of travelers’ checks is necessary, any associated fees are reimbursable.

**AUTOMOBILE**

**FOR BUSINESS TRAVEL**
Depending on the circumstances surrounding the employees’ business travel, the employee may use their own vehicle or rent a vehicle through a commercial agency.

The Foundation will reimburse transportation costs for travel to a destination to conduct University business. An employee can either rent a car through a commercial rental agency or the employee will be reimbursed for business miles driven in a personal vehicle at a rate set annually by the IRS. To obtain mileage reimbursement, the Foundation Travel Reimbursement Form must be completed stating the start location, destination and actual miles traveled on expense report, and attach a printout of driving directions showing total miles. Mileage reimbursement may never exceed the cost of available alternate transportation, e.g. the reimbursement for mileage cannot exceed the lowest train or airfare available. In cases where the employee elects to drive rather than travel by plane or train, the lower of the available alternatives will be reimbursed to the employee. Employees cannot request mileage reimbursement and charge for gas or other vehicle related expenses. The mileage rate paid by the Foundation includes reimbursement for such expenses. If an employee combines personal and business travel when using a personal vehicle, only mileage for business travel will be reimbursed.

Effective January 1, 2017, the standard mileage rate for the use of a personal vehicle when driven less than 280 miles per day is $.535. The mileage rate for the use of a personal vehicle when driven more than 280 miles per day is $.246 per mile.

**RENTAL CAR**
Employees should rent a car only when it is required for daily use at the business destination or there is no other less expensive means of transportation from the airport/train station or from the point of origin to the business destination. If an employee rents a car and uses it partially for business and partially for personal use, the cost of the car must be prorated. Employees should rent a car of an appropriate size based on the number of employees traveling. You are advised to investigate the fuel policy of the rental agency to avoid excessive refueling charges upon return of the automobile. Rental car reimbursement will not exceed the cost of economy or mid-size class rate.

**TRANSPORTATION TO/FROM AIRPORT AT BUSINESS DESTINATION**
In many cases the cost of an individual taking the airport shuttle to their hotel is often far less than the cost of that individual riding in a cab. When time permits, individuals should use airport/hotel shuttles. Limousines and other luxury vehicles will not be covered.

**LODGING**
The Foundation will reimburse the actual cost for average accommodations up to the single occupancy rate. The IRS states that expenditures for lodging cannot be lavish or extravagant. Any lodging costs that occur beyond a day before or a day after the business travel represents personal costs to the employee.
Movies and other entertainment charged to the room will not be reimbursed. Health Club charges, golf, mini-bar and other personal services will not be reimbursed. When traveling with a companion, the employee is responsible for any additional charges above single occupancy.

A detailed, $0-balance-due, itemized bill from the hotel must be submitted as supporting documentation for reimbursement. In addition, the detailed bill for any restaurant expenses charged to the room must be submitted. *The restaurant line item on the final hotel bill is not sufficient.*

**MEALS**

Meals for employees while traveling for business purposes or while conducting the business of the University will be reimbursed. Meal costs for business-related participants will also be reimbursed. The location of the business meal does not change the reporting requirements. The same IRS rules apply to meals taken locally or out of town. The IRS states that expenditures for meals cannot be lavish or extravagant.

Receipts should be provided for all meals, and they are required for reimbursement for business meals and individual meals. The itemized receipt is required in addition to the credit card slip, if a credit card was used to pay the bill. Gratuities of 15% – 20% are also reimbursable.

The Foundation will reimburse the reasonable and actual cost of meals, including gratuities, while on business. The IRS requires that all requests for meal reimbursement must document the following information (regardless of cost):

- List of attendees
- The business purpose of the meal (topic of discussion)
- The cost (supported by the itemized receipt)
- The location
- The date
- Description of meal (*i.e.* lunch, dinner)

Please note that meals with associates from other organizations do not necessarily constitute a reimbursable expense, unless the employee can establish that there was a business purpose to the meal (e.g., establishing a relationship with a prospective member, showing appreciation for a client).

The Foundation will not reimburse on a "per diem basis". When a meal is included in the cost of a conference, the Foundation will not reimburse the employee for the cost of a meal taken during that period (i.e. if employee chooses not to attend the provided lunch, the Foundation will not pay for an alternative lunch).

If an employee is dining with a travel companion, only the cost of the employee's meal may be charged. Shared items must be prorated.

**ALCOHOL**

Employees are expected to act responsibly in relation to alcohol consumption while on a business trip. The cost of a beverage with dinner will be reimbursed as part of the meal expense. Drinks that are not associated with a meal or drinks taken at a bar cannot be reimbursed, except with a legitimate business development reason.

**SNACKS AND OTHER INCIDENTAL ITEMS**

Snacks, mini-bar, and other incidental items such as magazines, toiletries, and medicine are considered personal items and are not reimbursable.
LOCAL (IN-TOWN) MEALS
A "business meal" is defined as a meeting that is held during mealtime where the main purpose of the meeting is business and a meal is served. In the case where employees must meet with each other during the dining hour to discuss business (e.g. brown-bag planning sessions, late night work sessions to finalize a proposal or meeting logistics), the cost of the meal may be reimbursed. **Routine lunches or get-togethers with associates are not considered business meals.** Business meals must have a stated business purpose, and require the following information:
- List of attendees
- The business purpose of the meal (topic of discussion)
- The cost (supported by the itemized receipt)
- The location
- The date
- Description of meal (i.e. lunch, dinner)

GREATUITIES
Tips at the standard of 15% to 20% on meals are reimbursable. Tips on meals should be included as part of the cost of the meal on the travel expense report. Reasonable tips to bellhops, maids, etc. are reimbursable and should be totaled and listed separately on the Travel Reimbursement Form. Reimbursement for tips may not exceed a customary 20% of the total charge.

TELEPHONE
All business calls (whether from a landline or a cellular phone) made while away from the office will be reimbursed. Direct long distance calls from the hotel room are extremely expensive and should be avoided. Employees are encouraged to use a cell phone. Employees are limited to one personal call per day for reimbursement.

REGISTRATION/CONFERENCE/TRAINING FEES
If you must pay a registration fee directly, please attach a copy of your registration confirmation and payment receipt to your Travel Reimbursement Form. If attending a conference or training as a participant, include a copy of the conference or training agenda with your Travel Reimbursement Form. If attending a conference as speaker, include a copy of the speaker agreement with your Travel Reimbursement Form. The Foundation will not reimburse for travel costs covered by another organization.

TRAVEL ADVANCES
Travel advances will be paid to faculty, staff or students for a maximum of $500 and must be approved by the project director. If project director is the payee, the project director’s supervisor must also approve the advance. Receipts supporting the travel advance must be submitted to the Foundation along with a completed Travel Reimbursement Form within seven days of completion of travel. If the travel expenses exceed the advance, the Foundation will reimburse the individual the difference. If the travel expenses are less than the advance, the traveler should submit the Travel Reimbursement Form and a personal check payable to GMUF to reimburse the account used for the original advance disbursement.

REIMBURSING DIFFERENCE BETWEEN STATE PER DIEM AND ACTUAL EXPENSES
The Foundation will reimburse the difference between state per diem and actual expenses incurred. A copy of the University reimbursement form with final costs allowed by the state must be included with the Travel
Reimbursement Form. On the Travel Reimbursement Form, itemize the difference by listing state per diem rate and actual expense to support the expenditure request.

**NON-REIMBURSABLE EXPENSES**

The following items will not be reimbursed by the Foundation:

- Fines for parking or moving violations
- Meals purchased during work days when not on University business-related travel
- Personal entertainment, such as movies, health club fees, golf, other costs
- Laundry services for trips of less than five days
- Lost or stolen personal property, including cash
- Costs incurred due to unreasonable failures to cancel transportation or hotel reservations
- Companion expenses (including travel, meals and additional driver costs on rental cars)
- Life insurance
- Excess baggage charges for personal items (e.g. golf clubs, skis)
- Unnecessarily excessive costs (e.g. very expensive restaurants or exclusive hotels) not warranted by the circumstances. The IRS states that expenditures for meals/lodging cannot be lavish or extravagant
- Charitable or political contributions
- Mini-bar items
- Alcohol not associated with a meal or fundraising activity
- Snacks, personal reading material
- Repairs to personal vehicles used for business travel
- Commuting costs between home and the Foundation/University, including parking fees, metro fare, or taxis
- Interest charges or fees on personal credit cards
- Airline lounge fees
- Expenses where the only documentation is a print-out of a credit card statement, except with written explanation of special circumstances

**Note:** This list is not meant to be all-inclusive. Other items may be deemed non-reimbursable upon review.

**NON-TRAVEL RELATED EXPENSES**

Employee’s personal credit card should only be used to cover travel related expenses. Any non-travel related costs, such as memberships, subscriptions or event costs should not be charged on a personal credit card and should be submitted to the Foundation so the expense can be paid via a Foundation check.

**FOUNDATION EXPENSE REIMBURSEMENT FORM AND REIMBURSEMENT POLICY**

To obtain reimbursement for out of pocket expenses, complete a Travel Reimbursement Form. Expense reports should be completed within 30 days of the expense, or in the case of travel, within 30 days of the return date of your trip, and submitted to the Foundation with the required supporting documentation. Expense reports must be submitted within 90 days or may not be reimbursed. Rather than delay reimbursement, submitted expenses that are not allowed under this policy will be deducted from the expense report, and those un-allowed receipts will be returned with explanation to staff. The remainder of the expense report will be processed. Returned receipts may be re-submitted with proper documentation (itemized receipt, explanation of charges, etc.).

Supporting documentation for travel and meal related charges on the employee’s personal credit card must include a copy of the credit card statement as well as the supporting documentation noted above. The Travel Reimbursement Form must also contain the employee’s signature as well as approval from their supervisor and project director.
QUICK REFERENCE:
GMU FOUNDATION EXPENSE AND TRAVEL POLICIES

Any exceptions to this policy must be approved by the Controller of the Foundation at the request of the Dean.

AIR & RAIL TRANSPORTATION
- Purchase tickets at least 21 days in advance.
- Coach class only.
- Non-refundable tickets only, unless given advance approval in writing.
- Submit boarding pass, plus ticket confirmation that includes name of person traveling, travel dates, destination, cost of ticket and proof of payment must be submitted for reimbursement.

GETTING TO THE AIRPORT
- Reimbursement of fares to/from the airport to home cannot exceed the cost from the individual’s University office to/from the airport. Fares will not be reimbursed if the total mileage to/from home to airport is equal to or less than a work day commute to/from home to the University office.
- Be reasonable in your cab expenditures. If round-trip cab fare will be more expensive than driving, consider using a shuttle service or your car instead. Cab fare in excess of $100 will require written justification, and may not be approved.
- If you drive to the airport, you may submit your parking (economy or long-term parking only).

SPOUSAL OR COMPANION TRAVEL
- In the event a spouse, companion, child, etc. travels with the employee any increased costs must be paid by the employee (e.g. travel costs of companion, double vs. single occupancy, meal costs, etc.) or would be considered taxable income to the employee and would need to be pre-approved.

AUTOMOBILE
- Mileage reimbursed at rates set by IRS. Note start location, destination and actual miles traveled on expense report, and attach a printout of driving directions showing total miles.
- The maximum reimbursement for mileage cannot exceed the lowest train or airfare (21-day advance purchase) available.
- If an employee combines personal and business travel when using a personal vehicle, only mileage for business travel will be reimbursed.
- If an employee combines personal and business travel when using a rental car, charges must be pro-rated and personal charges deducted from reimbursement request.
- Rental car reimbursement will not exceed the cost of economy or mid-size class rate.

TRANSPORTATION TO/FROM AIRPORT AT BUSINESS DESTINATION
- When time permits, individuals should use airport/hotel shuttles. Limousines and other luxury vehicles will not be covered.

LODGING
- Not reimbursable: movies, health club charges, golf, mini-bar, other personal services – whether charged to hotel room or billed separately. When traveling with a companion, the employee is responsible for any additional charges above single occupancy.
- A detailed, $0-balance-due, itemized bill from the hotel must be submitted as supporting documentation for reimbursement.
A detailed restaurant or room service bill is required for reimbursement. The line item on the final bill is not sufficient.

MEALS
- Receipts should be provided for all meals, and are required for business and individual meals over $75.
- The itemized receipt is required in addition to the credit card slip, if a credit card was used to pay the bill.
- Gratuities up to 20% are also reimbursable.
- Business meals require the following information: List of attendees; Business purpose of the meal; Cost (supported by the itemized receipt); Location; Date.
- Meals with associates from other organizations do not necessarily constitute a reimbursable expense, unless the employee can establish that there was a business purpose to the meal (e.g., converting a prospective member, showing appreciation for a client).
- The cost of a meal if attending an event in which a meal is already included will not be reimbursed.
- If an employee is dining with a travel companion, only the cost of the employee's meal may be charged.
- Snacks, mini-bar, lounge fees and other incidental items such as magazines, toiletries, and medicine are not reimbursable.

ALCOHOL
- The cost of a beverage with dinner will be reimbursed as part of the meal expense.
- Drinks that are not associated with a meal or drinks taken at a bar cannot be reimbursed.

TELEPHONE
- Attach the phone bill to your Travel Reimbursement Form, highlighting the Foundation-related calls.
- Employees are limited to one personal call per day for reimbursement.

REGISTRATION/CONFERENCE/TRAINING FEES
- If you must pay a registration fee directly, please attach a copy of your registration confirmation and payment receipt to your Travel Reimbursement Form report.
- If attending a conference or training as a participant, include a copy of the conference or training agenda.
- If attending a conference as speaker, include a copy of the speaker agreement.

TRAVEL ADVANCES
- Travel advances will be paid to faculty, staff or students for a maximum of $500 and must be approved by the project director.
- Receipts supporting the travel advance must be submitted to the Foundation along with a completed Travel Reimbursement Form within seven days of completion of travel.
- If the travel expenses exceed the advance the Foundation will reimburse the individual the difference.
- If the travel expenses are less than the advance, the traveler should submit the Travel Reimbursement Form and a personal check payable to GMUF to reimburse the account used for the original advance disbursement.

REIMBURSING DIFFERENCE BETWEEN STATE PER DIEM AND ACTUAL EXPENSES
- A copy of the University reimbursement form with final costs allowed by the state must be included with the Travel Reimbursement Form.
- On the Travel Reimbursement Form, itemize the difference by listing state per diem rate and actual expense to support the expenditure request.

NON-REIMBURSABLE EXPENSES
The following items will not be reimbursed by the Foundation (this list is not all-inclusive):
• Expenses where the only documentation is a print-out of a credit card statement, except with written explanation of special circumstances.
• Meals purchased when not on the Foundation business-related travel.
• Lost or stolen personal property, including cash.
• Costs incurred due to unreasonable failures to cancel transportation or hotel reservations.
• Companion expenses (including travel, meals and additional driver costs on rental cars).
• Life insurance.
• Excess baggage charges for personal items (e.g. golf clubs, skis).
• Mini-bar items.
• Alcohol not associated with a meal.
• Snacks, personal reading material.
• Commuting costs between home and the University, including parking fees, metro fare, or taxis.

NON-TRAVEL RELATED EXPENSES
• Your personal credit card should only be used for travel and meal related business expenses. All other expenses (i.e. memberships, subscriptions) should be paid via a Foundation check.

FOUNDATION TRAVEL REIMBURSEMENT FORM
• Travel Reimbursement Forms should be completed within 30 days and no longer than 90 days of the return date of your trip or of the expense.
• Submit the Foundation Travel Reimbursement Form and supporting documentation to GMU Foundation Inc., MS 1A3, Alan and Sally Merten Hall, Suite 2300.
• Submitted expenses deemed unallowable under this policy will be deducted from the Travel Reimbursement Form, and the remainder of the Travel Reimbursement Form will be processed. Returned receipts may be re-submitted with proper documentation.
• A copy of your personal credit card statement must be submitted with the appropriate supporting documentation.