



STEVENS
INSTITUTE *of* TECHNOLOGY

THE INNOVATION UNIVERSITY

BUSINESS AND TRAVEL EXPENSE POLICY

This Policy replaces previously separate Policies entitled “Travel Expense” and “Business Expense”

STEVENS INSTITUTE OF TECHNOLOGY
BUSINESS AND TRAVEL EXPENSE POLICY

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I. WHO SHOULD READ THIS POLICY?

- Employees who incur expenses on Stevens behalf, including through use of the university purchasing card and other direct payment mechanisms
- Employees who travel on university business
- Employees who supervise employees incurring university business expenses
- Employees who make travel and other arrangements or prepare expense transactions for:
 - University employees
 - Prospective university employees
 - University visitors
 - Students who travel on approved university business; or
 - University sponsored conventions, conferences, or seminars
- Non-employees such as independent contractors and consultants who travel for university-related business or incur expenses for which the University has agreed to pay.
- Students travelling on university sponsored activities

II. DEFINITIONS

These definitions apply to these terms as they are used in this Policy	
Accountable Plan	An Internal Revenue Service (IRS) term for a plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business purpose, substantiate expenses, and return any amount in excess of substantiated expenses to the employer.
Away from Home	Generally, for purposes of business expenses, "home" is defined as the person's regular place of business, not his/her personal residence. Travel expenses qualify as business expenses only if the traveler is away from home at a temporary work site.
Capital Assets	A permanent item with an acquisition cost of \$5000 or more and a life span of more than one year that is held for purposes of furthering the Institute's mission and not for investment or resale
Code Sharing	Mechanism by which a U.S.-certified carrier leases space on an aircraft of a foreign air carrier.
Domestic Travel	Travel among any of the fifty United States, its possessions and territories ¹ . In the case of sponsored projects, domestic travel may be defined in the award documents.
Foreign Travel	Foreign travel is any travel to, between, or within countries outside the fifty United States and the U.S. possessions and territories.
Incidentals	An Internal Revenue Service (IRS) term for minor expenses included in the <i>per diem</i> rate for "meals and incidentals" (M&I). Minor expenses include tips, mailing expenses, etc.
Official Travel	Travel on approved university business between "home" (i.e., regular place of business) and another destination. Travel between one's personal residence and one's regular place of business is commuting, not official travel.
Ordinary, Necessary, and Reasonable Expense	An expense is ordinary if it is normal and customary. An expense is necessary if it is appropriate and helpful to the business. An expense is reasonable if a prudent person would incur the expense in similar circumstances.
<i>per diem</i> – Domestic	A specific daily rate to reimburse the living expenses of an individual when traveling for business. The regional rates are established by the federal government for travel within any of the continental United States. See foreign per diems for Hawaii and Alaska
<i>per diem</i> – Foreign	A specific daily rate to reimburse the living expenses of an individual when traveling for business. The regional rates are established by the federal government for travel outside the continental United States. Foreign <i>per diem</i> rates are used for Hawaii and Alaska.
Personal Expense	An expense for personal items such as clothing, luggage, toiletries, newspapers, magazines, movies, personal insurance and other items. Items considered as 'personal expense' are described throughout this Policy; however, a listing of items included in this definition is found at IV.B. - "General Provisions."
Proof of Payment	Documentation that reflects date, amount, and that a payment was made (cash register receipt, credit card receipt, a bank or credit card statement, a copy of a check, or a cancelled check).
Receipt	A written acknowledgement that something has been received; some receipts do

¹ U.S. territories and possessions include: The Commonwealth of Puerto Rico, Guam, The U.S. Virgin Islands, American Samoa, The Commonwealth of the Northern Mariana Islands, The Midway Islands, Wake Island, Kingman Reef, Navassa Island, Johnston Atoll, Palmyra Atoll, Baker, Howland and Jarvis Islands

Business and Travel Expense Policy

Effective February 1, 2013

Updated May 29, 2015

	not include key information required by accountable plan rules such as date, amount, description of good or service, etc.
Sponsored Project	A signed award (grant, contract, or cooperative agreement) under which the university agrees to perform a certain scope of work for an external sponsor.
Substantiated Expenses	An IRS term under the accountable plan rules that requires documentation as to amount, time and place and business purpose and evidence that the expenses were incurred or paid.
Sufficient Documentary Evidence	Information and documentation that, when taken as a whole, substantiates the expense and business purpose under the accountable plan rules. Sufficient documentation should include who, what, when, where, why, and how much.
Temporary Work Site	An IRS term for a work location away from an individual's regular work site. Travel expenses qualify as business expenses only if the traveler is "away from home" at a temporary work site.
Travel Advance	Payment made to or on behalf of a traveler prior to travel, and recorded in a receivable account in the university's accounting system.
Travel Expenses	For tax purposes, the ordinary, necessary, and reasonable expenses of traveling away from home to a temporary work site.
Travel Status	A Stevens' employee is considered on "Travel Status" while traveling directly to and returning from business travel destinations and while staying in those destinations for business purposes. An employee is not on 'travel status' while engaged in personal travel in conjunction with business travel, whether that personal travel is before, during, or after the business travel.
U.S. Flag Carrier	An air carrier that holds a certificate under 49 U.S.C. 41102 and whose service is authorized either by the carrier's certificate or by exemption or regulation.

III. INTRODUCTION

This document is meant to provide a clear and consistent statement of the Stevens' Business and Travel Expense Policy. The Policy applies to all faculty, staff, students and others who incur expenses while engaged in university business or related travel. The Policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with IRS, other government agency regulations and the policies of Stevens. It pertains to travel and business expenses supported by any source of university funds including, but not limited to, central appropriations, designated funds, restricted gifts and endowment income, sponsored agreements, student organizations and plant funds. Where sponsor, agency, or other regulations are more restrictive than prescribed by this Policy, the sponsor, agency, or other regulations will apply.

Stevens' management expects its personnel to exercise good judgment in committing university funds. The University's principal revenue sources are from students (tuition, board, and room), from donors (individuals, foundations, industry, etc.) and from research sponsors (federal, state, local government agencies, corporations, and foundations).

Stevens is a non-profit institution and a charitable tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Because of this special tax-exempt status, Stevens must ensure that its funds are used to further its charitable purposes and that all expenses are reasonable both in nature and amount. Students and their parents, donors, governmental parties and the public are increasingly sensitive about appropriate activity and expenditures on behalf of tax-exempt organizations and it is very important that we at Stevens manage our resources in an appropriate manner.

It is Stevens' policy to reimburse individuals and pay outside vendors for all necessary and appropriate transportation and travel related costs incurred by faculty, staff, students, and others in connection with approved university activities.

Non-compliance with this Policy may result in disciplinary action up to and including termination of employment. Actions that may be taken include, but are not limited to, the following:

- Reduction of purchasing card limits
- Termination of purchasing card privileges temporarily or permanently
- Removal of travel privileges temporarily or permanently, and/or
- Termination of employment

While traveling on university business, travelers should expect to receive service and accommodations that are both safe and comfortable, but not lavish or extravagant. Individuals should not gain or lose personal funds as a result of official travel. In addition, travel arrangements should be well planned as far in advance as possible so that costs will not be excessive and will not exceed budgetary limitations. Travel arrangement made for anyone other than university employees, such as guest speakers, consultants and prospective employees should follow the same policy that pertains to university employees.

Control of travel and expense budgets is the responsibility of each Vice President, Dean and Department Director, or anyone charged with responsibility and oversight of a university account (currently within the Quali Financial System). Approval of expense reports is more than a formality; it indicates that expenses submitted have been reviewed and have been found to comply with the elements of this Policy.

This Policy will be reviewed periodically to ensure all information is current and reflects any changes in business process or other changes required by university management, sponsors, or evolving practice.

Please see [Appendix A](#) for a list of university contacts and helpful websites

IV. OVERVIEW

A. PURPOSE

The purpose of this Business and Travel Expense Policy (Policy) is to provide departments, supervisors, employees and non-employees with specific policies and procedures regarding Stevens Institute of Technology (University) business and travel expenses. Business expenses include those that are directly paid (e.g., purchasing card) as well as expenses reimbursed to individuals who incur them on behalf of the University.

Business and travel expenses (including amounts allowable as *per diems*) that are reimbursed following IRS accountable plan rules are not subject to income or employment taxes (e.g., federal income tax withholding, Social Security taxes or Medicare taxes). Failure to observe essential elements of this Policy could result in the traveler having reimbursement requests denied or be taxable to the employee.

Commonly, the following are the IRS requirements for tax-free reimbursements of expenses under an appropriate accountable plan:

1. There must be a business connection for the expense and the expense must be reasonable and necessary.
2. There must be a reasonable accounting for the expense.
3. All excess reimbursements must be repaid within a reasonable amount of time.

The IRS has issued a number of regulations which further define these requirements and this Policy is designed to meet them.

B. GENERAL PROVISIONS

The basic premise governing business and travel expenses is that an individual should not gain or lose funds in the course of conducting university business. The University pays for business and travel expenses incurred in connection with university business that are appropriately documented and are in accordance with IRS accountable plan rules and Stevens' policies. ([See Reporting Requirements](#)) In instances where expenses do not satisfy the requirements of the IRS accountable plan rules, the individual may, among other remedial actions, be taxed on those expenses.

It is not possible to anticipate all of the circumstances that individuals may encounter in conducting university business; thus the Policy is not exhaustive in its content. It is expected that those requesting reimbursement, incurring business or travel expenses and preparing and approving expenses for payment will follow this Policy in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to the University.

Assuming a reasonable level of safety and convenience for the individual, every effort should be made to keep university business and travel expenses to a minimum.

All expenses must have a valid business purpose. Generally, the University will not reimburse or pay for expenses that are inherently personal in nature. The following list of personal expenses serves as a guide and is not to be considered all-inclusive:

- Personal grooming services, such as barbers, hairdressers, toiletries, and shoe shines
- Child care costs, babysitting, and house-sitting costs

- Pet care, including fees for boarding pets and other animal care
- Any personal clothing and accessories
- Prescriptions, over-the-counter medication, and other medical expenses
- Personal reading material, such as non-scholarly magazines, books and newspapers
- Personal recreation or entertainment such as greens fees, sightseeing fares, theater tickets, entry fees, lift tickets, etc.
- Credit card delinquency fees and finance charges
- Dues in private clubs
- Gym and recreational fees, including massages, manicures/pedicures and saunas
- Amenities such as movies, in-room bars, saunas, massages, etc.
- Personal costs such as life, medical, personal automobile loss of personal effects and baggage insurance
- Business travel accident insurance beyond the University's policies
- Lost baggage
- Loss or theft of travel advance money, airline tickets, personal funds and/or other personal property
- Parking tickets, traffic violations, auto repairs, or the cost of vehicle towing
- Membership fees to join frequent flyer clubs and dues for memberships in airline clubs
- Memberships in: athletic clubs, faculty clubs, social clubs, shopping clubs, business membership, fraternal orders, or other similar organizations
- Gift cards and gift certificates (regardless of value)
- Any type of gift with a value in excess of fifty dollars (\$50)
- Unallowable expenses on a Stevens' Purchasing Card:
 - EZ Pass charges for a personal car
 - Fuel, oil or maintenance expenses for a personal car
 - Cell phone charges for a non-Stevens' (personal) cell phone
 - Computers
 - Capital assets

 If an item is not included in the list shown above, that does not mean it is automatically allowable. Questions should be directed to the Division of Finance for clarification.

 Generally, without preauthorization, Duck Bills debit cards should not be used to pay for business or travel expense.

The University will not pay for or reimburse business or travel expenses that have been or will be reimbursed from any outside source (other than expenses for which the University will be reimbursed under agreements such as grants or sponsored project agreements).

Since departments govern how authorization for business and travel expenses is granted, departments may elect to impose additional restrictions over expenses beyond those required by this Policy for various business reasons, including budget availability.

A *per diem* travel allowance for meals and/or incidentals is available for travel by university faculty, staff and student employees, but is not permitted for non-employees. The purpose of this limitation is to ensure non-employees are reimbursed for all of their appropriate travel expenses. *Per diem* reimbursement is also available for students traveling for academic purposes.

Generally, the University will not provide travel advances, pay directly or make reimbursements for the travel

expenses of companions/spouses or non-employees who accompany faculty or other employees on university business (see Companion/Spousal Travel and Business Expenses).

! **CAUTION:** Expenses that may be reasonable and necessary business expenses per this Policy may be unallowable for Federal, state or other sponsored reimbursement, either directly or indirectly. Individuals incurring expenses or requesting reimbursement from agency or other sponsored funds should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions about the interpretation of agency or sponsor procedures or restrictions should be directed to the Office of Sponsored Research.

C. TRAVEL AUTHORIZATION

Prior to requesting authorization for a trip, it is important to determine if the potential benefits of the trip justify its time and expense after considering cost-effective alternatives, such as video or teleconferencing.

Travelers **are required** to obtain authorization from their supervisor prior to making an overnight trip. Use of the [travel authorization form](#) or development of a department-specific process for authorizing travel is required. Approval should be secured in advance of booking, with exceptions permitted in unusual circumstances.

When traveling internationally, it is the traveler's responsibility to learn if travel advisories have been issued for the locations of the trip. As part of the trip authorization process, the traveler will notify their approver as to whether travel advisories have been issued. It is the approver's responsibility to weigh the benefits and risks of travel to a country under an advisory before authorizing a trip. If the traveler and approver wish to proceed with the trip (to a country for which the State Department has issued a travel advisory), they must consult with the Vice President of their area, the Chief Risk Officer and the General Counsel prior to the commencement of the trip.

Incurring travel expenses without prior authorization is considered a violation of this Policy and expenses may not be reimbursed.

D. REPORTING REQUIREMENTS

IRS accountable plan rules require the University to maintain a policy under which employees and non-employees account for all business and travel expenses, advances, and allowances. The accounting must include:

- Sufficient information to establish a valid business purpose of the travel, entertainment, or other business expense
- Substantiation of the business and/or travel expense with required receipts and an adequate record of each expense indicating the amount, date and place for all expenses of \$50 or more. If alcohol is included in the receipt total, it must be identified and reported separately regardless of the amount. All non per-diem expenditures charged to federal sponsored projects (regardless of amount) must be accompanied by receipts. (Note: Departments may request detail for expenses below \$50 for additional departmental internal control purposes.); and
- The prompt return of any unused monies from travel advances, i.e., within 30 days (See [Travel Advances](#)).

In order to avoid having the reimbursement be taxable to the individual, expenses should be submitted within 30 days of completing the travel or incurring the expense. Generally, expenses submitted for reimbursement longer than 90 days after completing the travel or incurring the expense will not be accepted. Exceptions are considered on a case-by-case basis and require justification and approval from the signatory/signatories appropriate for the traveler.

Stevens' external auditors, the Department of Internal Audit and the Division of Finance perform regular audits of travel expenditures to ensure that departments comply with university policies and procedures.

E. ORGANIZATIONAL RESPONSIBILITY



The primary responsibility for compliance with this Policy rests with the individuals requesting reimbursement or incurring the expense and the departments and supervisors who are authorizing and approving these business and travel expenses. Authorized persons approving business or travel expenses are responsible for enforcing this Policy and, in so doing, must be satisfied that the expenses are appropriate, reasonable, and sufficiently described and documented in a manner consistent with the Policy. Exceptions to this Policy may be granted only by the Vice President for Finance.

The responsibilities are defined as follows:

- **Individual Requesting Reimbursement or Incurring the Business Expense**

The individual requesting reimbursement or incurring the business expense may delegate responsibility for preparation of the expense report but the individual retains accountability. Individuals requesting reimbursement or incurring the business expense are responsible for ensuring the following:

- The expense has a valid business purpose
- Proper business justification and supporting documentation (e.g., receipts) have been obtained and/or provided to the business expense report preparer
- Proper documentation justifying any upgrades has been obtained and has been provided to the business expense preparer
- A valid university account number(s) has been provided to allocate the expenses
- To the best of the individual's knowledge, the expense is in compliance with this Policy and if the expense is to be charged to a sponsored award, that the expense is in compliance with all sponsor requirements/Federal regulations

- **Business Expense Report Preparer**

This individual is responsible for preparing the expense report and, by submitting the report, is confirming the following:

- Proper business justification and supporting documentation (e.g., receipts) have been received from the individual requesting reimbursement or incurring the business expense
- Mileage and *per diem* calculations are accurate
- Proper documentation justifying any upgrades has been obtained and submitted by the individual requesting reimbursement or incurring the business expense
- The expense has been properly allocated to the university account number(s)

- **Business Expense Report Approver**

This individual is responsible for approving the expense transaction and, by approving, is verifying the following:

- The expense has a valid business purpose
- There is proper supporting documentation (e.g., receipts) for the business expense
- Mileage and *per diem* calculations are accurate
- There is documentation justifying any upgrades
- The expense has been properly allocated to the correct university account number(s)
- To the best of the approver's knowledge, the expense complies with the Policy and if the expense is to be charged to a sponsored award, that the expense is in compliance with all sponsor requirements/federal regulations

F. SHARING EXPENSES WITH EXTERNAL ORGANIZATIONS

Individuals are responsible for seeking reimbursement for expenses payable by external organizations. If an individual is taking a trip that will be paid by an external organization, the University will pay only the agreed

upon share of the actual expenses necessary for university business. When an external organization pays for actual expenses incurred for lodging or meals, the individual may not claim meal *per diem* from the University. The reimbursement received by the individual from all sources can never exceed the total expenses incurred by the individual.

When expenses are being shared with external organizations and the expense report justification field contains a detailed explanation of which organization is paying the balance of the expenses, a duplicate copy of the receipts will suffice for reimbursement.

G. PURCHASING CARD

This Policy applies to all business expenses incurred utilizing the University Purchasing Card.

Expenses such as EZ Pass for a personal vehicle; fuel, oil or maintenance expenses for a personal car; and cell phone plans for a personal (non-Stevens') cell phone should not be charged to a Stevens' Purchasing Card. Also, the Purchasing Card is not used to purchase computers or capital assets.

Cardholders should refer to the [Purchasing Card Guidelines](#) included in the [Purchasing Manual](#) to familiarize themselves with what is and is not allowable to be purchased using the Purchasing Card.

H. SALES TAX INFORMATION

Based on its charitable tax-exempt status, Stevens has been granted an exemption from payment of state sales tax on the goods and services it purchases. Payments made through Purchasing or other Stevens' offices will, as a general matter, be entitled to the sales tax exemption. At the time of purchase, Stevens' may be required to show its sales tax exemption certificate.

When purchasing goods or services on behalf of Stevens, whether through Purchasing or other means, check to see you are not charged sales tax. If you have questions about the applicability of the sales tax exemption, contact the Purchasing Department.

As a general matter, expenses incurred for transportation (plane, rail, etc.) and hotel expenses are not exempt from sales tax. Travel expenses incurred by Stevens' employees for meals while travelling are also subject to sales tax.

Sales tax incurred with personal funds for university business travel and for business meals will be reimbursed. Sales tax incurred with personal funds for other business purchases should include a description supporting the business purpose as to why the sales tax was paid and may be reimbursed when the amount of the sales tax is less than \$20.

If you are planning a trip on behalf of a group, please contact Purchasing to find out if the sales tax exemption may apply to any of your expenses.

In many countries outside the U.S., a tax often referred to as VAT (or value added tax) will be added to purchases, which may be refundable to non-residents. You should investigate the opportunities for VAT recapture.

To obtain a copy of the relevant University's sales tax exemption certificate or for additional information or questions regarding sales tax, please contact the Purchasing Department.

V. SPECIFIC EXPENSE POLICIES

A. INSURANCE, TRANSPORTATION, AND PARKING

- **Business Travel Accident Insurance**

The University provides business travel accident protection (Europ Assistance) for all active full and part-time faculty and staff members on University-approved and directed business travel. Prior authorization of travel is important to support claims made under this policy. Information about Europ Assistance is found in [Appendix C](#) of this Policy.

Specific questions regarding the University's business travel accident insurance coverage should be directed to the Office of Human Resources.

- **Using Preferred Travel Agencies**

To assist university travelers, the University has entered into agreements with several preferred travel agencies that provide the University with competitive fares, high-quality service, and convenience for university travelers. These travel agencies are set-up to direct-bill the University for airfare rather than the individual paying the cost personally and needing to be reimbursed. Information about the travel agencies and the Campus Travel Portal can be found at this link:

<http://www.campustravel.com/university/stevens/index.html>



Like all other business expenses, all travel is subject to institutional and departmental budgetary availability.

- **Air Transportation**

Federal law (the Fly America Act) states that Federal awardees and others performing Federal government air travel between the United States and a foreign country or between foreign countries should generally use United States flag carriers to the maximum extent.

The practices specified by the Fly America Act may differ among Federal agencies. Accordingly, individuals traveling abroad whose travel will be charged to a Federal grant or contract should consult agency guidelines to ensure that all agency procedures and restrictions are followed. Any questions or interpretation of Federal regulations should be directed to the Office of Sponsored Research. There is a checklist on the Office of Sponsored Research website that assists travelers in determining if the foreign travel sourced on a federal grant or contract is exempt from the [Fly America Act](#).

Stevens does not reimburse business travel expenses using personal aircraft. Due to the risks involved and lack of insurance coverage, use of personal aircraft for business travel is strongly discouraged.

When not using the University's preferred travel agency, the most efficient means for purchasing airfare is to use the university purchasing card. Reimbursement for airfare purchases made with a personal credit card should be made only after proof of payment has been submitted with the expense report. Specific elements to consider when making travel arrangements that involve airfare:

- **Class** - The class of air travel chosen is expected to be the lowest-priced or most efficient, i.e., non-stop, coach airfare ticket available.

In rare cases, premium (e.g., first class, business class) fares may be an appropriate business expense using other than grant or contract (sponsored) funds and subject to budget availability.

Situations in which premium fares may be appropriate are:

- ✓ Flights exceeding eight (8) continuous hours
- ✓ Flight by a traveler with a medical condition. Proper documentation must be secured from the Office of Human Resources

For airline tickets funded by a sponsored grant or contract, the individual requesting reimbursement should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Federal regulations generally prohibit the charging of Business Class or First Class to federal sponsored research projects unless it is specifically approved by the sponsor and is documented in Coeus (the Office of Sponsored Research database). Any questions or interpretation of Federal or sponsor restrictions should be directed to the Office of Sponsored Accounting.

Flights paid for or charged to sponsored projects follow the federal '14-hour rule' and the traveler may use other than coach-class in the following circumstances:

- ✓ The origin and/or destination are outside the continental U.S. (OCONUS), and
- ✓ The scheduled flight time, including non-overnight stopovers and change of plans, is in excess of 14 hours, and
- ✓ You are required to report to duty the following day or sooner. (FTR §301-10.125)

- **Frequent Flyer Plans** - Travelers may personally retain frequent flyer plan rewards or other bonuses that may accrue from business travel. However, in no case may the traveler choose a reservation at a higher cost in order to accumulate additional plan rewards. The University will not purchase frequent flyer miles from travelers or reimburse them for tickets purchased with frequent flyer miles. Any membership fees to join frequent flyer clubs are considered personal expenses and will not be reimbursed by the University.
- **Airport Airline Club Memberships** - Dues for memberships in airline clubs are personal expenses and are not reimbursable.
- **Baggage** - Charges by airlines for checked baggage when traveling on university business are a reimbursable business expense. Excess baggage expenses are reimbursable in any of the following circumstances:
 - ✓ Traveler is transporting university materials
 - ✓ Department has approved of the charge
- **Upgrades** - Proper documentation justifying any upgrades must be obtained and submitted by the individual requesting reimbursement or incurring the business expense. Additional expense may not be charged to a sponsored project unless specifically approved by the sponsor and documented in Coeus.
- **Parking** - Airport or other business parking will be reimbursed, but travelers should use long-term, lower-cost parking lots when available, unless there is a credible reason for not doing so. If public transportation or a cab/car service taken to and from the airport or other business location would result in a lower cost or a safer mode of transportation, the traveler is encouraged to take advantage of these savings/safety measures.
- **Early Departure or Late Return** - Additional costs incurred when traveler departs earlier than required for business or returns after required for business are not reimbursable unless the

savings in airfare is equal to or greater than the total costs for lodging, meals, etc. incurred during the additional days of travel. It is appropriate to consider other relevant costs and factors against the savings in airfare, including the inherent cost of being out of the office for a longer period of time

- **Lost Baggage/Items** - The University does not maintain any lost baggage/items insurance coverage for any loss of personal belongings of its employees while on university business travel. University employees are encouraged to make their own arrangement for this type of insurance coverage either through their personal homeowners/renters insurance company or with their travel agent at the time of travel. Generally, the University will not reimburse for this type of insurance.

- **Automobile Travel**

When driving on university business, drivers must adhere to and follow all laws and regulations of the state or country in which they are driving.

Prior to the first time employees use their personal car or rent a car to travel on University business, they must complete the Vehicle Use Acknowledgement and Agreement and return it to the Chief Risk and Compliance Officer. The agreement will apply to all subsequent trips and only needs to be completed once.

- **Personal Automobiles** - When the use of a personal automobile is necessary for university business, reimbursement for its use will be made at the mileage rate published by [IRS](#) and [GSA/FTRs](#), or in accordance with other federal regulations. In cases where an employee also receives an auto allowance, the reimbursement rate will be the IRS rate for “fuel only”.

When driving on university business and using a personal vehicle, a traveler must carry a valid driver’s license, vehicle registration, and proof of insurance. If a traveler uses his/her own vehicle, it is the traveler’s responsibility to carry adequate personal insurance coverage for themselves, the vehicle, any passengers and any other costs associated with an accident. Travelers should review their personal insurance coverage before making the decision to use their personal vehicle for business purposes. Travelers should consult with his/her insurance agent to determine appropriate coverage. If an accident does occur, the traveler should immediately contact the following individuals or authorities:

- ✓ Personal insurance agent or company (because the university does not have primary insurance coverage on liability claims)
- ✓ Local authorities, as required
- ✓ The traveler’s supervisor
- ✓ Chief Risk and Compliance Officer (by the next business day)



It is the traveler’s responsibility to ensure they have appropriate coverage. The traveler’s insurance is the primary insurance coverage when using a personal vehicle for university business.

It is the responsibility of the traveler to ensure that the proper mileage rate is being used and the distance is based upon actual driving distance using the most direct route. The mileage reimbursement rate includes reimbursement for use of the vehicle as well as any repairs, gas charges, and the owner’s personal automobile insurance coverage, which provides the coverage in case of an accident. Tolls and parking fees are separately reimbursable. The University will not

reimburse employees for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance. Use [MapQuest](#), [Google Maps](#) or a similar website to confirm mileage and attach the printout to the expense report. Additionally, if more than one authorized traveler is transported in a personal vehicle, mileage is payable to only one person. The owner of the personal vehicle will not be reimbursed for transporting multiple authorized travelers.

When claiming or authorizing reimbursements for miles related to moving to Stevens or for activities as a Stevens volunteer, use the lower IRS rates established for those purposes.

- **Rental Cars-** In all circumstances, the use of a rental car should be thoughtfully considered and the relevant costs and convenience associated with the use of available ground transportation such as taxis, hotel and airport shuttles, should be weighed against the cost and need for a rental car.

Rental of vehicles for university business use should be arranged through the University's preferred suppliers.

Due to the need for a commercial driver's license, and the inherent instability of this type of vehicle, it is never permissible to rent a 15 passenger van.

Ordinarily, approval will be given for only one car and use should be coordinated among the attendees when multiple Stevens' attendees are at the same conference and a rental car is deemed necessary/appropriate.

Standard vehicles are the recommended vehicle size for rental purposes. Upgrades to full-size cars are permissible if the individual's supervisor provides approval, a detailed explanation (e.g., number of persons, luggage accommodations) is included in the business justification and it is an allowable cost by the governmental sponsoring agency (if applicable). In addition to the payment for the cost of the rental car, the only other permissible expense for rental cars in most cases is the cost to purchase gasoline.

Vehicles rented for university business purposes for less than thirty (30) days are considered short-term rentals by the University's current automobile insurance carrier. Coverage of short-term rentals under the University's automobile insurance policy is subject to the following conditions:

- ✓ All drivers of rental vehicles must be over the age of twenty-one (21).
- ✓ Coverage under the University's automobile insurance policy is only provided for vehicles rented in the United States, the territories and possessions of the United States², and Canada.
- ✓ Rented vehicles should be leased as: Stevens Institute of Technology- (name of faculty, staff, or student).
- ✓ Individuals renting vehicles for more than thirty (30) days should contact the Chief Risk

² U.S. territories and possessions include: The Commonwealth of Puerto Rico, Guam, The U.S. Virgin Islands, American Samoa, The Commonwealth of the Northern Mariana Islands, The Midway Islands, Wake Island, Kingman Reef, Navassa Island, Johnston Atoll, Palmyra Atoll, Baker, Howland and Jarvis Islands

and Compliance Officer to confirm applicable insurance coverage.

No Stevens employee will be reimbursed for any purchase or long-term lease of a vehicle without written permission from the Chief Financial Officer.

Any accident involving a rental vehicle in either a domestic or international location must be immediately reported to both the car rental agency and the Chief Risk and Compliance Officer for handling of claims and coordination of coverage.

 **Insurance coverage for loss damage waiver/collision waiver, liability insurance supplement/additional liability insurance, and personal accident insurance should not be purchased and should be declined by those traveling in the United States, any territory or possession of the United States, Puerto Rico or Canada. The University already maintains automobile liability insurance within these countries and territories. Costs for the following categories of coverage will not be reimbursed: Loss Damage Waiver/Collision Damage Waiver; Liability insurance supplement/Additional Liability insurance, and; Personal accident insurance.**

 **The following optional insurance coverage will not be reimbursed: personal effects coverage/effects protection, and personal accident insurance.**

- **International Vehicle Rentals** - University employees renting vehicles for international business travel outside the coverage territory of the United States, the territories and possessions of the United States and Canada are advised to purchase any automobile liability and physical damage insurance required by the specific country. University employees will be reimbursed for any required coverage and/or the following coverage:
 - ✓ Loss damage waiver/collision damage waiver
 - ✓ Supplemental liability insurance, if any
- **Ground Transportation** - Ground transportation is an appropriate business expense (including a tip) to the extent that such service is necessary for business purposes. Public transportation, cab, or car services are acceptable modes of transportation. The traveler must weigh the benefits of costs, availability, time saving and safety when choosing the mode for business travel. For example, for trips greater than 20 and less than 200 miles, a personal vehicle or public transportation is likely more economical than a car service.

 **Generally, it is not allowable for a car service to wait for the traveler for the duration of an offsite meeting.**

- **Rail Travel**

Generally, seating (or the class) on rail transportation is expected to be lowest-priced ticket for the type of train taken.

- **Standard Train** - The class of rail travel chosen on standard train is expected to be Coach-class rail ticket. In some cases, premium (e.g., business-class) fares may be an appropriate business expense subject to budget availability and prior approval by the signatory/signatories appropriate for the traveler.
- **Extra-Fare Trains** - Whenever practical, travelers should determine the appropriateness of booking rail travel on an extra-fare train (Acela or other trains that are described as faster speed or fewer stops). If scheduling constraints, a demonstrated need or the traveler's mission, requires travel on Acela, then seating should be at the basic accommodation on that train, which is Business-class.

Include in your travel expense report an explanation as to why the extra fare train was chosen. Although the following are not exhaustive, common reasons for taking the extra fare train might be:

1. Choosing the standard train with the requirement of an early morning meeting would have required the combined cost of a hotel room and standard rail the previous evening. These combined costs would have been more than the extra fare for the high speed train.
2. Previous scheduled commitments made standard rail an unacceptable option.
3. The time saved using the high speed train allowed more time in the office to complete necessary tasks.

- **International Travel**

All of Stevens' policies and procedures pertaining to travel apply to foreign travel. Actual costs are reimbursable, to the extent reasonable and necessary, provided valid business purposes and appropriate documentation are submitted with the expense report.

The [U.S. State Department](#) maintains a list of countries for which travel advisories have been issued. Countries where avoidance of travel is recommended will have Travel Alerts (short term events) and Travel Warnings (long term issues). When traveling internationally, it is the traveler's responsibility to learn if travel advisories have been issued for the locations of the trip. As part of the trip authorization process, the traveler will notify their approver as to whether travel advisories have been issued. It is the approver's responsibility to weigh the benefits and risks of travel to a country under an advisory before authorizing a trip. If the traveler and approver wish to proceed with the trip (to a country for which the State Department has issued a travel advisory), they must consult with the Vice President of their area, the Chief Risk Officer and the General Counsel prior to the commencement of the trip.

Please see [the Business Travel Accident Insurance Section](#) for information regarding Business Travel Accident Insurance.

Travelling to other countries and/or conducting work in other countries raises a significant number of legal issues involving both U.S. and foreign law and it is advisable that you consult available resources at the University on the purpose of your travel. For example, U.S. export control laws will restrict the computer devices and data you may take out of the country; the immigration laws of many countries will require a visa for any visit for purposes of conducting work; and laws in many countries will restrict exports of samples or materials from the country. Additional information about U.S. and other laws applicable to foreign travel can be found in [Appendix D](#). Please consult with the Office of General Counsel in advance of your planned travel for information on U.S. and foreign laws which may be applicable to your travel or work outside of the U.S.

Foreign travel funded by sponsored grants or contracts may require agency or sponsor approval prior to travel. Individuals traveling abroad should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal or sponsor restrictions should be directed to the Office of Sponsored Programs. Most Federal agencies require that all foreign travel be on a U.S. carrier unless circumstances, such as lengthy holdovers, preclude using a United States airline ([See Air Transportation](#)). Many sponsoring agencies or sponsors must specifically approve trips abroad well in advance of departure. This

requirement exists whether or not travel is referenced in the grant or contract award notification. Arrangements for foreign travel supported by sponsoring agencies or sponsors can be complex, requiring not only prior approval but detailed justification for each trip, as well as detailed trip reports.

Receipts in foreign languages should be translated if the type of expense is not clear, or if the detail of the expense has to be known in order to determine appropriateness of approval, i.e., such as receipts for food in order to confirm that alcohol is not included in the reimbursement. Normally, receipts for expenses such as taxi or other transportation need not be translated, as long as the cost is reasonable for the activity.

B. LODGING

- **General**

Generally, trips of less than 50 miles one way do not qualify for university support of an overnight stay. Reimbursement for lodging for a trip of less than 50 miles one way must be justified and specifically approved by the signatory/signatories appropriate to the traveler.

The University will directly pay or reimburse a traveler for lodging expenses for the single occupancy cost of a standard room incurred during university-related travel.

The University will not pay for free accommodations awarded in connection with hotel frequent guest programs or any complimentary room accommodations provided by a hotel or other third party.

Individuals traveling should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures related to lodging are followed. Any questions or interpretation of Federal or sponsor restrictions should be directed to the Office of Sponsored Research.

Travelers are encouraged to ascertain prior to booking the travel whether the hotel grants an educational discount. Some hotels provide a discount based on presentation of a university faculty or staff ID.

- **Cancellations**

The University will pay for expenses incurred from cancelling guaranteed room reservations only with a detailed explanation of the extenuating circumstances. The detailed explanation must be approved by the signatory/signatories appropriate for the traveler and this approval should be documented and submitted as appropriate. It is the traveler's responsibility to request a refund from the hotel for a "no show" charge.

C. Travel *per diem* Options – For Employees Only

- **General**

Employees have the option to choose between reimbursement on a *per diem* basis or for actual cost of meals, and incidental expenses (tips, etc.).



Per diem may not be used to substantiate expenses incurred on a purchasing card. Actual receipts are required to confirm all purchasing card charges.

Departments may require reimbursement based on actual expenses with receipts in lieu of *per diem* based upon department-specific policies and procedures (including for budgetary requirements).

Employees traveling to international locations and reimbursed on sponsored projects may be required to adhere to country specific *per diem* rates and should consult the Office of Sponsored Research with any questions.

U.S. General Services Administration (GSA) periodically revises the *per diem* rates based on the costs of meals and lodging. Employees must use the *per diem* rates in effect at the time of travel. The *per diem* rates used must comply with those listed on the [GSA website](#).

Per diems apply to the entire travel period – an employee cannot be reimbursed on a *per diem* basis for only a portion of a trip. A *per diem* reimbursement will not be provided if there is reason to believe that the employee will not incur expenses for meals or other incidental expenses (e.g., if meals and other incidental expenses are a part of registration fees at a conference, free transportation is provided by the place of lodging, or these items are provided and paid for by the University).

For the day of departure and day of return, the reimbursement rate is limited to 75% of the *per diem* rate based on the location where the traveler is most likely to incur the meal expense. If the travel day extends longer than 16 hours, then 100% *per diem* is allowable and appropriate.

Additionally, the University's meal and incidental expense *per diem* should be reduced to account for meals furnished at no cost to the employee. For example, if meal costs are provided in the cost of a conference or hotel, those meals should be deducted from the daily *per diem* rate as defined on the GSA website. The traveler should reduce the *per diem* for any meal otherwise paid for or provided (20% for breakfast; 25% for lunch; 55% percent for dinner).

Employees who are eligible to receive *per diem* reimbursement need not submit receipts for the meals covered by a *per diem*. However, recipients of *per diem* must submit documentation (e.g., airline and conference itineraries) confirming the dates they have been in a travel status.

In addition to *per diem*, employees may be reimbursed for certain other travel and business expenses. These expenses may include the costs of business transportation (including local transportation), business telephone calls, and other miscellaneous business expenses; which must be reimbursed on an actual basis, with appropriate receipts.

- **Trips Over 30 Days**

Travel for more than 30 consecutive days in one location may be reimbursed either for the actual and reasonable costs incurred or with a per-diem allowance equal to 60% of the standard rate for the appropriate geographic area. The reduced rate begins with the first day of travel.

D. ALCOHOL, MEALS, AND ENTERTAINMENT

- **General**

The University will reimburse travelers for the reasonable cost of alcohol, meals, entertainment and gifts that are reasonable business expenses and allowable in this Policy. Depending on the particular circumstances for which the expenses are incurred, expenses for alcohol, meals, entertainment and gifts will be:

- Entertainment expenses (see Business Entertainment) incurred in the course of conducting business, none of which are allowable as either a direct or indirect expense of federally-sponsored projects
- Business expenses, some or all of which may be allowable as either a direct or indirect expense

of federally sponsored projects, and some of which may not be (alcohol and gifts are always unallowable for federal purposes).

Federal regulations require that these expenses be recorded correctly. Alcoholic beverages should always be recorded using object code 6148. Other expenses, such as gifts or flowers in appreciation of services should be recorded using object code 6182 – Other Federal Unallowable Expenses. A list of common Business and Travel related object codes is shown in Appendix B

For meals and entertainment funded by a sponsored grant or contract, the individual incurring the business expense should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal or sponsor restrictions should be directed to the Office of Sponsored Research.

Alcohol, meals, entertainment and gifts that are not reasonable business expenses will not be reimbursed.

- **Travelers' Meals**

The University will reimburse travelers for the reasonable cost of their own meals incurred during the time they are away from home (as distinguished from business entertainment expenses or local business meals covered in the following sections).

Employees can choose to be reimbursed via *per diem* or actual cost for meals. Non-employees can only be reimbursed for actual costs incurred for meals.

As a general rule, travelers are expected to incur no additional cost for meals which are provided as part of a fee for attendance at conferences, workshops, hotel cost, etc. When meals are provided in this way, the daily meal *per diem* must be reduced accordingly ([see Travel per diem Options – For Employees Only](#)). If there is a business justification provided regarding dietary restrictions, the traveler may be reimbursed for the meal.

The traveler is responsible for notifying the business expense report preparer regarding meals that were included as part of the conference registration fee, hotel cost, etc.

Travelers sometimes pay for meals for others for university business reasons. These business expenses must include the name(s) of the meal attendees and the business purpose of the meal. If the attendees are not university employees, their affiliation with the University should be provided. For meals with six or more individuals including the traveler, the traveler need only identify the number of other people at the meal. These may be considered legitimate university business expenses (if conforming to the specifics of this paragraph); however they may not be appropriate on federal grants or contracts.

- **Business Meals and Meetings When Not Traveling**

- **Employee Only Business Meals** - In cases where university employees meet over a meal when they are not traveling, the cost of the meal is considered a personal expense unless the primary purpose of the meeting is to conduct university business and there is a need to meet over the meal. Generally, these requirements are met when it is not possible for one or more employees to meet during working hours (e.g., when travel plans conflict with other meeting times), and the purpose of the meeting is to conduct university business in accordance with a formal agenda. IRS regulations do not allow for payment of meal expenses incurred by employees who are not traveling away from home (e.g., their travel does not require an overnight stay) unless

the above criteria are met. These business expenses are permissible when the name(s) of the meal attendees (all names and their affiliation are required for those meals with five or fewer individuals) have been documented and the business purpose of the meal is justified.

It is permissible to incur expenses for meals provided as part of a local conference, seminar, workshop, presentation or other similar group meeting involving employees when it extends through the usual mealtime(s). Such meals must be reasonable in nature and the purpose of the meeting must be documented accordingly to ensure that it is an appropriate business expense.



Like all other business expenses, all business meals are subject to institutional and departmental budgetary availability.

- **Occasional Employee Banquets and Functions** - Occasional (typically, annual or semi-annual) functions for employees are considered business expenses when the function is intended to serve as a token of appreciation that primarily promotes employee relations/morale, or that recognizes individual or group achievements, such as holiday parties, employee banquets, retirement parties, etc. While reasonable expenses for these functions may be considered appropriate business expenses per this Policy, they may be unallowable for Federal reimbursement (either directly or indirectly).

Occasions that are personal in nature such as parties to celebrate births, birthdays, marriages, etc., or small in-office functions with purchased food or beverages are ordinarily paid for by the employees involved and are not ordinarily considered business expenses.

- **Recruiting and Other Business Meals** - Expenses for dining involving non-university personnel are considered business expenses when the purpose of the meeting is to conduct university business and when it is necessary or appropriate to have the meeting in conjunction with, or during, a meal. Expenses for such meals should be kept to a reasonable level. The typical business meal might involve interviews of prospective employees, discussions with vendors, consultants, or other individuals with whom the University does business, or meetings of organizations and groups at which agenda items pertinent to university business are covered.

Inclusion of companions/spouses or other individuals who are not directly involved in conducting university business are general indications that the occasion is not a business meal, but an entertainment function (see [Business Entertainment](#)). Recruiting expenses are further subject to departmental specific policies and procedures.

- **Alcohol in Conjunction with Business Meals and Individual Travelers** - While not encouraged, alcohol may be considered a business expense (as distinguished from an entertainment expense) when served at university functions primarily intended to promote employee relations, such as faculty receptions, holiday parties, and the like.

Because alcohol cannot be charged to a Federal grant or contract (either directly or indirectly), alcohol costs must be charged to object code 6148-Alcoholic Beverages, and to a non-sponsored account.

E. BUSINESS ENTERTAINMENT

- **What is Business Entertainment?**

Meals and functions are considered entertainment if they are intended to provide hospitality to non-university individuals. This hospitality, while partially social in nature, is necessary and customary in furthering the University's business.

Examples of business entertainment include:

- Receptions for university guests and visitors
- Alumni reunions or similar alumni functions
- Entertaining donors or prospective donors; and
- Welcoming receptions for parents and students

Meals and functions which include companions or spouses or other individuals who are not directly involved in conducting university business are general indications that the meal or function is entertainment rather than a business meal or meeting. ([Companion/Spousal Travel and Business Expenses](#))

Entertainment expenses should be reasonable in relation to the nature of the meal or function and the resulting business benefit expected to be derived from the expenses. A description (either a list of names or identification of the hosted group) and the total number in attendance at an entertainment meal or function must be indicated along with the business purpose of the entertainment. The business purpose of the entertainment must also be documented.

Because entertainment expenses are rarely, if ever, allowable as either direct or indirect costs on Federally sponsored grants and contracts, it is imperative that these and any related alcohol costs be segregated and charged to either an unallowable object code/expense type or appropriate function to ensure that the amount is excluded from any calculation of direct or indirect sponsored project costs.

- **Alcohol in Conjunction with Business Entertainment**

If it is deemed appropriate by the individual's Vice President or Dean or Department Director to include alcohol at university entertainment functions, expenses for the alcohol must be charged to object code 6148-Alcoholic Beverages.

F. OTHER BUSINESS AND TRAVEL EXPENSES

- **Visitors, Recruits, Independent Contractors, Consultants, Students, Courtesy Appointments and Other Non-Employees**

When the University has agreed to cover the cost of travel, room and/or board, and other expenses of visitors, recruits, independent contractors, consultants, students, courtesy appointments, and/or other non-employees (hereinafter referred to as non-employees), unless the relevant contract with the non-employee requires otherwise, this Policy applies to their expenses as well. Non-employees must adhere to the same reasonableness standards and submit required receipts or other documentation supporting expenses. It is the responsibility of the department to make non-employees aware of this Policy.

Payment of non-employee's expenses requires a non-employee expense report documenting the relationship of the individual, clearly describes the business purpose of the expenses, includes proper supporting documentation, and is approved by the applicable department

Departments may also consider entering into an appropriate contract with the non-employee for payment of fees that includes the non-employees expenses rather than submitting a non-employee expense report for payment of expenses. The University will reimburse or pay for the travel costs of students and non-employees (such as job applicants, student pre-admission visits, seminar speakers, lecturers, consultants and other individuals) when it has agreed to do so, such as when one of the following circumstances exists:

- Required by contract
- Part of an established educational program in which the costs are included in the educational program fee charged
- Participating in research or group educational activities at the University's request
- Participating in approved student events or activities Recruiting for the University; or
- Approved by a Vice President, Dean or Department Director

In cases where the payment may be considered a reimbursement of the student's personal expenses rather than a university business expenses, the reimbursement may be taxable to the student as a non-qualified scholarship. Questions regarding whether a payment may be considered a non-qualified scholarship should be directed to the Division of Finance.

For non-employee expenses funded by a sponsored grant or contract, the individual incurring the business expense should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal or sponsor restrictions should be directed to the Office of Sponsored Research.

- **Professional Development**

Reasonable expenses incurred in attending professional development programs are considered business expenses. Department supervisors determine who may attend such programs at university expense, subject to budget availability. Supervisors should ensure that the content of the program is of a substantive nature that directly relates to the employee's job responsibilities at the University. Supervisors should ensure budget availability.

Professional organizations can often provide expertise and training that is not available on campus. Program content should be carefully considered in weighing the cost of travel as compared to the benefit to the University.

Travel expenses and fees associated with continuing education credits required to maintain a professional certification that is not directly related to the employee's job responsibilities at the University are not reimbursable business expenses.

- **Sabbatical**

Generally, the University does not reimburse for travel while at the work site associated with sabbatical leave or other extended leaves.

- **Memberships, Dues and Subscriptions**

The University's affiliation with an organization or group is based upon the business benefit to be derived by the University 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 that 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 approved by their respective departments.

Fees for individual memberships in business associations as well as fees for magazine, newspaper, or newsletter subscriptions are generally not allowable business expense; however, Vice Presidents, Deans and Department Directors may elect to cover these costs on a case-by-case basis. Individual membership in professional associations or other costs incurred to maintain professional certifications or licenses that are required as part of the employee's job responsibilities at the University and have a clear business benefit to the University may be considered appropriate business expenses; however this will not be an allowable expense on sponsored projects.

Memberships in athletic clubs, faculty clubs, social clubs, shopping clubs, fraternal orders, or other similar organizations generally do not qualify as a business expense. Employees must pay for these memberships personally, unless there is a clear business benefit to the University and the primary purpose of the membership is to benefit the University.

- **Purchasing Gift Cards, Gift Certificates and Other Gifts**

Stevens must comply with the Internal Revenue Service (IRS) taxation rulings on all gifts given. There are limitations on the use of University resources to purchase gifts for individuals. University resources include PCards and KFS accounts used to purchase or reimburse the purchase of a gift.

University resources cannot be used to purchase:

- gift cards and gift certificates (regardless of value)
These are considered "cash equivalents" as described in [IRS Publication 15-B](#).
- any type of gift with a retail value in excess of fifty dollars (\$50.00)

Rules vary based on the recipient's relationship to Stevens; the following taxation compliance with the IRS is required:

Gifts to Employees (including Student Employees)

- The value of any gift card or gift certificate is considered compensation and is subject to federal, state and employment tax withholding, and reporting on Form W-2.
- Any other type of gift with a retail value in excess of \$50 is considered compensation and is subject to federal, state and employment tax withholding, and reporting on Form W-2.

Gifts to Non-Employees (US Citizens)

- The value of all gifts amounting to \$600.00 or more per calendar year per individual must be reported to the IRS on Form 1099-MISC as other compensation.

Gifts to Nonresident Aliens

- The value of any gift given to a nonresident alien is generally subject to 30% federal tax withholding and reported on IRS form 1042-S.

- **Miscellaneous Business Expenses**

Other expenses including but not limited to postage, supplies, photocopying charges, etc. purchased for business use are considered business expenses. The payment for these types of miscellaneous business expenses must also include proper justification as well as supporting documentation that clearly demonstrates its legitimacy as a business expense.

The university has negotiated with preferred vendors for favorable prices on numerous commodities, including office supplies, lab supplies, and equipment. These prices are incorporated into the Stevens' SciQuest shopping portal accessed through the Quali Financial System. When you make purchases without using the SciQuest portal, you may pay more for the same item, as well as incur sales tax. Therefore, please limit the practice to only emergency situations, when purchases are made from personal funds and then submitted for reimbursement.

These expenses are typically considered unallowable on federal grants and contracts; thus, questions regarding their inclusion on reimbursement forms should be directed to Office of Sponsored Research.

- **Miscellaneous Travel Costs**

Other travel expenses may include, but are not limited to:

- Business telephone calls using personal devices while traveling
- Hotel internet service fees
- Fees for passports and visas, if specifically obtained in order to perform work for or on behalf of the University
- Fees for currency exchanges
- Necessary and reasonable laundry and dry cleaning charges after completing five consecutive days of business travel and documented with receipts
- Expenses associated with baggage handling and storage, including excess baggage charges and tips; and
- Personal calls that are reasonable (generally not more than an average of 15 minutes per day)

All such expenses must be itemized and documented in accordance with this Policy.

- **Personal and Companion/Spousal Business and Travel Expenses**

- **General** - The University will not directly pay or reimburse travelers for expenses that are inherently personal in nature. Please refer to the [Overview section](#) of this Policy for examples of items that are personal in nature.
- **Personal Business Conducted During Period of Travel** - Personal expenses, as well as any incremental travel costs incurred for personal business during the course of a university business trip, are the responsibility of the traveler. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the traveler conducted personal business at some point during the trip. For example, gas and mileage charges for out-of-the-way travel to visit friends or relatives are personal expenses. Such expenses must be identified and deducted from the expenses reported on the expense report.

Personal expenses may not be charged to university accounts (even if the intention of the traveler or a third party is to later reimburse the University). Airline reservations for personal

travel made using a University preferred travel agency should be charged to a personal credit card and not billed to a university account.

Using the University as a conduit for personal expenses may result in disciplinary action.

- **Companion/Spousal Business and Travel Expenses** - Expenses incurred for accompanying companions/spouses are considered personal in nature except on occasions when attendance of a companion/spouse at an event serves a bona fide business purpose for the University and the presence of the companion/spouse is essential (not just beneficial) to the employee being able to carry out the business purpose for the University.

In these cases, the business and/or travel expense should be authorized in writing by the Vice President, Dean or Department Director. The written approval must be submitted with the expense report and must detail the business purpose served by the companion/spouse's attendance at the event and how the companion/spouse's presence was essential in carrying out that business purpose. Since these costs are always unallowable as direct or indirect costs for Federal reimbursement, these costs must be recorded using an appropriate unallowable object code or function code. Likewise, if companion/spousal travel is coordinated with a preferred travel agency and to be paid for by the University, written approval must be obtained by one of the persons outlined above, and must be submitted with the travel request.

Amounts paid by the University for companion/spousal travel and/or business expenses must be included in the employee's W-2 as taxable wages unless the companion/spouse's attendance at the event meets the above requirements. Departments should consult the Division of Finance prior to making commitments to reimburse for companion/spousal travel and/or business expenses as the reimbursement may be taxable to the employee.

G. RELOCATION OF NEW EMPLOYEES

- **General Requirements**

University departments may, in hiring new employees, agree to pay a portion of the cost of relocating the new employees and their families.

- **Relocation and Taxable Income**

Certain types of moving expenses paid or reimbursed by the University must be treated as additional compensation to the employee, subject to both income and employment tax withholding. Generally, if the expenses paid by the University qualify as deductible moving expenses by the employee and are supported by receipts or other appropriate documentation, the payments are not required to be reported on the employee's W-2 for United States Federal income tax purposes.

A department may elect to cover all or a portion of taxable expenses of relocating a new employee; in this situation the new employee should be informed in advance of the move that the payment of these expenses will be subject to both income and employment tax reporting and withholding.

The IRS classifies payments for "indirect moving expenses" as taxable wages (e.g., house-hunting trips; settling-in costs, such as temporary lodging to a new work site). Many departments provide a one-time payment through Payroll for settling-in costs as an administrative solution for providing indirect moving expenses. Please also be aware that the IRS mileage reimbursement rate for moving is lower than the reimbursement rate for ordinary business travel.

VI. PAYMENT OF BUSINESS EXPENSES

A. TRAVEL ADVANCES

- **General**

The University will provide travel advances in appropriate amounts for employees traveling on authorized university business to cover reasonable miscellaneous costs, such as taxi fares, tips, and other business expenses. Travel advances must not be used to cover personal expenses. The size of the advance must be a reasonable estimate of the amount of cash necessary to conduct university business.

Each travel advance is the personal obligation of the traveler. Thus, the traveler is responsible for any lost or stolen travel advances (whenever possible, travelers should use hotel vaults to secure cash or other valuables). Employees are responsible for submitting an expense report with required receipts to account for the travel advance and for returning the unused balance of the travel advance.

- **Procedures for Obtaining Travel Advances**

Travel advances are not a benefit. Rather, they are a mechanism to support the business needs of university employees when traveling and appropriate. Requests for travel advances are submitted on the Travel Expense Advance Request form.

Advances will not be granted to employees who have an uncleared prior travel advance unless the signatory/signatories appropriate to the traveler certifies that extenuating circumstances warrant the second advance.

- **Availability of Travel Advances**

Travel advances will generally not be provided earlier than three working days before the planned departure date of the trip unless there are extenuating circumstances or an approved exception.

Employees must immediately return any travel advance to the Division of Finance when a trip has been canceled or has been postponed for more than five working days.

If travel advances are greater than the expenses incurred, the traveler must return the remaining balance (by cash or personal check) to the Division of Finance at the same time the expense report is submitted.

It is the department's responsibility to ensure the travel occurs.

- **Uncleared Travel Advances (including payroll reporting)**

The Division of Finance monitors uncleared travel advances and sends email notifications to travelers if the advance is not cleared within 30 days of travel completion. If an individual fails to substantiate the business expenses covered by the travel advance within 90 days after completing the travel (e.g., clearing the advance), the University is required by the IRS to report these payments as taxable income to the employee.

An employee may not obtain additional travel advances if the employee has uncleared outstanding travel advances except in the case of extenuating circumstances as described in "[Procedures for](#)

[Obtaining Travel Advances.”](#)



in cases where individuals are requesting reimbursement prior to the trip, the department is responsible for ensuring the trip occurs.

B. EXPENSE DOCUMENTATION



The primary responsibility for expense documentation rests with the individual requesting reimbursement or incurring the business or travel expenses and the departments and supervisors who are authorizing and approving these business and travel expenses.

- **General**

Thorough documentation and accounting for expenses is required. University business and travel expenses are subject to audit by government agencies, internal and external auditors and other sponsors.

- **Required Documentation and Receipts**

All individuals requesting reimbursement or incurring business and travel expenses are required to attach receipts (or scan thereof) to substantiate their business expenses (except in the case of per diem reimbursements – see Travel per diem Options – For Employees Only). As with any university payment, supporting documentation is necessary to verify expenditures and eliminate the possibility of duplicate payments. All single expenditures of \$50 and greater need to be accompanied by receipts. If, in rare cases, receipts are not available, a Missing Receipt Form must be completed. An electronic fillable version of the Missing Receipt Form can be found here:

<http://www.stevens.edu/sit/finance/processes-forms>



All non per-diem expenditures (parking, ground transportation, tolls) charged to federal sponsored projects (regardless of the amount) must be accompanied by receipts.

It is not appropriate to round-off amounts or to estimate expenses. In cases where receipts are not required to be submitted, e.g., highway tolls, tips, or an expense in an amount less than \$50, etc., individuals must still report the actual amounts of the charges and itemize these expenses.

Detailed receipts that support credit card charges are considered to be original receipts and must be submitted. Copies of credit card charge slips (without the detail) or credit card statements are not sufficient documentation. Tear-off stubs for meals should be accompanied by a cash register receipt. If no other form of receipt can be obtained, the credit card statement or charge slip will be accepted. In the case of airfare not charged directly to a departmental account through a University preferred travel agency, travelers must provide proof of payment. Travel itineraries do not constitute receipts for reimbursement purposes.

Meal and restaurant receipts must be itemized and include the name and location of the restaurant, the number of people served and the date and amount of the expense. If alcohol is included in the receipt total, and expenses are being charged to a sponsored project, the cost of alcohol must be identified and recorded separately from the rest of the meal. This must be done since alcohol is not an allowable direct or indirect expense on federally sponsored projects.

Receipts in foreign languages should be translated if the type of expense is not clear, or if the detail of

the expense has to be known in order to determine appropriateness of approval, i.e., such as receipts for food in order to confirm that alcohol is not included in the reimbursement. Normally, receipts for expenses such as taxi or other transportation need not be translated, as long as the cost is reasonable for the activity.

Departments must maintain documentation (including receipts) in accordance with the University's Policy for Records Retention. Documentation is required to comply with Federal regulations.

- **Itemizing Expenses** - Expenses should be allocated to the proper university account number(s) based upon object code/expense type. Segregate unallowable business expenses by recording them in the appropriate object codes (6148 – Alcoholic Beverages, 6182 – Other Federal Unallowable Expenses). Other expenses incurred while traveling can be charged to the appropriate travel object code in the 621X series, shown in [Appendix B](#). Authorized persons approving business or travel expenses are primarily responsible for enforcing this Policy and, in so doing, must be satisfied that the expenses are appropriate, reasonable, and sufficiently described and documented in a manner consistent with this Policy.

Approval Authority – Expenses are submitted for approval using the Travel and Business Expense Report (TABER) form and must be reviewed and approved by the individual's supervisor or someone at a higher level than the supervisor. In addition, when the expense reimbursement is entered into the Quali Financial System, it will route for approval to the account's fiscal officer and Organization Approver.



No individual is authorized to approve his or her own, a peer's or a supervisor's business or travel expenses. This restriction is imperative due to the nature of business and travel expenses and the authority that must be exercised by supervisors in approving or disallowing expenses in accordance with the Policy.

- **Proof of Payment** - When requesting reimbursement for travel or business expenses paid via personal check, a copy of the front and back of the check or scanned image may be required to substantiate the expense.

Appendix A Contact List and Useful Web Sites

Department	Website	Email (with suffix of @stevens.edu)
Campus Travel Portal	http://www.campustravel.com/university/stevens/index.html	N/A
Chief Risk and Compliance Officer	TBD	cshaw
Division of Finance	http://www.stevens.edu/sit/finance	finance-support
Office of the General Counsel	http://www.stevens.edu/sit/trustees/general-counsel	hoberle
Office of Human Resources	http://www.stevens.edu/sit/hr	201-216-5122
Purchasing Department	http://www.stevens.edu/sit/finance/purchasing-at-stevens	purchasing
Office of Sponsored Accounting	http://www.stevens.edu/sit/finance	sponsoredaccounting
Office of Sponsored Programs	http://www.stevens.edu/osp/	facultysupportcenter

Appendix B - Common Expense and Travel Object Codes

Expense codes:

If there is business travel involved, please see the section below labeled Travel Codes.

6112 = Mobile communications, including devices and service (pagers, cell phones, internet service)

6133 = Membership fees, dues and membership fees to professional organizations

6135 = Conference registration fees, if there is travel or meals involved to attend the conference those expenses should be charged to the appropriate 62XX code listed below under Travel Codes

6141 = Business meals, if traveling use the appropriate 62XX code listed below under Travel Codes.
Please carefully read Section V item D Alcohol, Meals and Entertainment.

6142 = Hospitality, expenses for food and beverages served at meetings or in reception areas

6148 = Alcoholic Beverages,

Alcoholic beverage expenses must be listed and coded separately from all other expenses.

In addition, under NO circumstance can alcohol be charged to a Sponsored Account.

Please carefully read Section V item D Alcohol, Meals and Entertainment.

6174 = Office Supplies

6179 = Subscriptions

6182 = Other Federal Unallowable Expenses

Under NO circumstance can this code be used charged to a Sponsored Account.

Travel codes:

For ALL expenses incurred during travel, please use one of these object codes.

Travel expenses include meals or per diem, lodging, transportation.

6211 = Travel – Domestic

6212 = Travel – Foreign

6213 = Travel – Athletics Recruiting

6214 = Travel – Athletics Teams

6215 = Travel – Employment Recruiting

6216 = Travel – Student Recruiting

6217 = Travel – Non-recoverable

Appendix C – Europ Assistance

Stevens has obtained insurance coverage and emergency services through Europ Assistance, a leading global medical assistance provider.

The Europ Assistance program, underwritten by Chubb Insurance, provides coverage for Accidental Death & Dismemberment and certain covered emergency assistance services, including Medical Evacuation and Repatriation. Each employee of Stevens is eligible to receive a Chubb/Europ Assistance Identification Card which should be carried with you at all times while traveling on business. This card can be downloaded and printed from <https://www.stevens.edu/hr-secure/ChubbEuropAssistanceCard.pdf> and should be obtained prior to any domestic or international travel.

If you are in need of emergency services you should call the number on the card, indicate you are an employee of Stevens Institute of Technology, have services through a Chubb Insurance policy and provide both the Policy number and Group ID number on the Chubb/Europ Assistance identification card.

As an employee of Stevens, Europ Assistance can provide you with other travel related services (such as the replacement of lost or stolen travel documents and making emergency travel arrangements) beyond the services covered under Stevens' policy. However, the cost of these additional travel services would be your personal responsibility.

Appendix D - Laws Applicable to Foreign Travel

Both U.S. and foreign laws will have applicability to your activities abroad. Foreign laws may be quite different from U.S. laws. If you are travelling outside of the U.S. to conduct work in another country or are conducting research outside of the U.S. (including collaborative research with another institution), please obtain advice before you make plans to travel.

The Office of General Counsel can provide advice or access legal resources in the U.S. and in other countries to obtain information on relevant laws. Please make sure to identify these issues well in advance of your travel and see appropriate advice.

Set forth below are several illustrative examples of laws which may apply to your travel and work; this list does not purport to be comprehensive and does not substitute for legal advice on the particular circumstances of your travel or work.

Export Control Laws: Travel, research collaborations, expenditures or transfer of research results, data, equipment or materials outside of the U.S. may create export control concerns for the University and members of the University community. Export controls are U.S. laws which regulate the “export” of certain controlled technologies, services and information to foreign nationals, foreign entities or foreign countries for reasons of national security and foreign policy. An export could be the actual shipment outside of the U.S. of controlled equipment or materials or the disclosure of information or technical data related to controlled equipment or materials outside the U.S. or inside the U.S. to a foreign national. “Technology transfer” activities which could trigger export control concerns include scientific, engineering and academic exchanges, and international meetings and visits.

Similarly, restrictions administered by the Department of Treasury’s Office of Foreign Assets Controls (OFAC) are based on the nature of a business transaction and not the technology involved. Certain transactions with certain countries (currently the Balkans, Belarus, Burma, Ivory Coast, Congo, Cuba, Iran, Iraq, Liberia, Libya, N. Korea, Somalia, Sudan, Syria and Zimbabwe), entities and individuals are prohibited without a license from the U.S. government, unless an exception applies.

Taking a laptop computer or other electronic device outside the U.S. may be regarded as an “export” subject to regulation by the U.S. government under the U.S. export control laws. Such “exports” may require a license from the U.S. government, particularly if you are traveling to a country with which the U.S. has an embargo or your device contains encryption software, unpublished data covered by a technology control list maintained by the U.S. government, data with potential military use or data relating to weapons of mass destruction. So long as you are not traveling to an embargoed country and do not have encryption software, a license should not normally be required if your electronic device is of a type that is generally available for sale from commercial vendors, is kept under your immediate control when outside the United States and is brought back to the United States within one year of the initial departure. Some travelers prefer to bring a “clean” device when they travel as opposed to their regular device.

Immigration Law: Stevens’ employees who are normally resident in New Jersey may travel outside the U.S. for purposes of conducting Stevens’ business but may be required to obtain an entry visa or a work permit under

the laws of the other country. Although certain brief visits abroad for informal meetings may be classified by a particular country as tourism, it is advisable to check on the visa and work permit requirements in the country to which you are traveling well in advance of your trip. If you are traveling outside the U.S. to conduct Stevens work (e.g. teaching a course, conducting collaborative research at another university, leading a Stevens travel program), you are strongly advised to investigate the need for a visa and work permit well in advance of your trip. Traveling without an appropriate visa or permit may result in a denial of entry, deportation or the imposition of fines by the local country. If you are not a U.S. citizen, you will encounter additional issues and should obtain specific advice to ensure your timely return to the U.S. The embassy or consulate of the country to be visited can provide information about entry requirements. Information about the visa and permit requirements of a particular country are available at the embassy or consulate for the country.

Import of Export of Research Materials: The importation to the U.S. of biological, chemical or hazardous materials may require permits and compliance with certain regulations. If you wish to import a select agent or toxin, you need to register with the CDC and comply with the regulations governing the use, transfer and possession of select agents and toxins. The USDA's Animal and Plant Health Inspection Service (APHIS) controls the importation of many items, such as live animals and animal embryos. Import permits from APHIS are required for the importation of plant pathogens (bacteria, viruses, fungi, mycoplasmas and nematodes) as well as for any fruit and vegetable samples. Most other countries also regulate what you may import into the country or export from the country.

Customs: University employees should avoid carrying cash beyond that necessary for immediate and ordinary personal expenses while traveling. An individual traveling to or from the U.S. with cash (including traveler's checks) in excess of \$10,000 must declare the amount to U.S. Customs. Many other countries restrict the amount of cash that an individual may bring in or out of the country. One consequence of noncompliance with these requirements may be confiscation of the cash.

Anti-Bribery Laws: The U.S. Foreign Corrupt Practices Act makes it illegal to corruptly offer, promise or give anything of value to a foreign official or to a foreign political party or official of such party to obtain influence, induce an action or obtain an advantage. The Act will also apply if you use an intermediary to effect such a payment. The Act provides for criminal and civil penalties and will not permit Stevens to reimburse any employee for penalties incurred, even inadvertently, under the Act. It is important to note that many non-U.S. universities and hospitals are state-owned and run, thus making employees of these entities "foreign officials" for purposes of the Act. Most countries outside the U.S. also have their own anti-bribery laws which may have broader applicability.

Anti-Boycott Rules: U.S. law prohibits individuals and entities (including Stevens) from participating in a boycott that is not approved by the U.S. government. The main unsanctioned boycott to which these laws have been applied is the Arab boycott of Israel. A boycott may take various forms including refusing to do business with the boycotted country and discriminating on the basis of race, religion or national origin. All Stevens' activities, whether domestic or international, will be subject to the Stevens nondiscrimination policy.

Privacy Laws. The privacy laws of other countries can be more rigorous than in the United States, and researchers must take care to become familiar with the requirements of local jurisdictions when gathering information from local citizens. The European Union, in particular, has developed extensive statutory protections for the personal information of its citizens that exceed the protections that the U.S. requires. Strict guidelines control when personal information can be gathered, what constitutes a legitimate purpose for collecting data, and whether personal information can be transferred to third parties. A copy of the European Union's directive is available at http://www.cdt.org/privacy/eudirective/EU_Directive_.html

DATE OF ISSUANCE: This Policy was approved at the President’s Cabinet Meeting, October 2, 2012 and is effective February 1, 2013 and applies to all business and travel expenses incurred and/or expense reports submitted on or after that date.

RESPONSIBLE DEPARTMENT/UNIT: Office of Finance. Questions about the content of this Policy should be directed to the Division of Finance.

REVISIONS: Minor Revisions may be made periodically that might include such things as clarifying statements, additional examples, contract office updates, and formatting changes for ease of use by the University community. Such changes will be tracked by the Division of Finance. The date in the lower margins of the policy will reflect the revision date. A complete log of revisions is available upon request from the Division of Finance.

ABSTRACT: In general, Stevens Institute of Technology will pay for the lowest cost method of accomplishing the business purposes.

ACKNOWLEDGMENTS: We thank our peers at Carnegie Mellon University, Cornell University and Lehigh University for the generous sharing of their policies on-line, and their guidance in creating this policy.