

**LOYOLA UNIVERSITY CHICAGO
POLICY FOR TRAVEL AND BUSINESS EXPENSES**

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I. POLICY STATEMENT

Employees of Loyola University Chicago (LUC) may charge against appropriate University accounts normal and reasonable travel, business and entertainment related expenses incurred for a University business purpose as it pertains to local transportation and out-of-town travel. These expenses should be incurred to further the educational, research and public service mission of the University.

II. PURPOSE

This policy promotes the proper stewardship and general guidelines for the appropriate and legal uses of LUC funds. The University receives, from a variety of sources, funds that carry with them certain fiduciary responsibilities. Inherent in these responsibilities is the requirement to operate the institution under guidance set forth by the Board of Trustees, to follow Generally Accepted Accounting Principles (GAAP), and to comply with all federal, state, and local rules and regulations, while supporting the University's mission.

III. TO WHOM THIS POLICY APPLIES

1. Individuals traveling on LUC business, regardless of the source of funds.
2. Individuals with supervisory responsibilities for LUC budgets.
3. Individuals who make LUC travel, business and entertainment related arrangements for themselves and/or for others.
4. Individuals who initiate, review, approve, process, or record financial transactions on behalf of the University.

IV. RESPONSIBILITY

The President, Vice Presidents, Deans and Directors are responsible for assuring that within their administrative units or colleges/schools:

1. Budgeted funds are available to meet all travel, business and entertainment related commitments.
2. Proper authorization for travel is obtained before any commitments are made.
3. Any expenditure over seventy five dollars (\$75.00) is supported by a detailed receipt.
4. The potential benefits of the trip justify its time and expense after considering more cost effective alternatives (such as teleconferencing).
5. All expenditures follow appropriate LUC policies, regardless of the source of funds.
6. There is recognition of the added conditions placed on expenditures paid from federal and/or state funds, or from restricted gifts, and those restrictions are accounted for when expenditures are planned.

Note: Contingency, Grant, Gift and funds from research stimulation are University funds, and are subject to the restrictions outlined in this document.

Caution: Colleges/schools, individual departments, or sponsoring programs may have more restrictive policies and procedures regarding travel, business and entertainment, but in no case will any unit be less restrictive than this policy. *It is the responsibility of the traveling employee to ascertain the restrictions under which his/her travel is covered.*

V. FEDERAL EXPENDITURES – SPONSORED PROGRAM CONSIDERATIONS

"Federal allowable costs" are ordinary and reasonable business expenses that support the mission of the University based on rules defined in OMB A-21, and by LUC.

"Federal unallowable costs" are expenses that are not reimbursable by the federal government, under regulations identified in OMB A-21. Federal unallowable expenses must NOT be charged to accounts funded directly by, or as a "flow-through" from the federal government, or to accounts that are used for

cost-sharing. The inclusion of any federal unallowable cost in any allocation charged against federal awards can jeopardize those (or future) awards.

A federal unallowable cost must be identified in one of the two ways described below:

1. **Federal unallowable cost identified by accounting unit:** (when all expenses for a University function are unallowable regardless of object of expense, e.g., public relations, fund-raising, and alumni activities). In these cases, when the accounting unit is initially established, specific account attributes are assigned by the Office of Sponsored Program Accounting, using a federal unallowable function code.
2. **Federal unallowable cost identified by account:** In this case, a specific transaction character is assigned by the Office of Sponsored Program Accounting when the transaction is recorded, using a federal unallowable account.

VI. DOMESTIC TRAVEL

- A. **Obtaining Authorization:** Before making any travel commitments, an employee should be aware of his/her department's and/or sponsor's travel policies, as they may be more restrictive than those contained herein. Appropriate departmental approval to travel should be obtained. No one may authorize an exception to these policies and procedures for his/her own travel.
- B. **Spouse/Companion/Family Travel:** University payment of Spouse/Companion/Family travel expenses is disallowed. Exceptions to this policy must be authorized by the President in advance of the travel commitment.
- C. **Combining University Business Travel with Other Travel:** The University will only reimburse the business portion of a trip when that trip is combined with personal vacation travel. Only receipts from the business portion of the trip should be submitted.
- D. **Sponsored Program Travel:** The award document should be consulted to determine any travel restrictions. For example, under most sponsored program awards, the lowest available commercial discount or customary fare must be used; first-class fares are not reimbursable.

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

- E. **Air Travel Reservations and Class of Service:** LUC covers the cost of coach class tickets. Any upgrades or enhancements are personal expenditures and will not be paid for by the University. In such circumstances, the cost of a coach ticket (with all available discounts applied) for the same trip should be determined, and substantiation printed. That documentation should be submitted with the receipt for the actual ticket and the University will cover the cost of the coach ticket. Unless it is impossible to do so, advanced-purchase-discount tickets should be purchased. In each case, every effort must be made to obtain the lowest fare possible. When compiling travel documentation, the boarding pass stub must be included.
- F. **Ground Transportation To and From Airports/Stations:** The most economical mode of transportation to and from airports/stations should be used. Share ground transportation whenever possible, and make use of public transportation if available.

VII. FOREIGN TRAVEL

- A. General Policy:** Foreign travel is subject to the all rules and regulations as detailed in this policy. Any additional restrictions to foreign travel are detailed in this section.
- B. Meals:** Reimbursement for meals while traveling to foreign countries will be reimbursed at the established OCONUS (Outside the Continental United States) per diem basis as determined by the U.S. General Services Administration. In the event the per diem locality is not listed in the OCONUS rate listing, the Standard OCONUS rate should be used. A list of the OCONUS rates can be obtained from the Accounts Payable Department or by visiting the U.S. General Services Administration website at <http://www.gsa.gov>.
- C. Sponsored Program Travel:** On government grants and contracts, foreign travel is defined as any travel outside of Canada, the United States and Mexico (including its territories and possessions). Federal guidelines require that travel on United States Flag carriers should be used to the maximum extent possible when commercial air transportation is the means of travel. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference.
- D. Travel Advisories:** In general, no LUC employee should travel, on University Business, to countries for which the State Department has issued a travel advisory.
- E. Foreign Currency:** Any expenses incurred in a foreign currency must be converted to U.S. dollars for reimbursement. It is the responsibility of the requestor to provide documentation supporting the conversion rates and dates used for the calculation of their requested reimbursement.

VIII. RENTAL VEHICLES

- A. Guidelines:** The use of rental cars is authorized when their use is more time or cost-effective than airline or rail-travel, or when other modes of transportation are not available. LUC has a preferred vendor arrangement with Enterprise Rental Car. Questions should be directed to the Purchasing Department before a rental is arranged. [See list of preferred vendors at www.luc.edu/adminserv/purchasing_vendors.shtml.]
 1. When traveling by air or rail, a car may be rented when the destination is reached if doing so would be less expensive than the combined business purpose cost of taxis, buses or limousines used during one's stay.
 2. At all times, individuals should rent the most economical class size of car for the number of people traveling. Any upgrades or enhancements are personal expenditures and will not be paid for by the University. In such circumstances, the cost of the most economical rental for the same trip should be determined, and substantiation printed. That documentation should be submitted with the receipt for the actual rental and the University will cover the base rate.
 3. When combining LUC and personal travel, the University will cover the cost of a rental car based on percentage LUC use and the appropriate size for the employee's LUC travel.
 4. When renting a car for business, Loyola's insurance will cover collision damage incurred by a Loyola-authorized driver on a direct route to or from authorized LUC business. In limited circumstances, the University's liability insurance will provide excess coverage (above that provided by the rental vehicle or the employee's insurer) on other liabilities incurred - if the accident occurred on a direct route, as outlined above. Only insurance that does not duplicate Loyola's coverage will be considered for reimbursement. Personal use of the rental car is not covered by the University.
- B. International Rental Car Reservations:** Insurance laws are different in each country. In some cases the insurance company is government-owned and purchase is mandatory in order to rent a vehicle. Obligations for insurance coverage should be investigated before leaving the United States, and if necessary a written authorization for acceptance of foreign insurance needs to be submitted by the traveler's budget supervisor before departure.

- C. Rental Car Accidents:** Should a rental car accident occur, immediately contact:
1. The rental car company, in accordance with the rental contract
 2. Local authorities, as required
 3. Your personal insurance company
 4. Your supervisor
 5. The University's Risk Management Department – Risk Analyst, located at WTC (by the next business day) (312) 915-8733. Additional information can be obtained through the Risk Management website located at <http://www.luc.edu/finance/riskmgmt.shtml>
- D. Renting Passenger Vans or Trucks:** Insurance requirements for 15-passenger vans and trucks differ from that of light trucks, cars and 7-passenger vans. The University's Risk Management Department – Risk Analyst, located at WTC (312) 915-9733 must be contacted to make certain proper licensure and coverage is in force.

IX. PERSONAL VEHICLES

- A. Guidelines:** When travel by private automobile is chosen over commercial transportation in order to save time, to transport equipment, or to reduce costs when a number of people are traveling together to the same destination, reimbursement to the driver is made on the basis of miles traveled. The mileage submitted for reimbursement must be documented. Current reimbursement rates can be found at <http://www.luc.edu/finance/milereim.shtml>

When travel by private automobile is for the convenience of the traveler, reimbursement is not to exceed the cost (or sum of the costs for more than one traveler) of round-trip coach airfare, plus the reasonable costs of ground transportation.

The IRS mileage allowance covers all operating costs of the vehicle (including fuel and insurance); therefore no other vehicle expense reimbursements will be made. However, tolls and fees such as ferry, bridge, tunnel, road and parking charges will be reimbursed if duly noted in the daily travel-mileage log. Under no circumstances will fees for any kind of traffic/parking violation be reimbursed.

- B. Reimbursement Rates for Local Usage of Personal Vehicles:** Within the metropolitan Chicago area, Loyola will reimburse the driver for mileage by the most direct route, parking expenses, and toll fees. Travelers should use these distances for inter-campus travel, and explain occasional exceptions due to road or traffic conditions on the expense report:

FROM LAKESHORE	FROM MEDICAL CENTER	FROM WATER TOWER
To LUMC - 23 Miles	To LSC - 23 Miles	To LSC - 9 Miles
To WTC - 9 Miles	To WTC - 14 Miles	To LUMC - 14 Miles

Parking expense incurred while conducting LUC business will be reimbursed at cost, on an occasion-by-occasion basis. Employees are encouraged to use LUC shuttle buses or courtesy business parking at other Loyola campuses whenever it is available. Employees based on one campus who have frequent business on another campus may obtain reimbursement for the continuous availability of key-card parking at the other campus, only if they demonstrate that this is less expensive than reimbursement on an occasion-by-occasion basis.

- C. Personal Vehicle Accidents while on University Business:** In limited circumstances, the University's liability insurance will provide excess coverage (above that provided by the employee's insurer) on other liabilities incurred - if the accident occurred on a direct route, as outlined above. However, to ensure full communication and disclosure between all parties should an accident occur, the driver should immediately contact:
1. Local authorities, as required

2. His/Her personal insurance company
3. His/Her supervisor
4. The University's Risk Management Department – Risk Analyst, located at WTC (by next business day) (312) 915-8733. Additional information can be obtained through the Risk Management website located at <http://www.luc.edu/finance/riskmgmt.shtml>

X. LODGING

- A. Travelers should select modestly priced accommodations. For seminars, meetings or other group activity, reimbursement will be for no more than the mid-range rate for single occupancy at the host hotel.
- B. When requesting reimbursement for Lodging, detailed hotel statements and/or detailed receipts must be included with your expense reimbursement request as supporting documentation (per IRS Regulation 1.274-5(c)(2)iii(B)).
- C. It is the responsibility of the traveler to cancel any room reservation he or she will not be using. A record of the cancellation number should be retained, in case of billing disputes.

Caution: If an employee fails to cancel a reservation in a timely fashion, he or she may be held responsible for any cancellation fees. A written explanation for any failure to cancel must be filed.

XI. TELEPHONE USAGE

- A. **Business Calls:** While traveling on University business, reasonable business phone calls will be reimbursed. In addition, reasonable calls made to one's primary residence will also be reimbursed.
- B. **Hotel Telephone Usage:** To minimize the additional charges added by hotels for room-telephone usage, a calling card, credit card, or public phone should be used whenever possible.
- C. **Cellular Telephone Usage:** Reimbursement will be made for reasonable and necessary business calls made on cellular phones. A copy of the actual telephone bill will be required as supporting documentation. Such substantiation made by the employee must include the cost, time, and business purpose for each call as well as the business relationship between the employee and the person being called.
- D. **Computer Access Costs:** Reimbursement for charges to access Loyola's mainframe computer from home or while on business for an extended period of time may be approved by the employee's budget supervisor when there is a specific business purpose.

XII. MEALS

- A. **Personal Meals:** When lodging is required, LUC will reimburse personal meals at a per diem allowance as determined by the U.S. General Services Administration CONUS (Continental United States) rate for the location and time the event occurred. In the event the per diem locality is not listed in the CONUS rate listing, the Standard CONUS rate should be used. A list of the CONUS rates can be obtained from the Accounts Payable Department or by visiting the U.S. General Services Administration website at <http://www.gsa.gov>.

Individual meal limits are applied when a person is away for less than a whole day and does not incur a cost for three meals as a result of the travel's brevity.

Meals are not covered whenever a registration fee, seminar cost, etc. includes specific meals.

B. Business Meals

Business meals [Defined as: A Loyola University employee paying for someone else's meal, while they are conducting University business.] or entertainment will be reimbursed when supported by an approved expense report. Detailed restaurant receipts (as opposed to stub-receipts) including the date, name of the establishment and itemization of purchase along with a detailed description of the nature of business conducted, and names and business affiliations of all present must be submitted with your expense reimbursement request. Fiscal prudence and common sense should be used. Expenditures determined to be "lavish" will not be reimbursed.

- C. **Grant Exclusions:** Grant-funded employees should note that federal grant regulations specifically disallow reimbursement for alcohol and entertainment expenses.

XIII. MISCELLANEOUS EXPENSES

- A. **Allowable expenses:** University funds may be used for ordinary and reasonable business-related expenses that support the education, research and public service missions of the University. A **sample of allowable expenses** include but are not limited to the following:

1. Air freight for business purposes
2. Reasonable tips and gratuities
3. Overnight delivery/postage
4. Faxes
5. Gasoline for rental cars
6. Laundry/Dry Cleaning for trips exceeding five (5) business days
7. Vaccinations required for foreign travel

Caution: This list is intended to be representative, not comprehensive.

- B. **Unallowable expenses:** University funds may be used for ordinary and reasonable business-related expenses that support the education, research and public service missions of the University. A **sample of unallowable expenses** include but are not limited to the following:

1. Do not support the University's missions of education, research and public service.
2. Are extreme, excessive and/or illegal.
3. Represent personal recognition of Loyola employees (Faculty & Staff) - i.e., costs to recognize birthdays, childbirth or adoption, weddings, anniversaries, holidays or Office Professional's/Secretary's Day are unallowable.
4. Amusement, entertainment, or social activities
5. Airline club membership dues
6. Barbers and hairdressers
7. Car washes
8. Clothing
9. Credit Card delinquency fees
10. Health club, sauna or massage fees
11. In-flight telephone charges
12. In-flight cash bar
13. In-flight or in-house movies
14. Pet care fees while on travel status
15. Lost baggage
16. Mini-bar refreshments
17. Shoe shines
18. Souvenirs/personal gifts
19. Tobacco products

Caution: This list is intended to be representative, not comprehensive.

- C. Alcohol:** In general, alcohol should not be served at any University functions that take place during the workday. Faculty/Staff hosts and student guests of any event where alcohol is served (regardless of the time of day) must comply with all of the provisions of the University Policy on Alcohol contained in the Student Handbook - paying particular attention to the following provisions:
1. Special arrangements must be made if any invited guests are under the age of 21. At these events, alcohol service areas must be separated clearly and completely from any non-alcoholic beverage areas; and in these instances, a licensed bartender is required, and self-service is not permitted.
 2. There must be established time limits for the serving of alcohol; and those times must be shorter than the duration of the event.
 3. Alcohol should not be served to persons who appear to be intoxicated.
- D. Memberships:** The University may pay for individual professional memberships to organizations that do not offer institutional or corporate memberships, if the employee's supervisor or the authorized signer for the employee's department approves the membership.

A request for payment of a membership that does not clearly indicate an institutional membership must meet the following guidelines:

1. The membership is clearly in the best interest of the University.
 2. An institutional or corporate membership is not offered by the organization.
 3. The membership is linked to an official University title or responsibility (i.e., specific office, duty, or function) rather than to the person holding the title or having the responsibility.
 4. Publications (journals, newsletters, etc.) that are a benefit of a membership should be available, whenever possible, for use by the other employees in the unit.
- E. Official Guests:** When hosting donors, visitors from other universities, members of the community, prospective appointees or students, for the purpose of generating the goodwill of prospective University donors or that of an Academic/Professional Society or Organization meeting, the cost of meals or light refreshments may be covered.
- F. Receptions:** Light refreshments served in connection with conferences, fundraising groups, student organizations, recognition/length of service/retirement presentations, or student events such as commencement may be covered.

XIV. TRAVEL ADVANCES

Travel Advances must be requested at a minimum fifteen (15) days prior to the event in question and must be reasonably calculated and are not to exceed the amount of anticipated expenses. A detail of anticipated expenditures should accompany the request of the advance. There will be no more than two (2) outstanding or unsubstantiated advances permitted at one time.

Travel advances must be substantiated and employees must adequately account for their expenses within 30 days after the actual expenses were paid and/or incurred. Unsubstantiated funds will be considered wages and therefore are subject to all rules and regulations governing your regular earnings and will be reported on your W-2.

In the event all advanced funds are not used during travel, the remaining funds should be returned with a detailed expense report. The return of funds can be made via a personal check or a deduction to payroll earnings (this can be noted in the appropriate section on the reimbursement request).

XV. REIMBURSEMENT OF TRAVEL, BUSINESS AND ENTERTAINMENT RELATED EXPENSES

In general, to allow for the appropriate recording of departmental expenses, an employee's request for the reimbursement of University related out-of-pocket expenses should be processed on the approved Expense Reimbursement Form within 30 days after the actual expenses were paid and/or incurred (see below for the

location of the approved Finance Forms). All appropriate information is **required** on the request which should include the Employee's Complete Name, Department and Location, Telephone Extension, Accounting Unit and Account, Detailed Nature of Business and all relevant supporting documentation.

All reimbursement requests for LUC and SSOM employees will be processed through the Payroll system and will be included as an additional non-taxable payment code with regular earnings.

Documentation Requirements:

1. **Receipts:** All expenses in excess of seventy five dollars (\$75.00) require the support of a detailed receipt. Copies of credit card statements, hotel statements (for non-lodging expenses) or restaurant pull tab receipts are not acceptable forms of documentation. Detailed restaurant receipts (as opposed to stub-receipts) should include the date, name of the establishment and itemization of purchase.
2. **Lodging:** Copies of detailed hotel receipts/statements are required for the reimbursement of lodging expenses. This documentation must include the name, location and date of the expenditures and separate amounts for each charge, such as lodging, meals, telephone, and miscellaneous [IRS Regulation - Section 1.274-5(c)(2)iii(B)]
3. **Cellular Telephones:** Employees must provide adequate substantiation relating to the cost, time, and business purpose for each call as well as the business relationship between the employee and the person being called.
4. **Airfare:** Employees must provide adequate documentation to support the cost of airfare. Boarding passes, copies of E-tickets or other related support should be provided at the time of reimbursement request.

All expense reimbursement requests require the appropriate review and approval of each department Budget Administrator, Vice President or Dean. These approvers must have signature authority on the Accounting Unit being charged for the expense(s). Please note that an individual cannot approve his or her own request nor is it deemed appropriate to have a subordinate approve a request, even if they are an authorized signatory on an accounting unit.

XVI. LINKS

Account Code Definitions: www.luc.edu/finance/pdfs/operrevexpdefs.pdf

Currency Conversion: www.oanda.com/convert/classic

Sponsored Program Accounting: www.luc.edu/finance/spa/index.shtml

Mileage Reimbursement: www.luc.edu/finance/milereim.shtml

Online Forms: www.luc.edu/finance/forms.shtml

Per Diem Rates - CONUS & OCONUS: www.gsa.gov

Procurement Card: www.luc.edu/business_services/purchasing_procard.shtml

University Owned and Personal Cellular Telephones : Policy in development.