

DEPAUL UNIVERSITY



Employee and University Guests Reimbursement (Travel and Other Reimbursements)

Category: Financial Affairs

Responsible Department: Accounts Payable

Responsible Officer: Controller

Effective Date: 05/10/2023

Policy Summary

This policy explains basic requirements regarding the reimbursement of business-related expenses.

Scope

This policy affects the following groups of the University:

- Full-Time Staff
- Part-Time Staff
- Full-Time Faculty
- Part-Time Faculty
- Student Employees
- Cost Center Owners

This policy affects all members of the above groups.

Policy

The university will reimburse employees and university guests performing required services for the benefit of the university for all necessary, reasonable, and authorized business expenses incurred while conducting authorized university business. Reimbursement is subject to employee compliance and university guest compliance with this policy. Employees with a university ProCard are required to use their ProCard for expenses in lieu of incurring out-of-pocket expenses, whenever possible. University employees should submit reimbursement requests via the BlueSky Expense Module. If an

employee is unable to code their request via the Expense Module, or if the request relates to a non-employee, approving parties should submit approved reimbursement requests to Accounts Payable using the [Employee and Guest Reimbursement Form](#) available on the [Financial Affairs website](#). Individual departments may implement unit-specific approval and reimbursement procedures, which must be in writing and consistent with this policy. In the event of any conflict between local unit procedures and this policy, the terms and requirements of this policy will govern.

Taxability and Accountable Plan

Reimbursement of DePaul business expenses made directly to an individual, which fall under the university's accountable plan, will not be subject to tax withholding or reporting. Reimbursement requests and supporting documentation received more than 60 days after the expenses were paid or incurred, may be subject to tax withholding or reporting. For additional information about the university's accountable plan, incorporated by reference, see the Appendix section of this policy.

Expense Substantiation

Business expenses that are reimbursed through Accounts Payable require adequate substantiation under the accountable plan and include all of the following elements:

- Clearly stated business purpose or nature of the business benefit derived or expected to be derived by the university (i.e., why was the expense necessary for the university to conduct its business?);
- Amount of each separate expenditure;
- Date(s) of expenditure;
- Place of expense. For travel include the destination or location of travel (i.e., name of city, town, or other similar designation).

Additionally, transactions under \$25 that are charged to cost centers (e.g., operating, gift) do not require a receipt. All project transactions (e.g., grants, capital) require receipts regardless of amount. If a receipt is required, it must be itemized and legible, and obtained directly from the vendor (a credit card statement or summarized credit card slip will not suffice). Please note, even if a receipt is not required, an Approver may still request an itemized receipt or other supplemental support, at their discretion, to substantiate the business purpose and validity of the charge.

Once the transaction has been submitted in the Expense Module, the receipt stored online becomes the official record and is the responsibility of Financial Affairs in accordance with the [Records Retention Schedule](#). Upon submission, the hard copy of support that was submitted may be destroyed.

If a transaction requires a receipt and the receipt is inadvertently lost, such action may be considered non-compliant with this policy. Cardholders must then make an attempt to obtain a copy from the vendor. If a copy cannot be obtained, the [Missing Receipt Affidavit](#) must be filled out and attached as backup. Missing Receipt Affidavits are subject to approval by the Cardholder's line manager.

Entertainment and Meal Expense Substantiation

Per IRS regulations, entertainment includes any activity generally considered to provide entertainment, amusement, or recreation and includes meals provided to a non-university individual(s).

Entertainment and meal expenses must be either directly related to the university's business purpose, take place in a clear business setting, the main purpose of which was the active conduct of business, business was in fact engaged in during the entertainment and the general expectation was a benefit to the university, or must be associated with university business, where business was conducted either directly preceding, during, or following the entertainment. In addition to the substantiated requirements referenced above, each entertainment and meal expense must include the name, title, and organizational affiliation for each attendee, whether or not an attendee is a university employee.

The above additional substantiation is not required for entertainment expenses, which includes only university personnel, or for events which are related to prospective (e.g., recruiting) or current students, marketing, fundraising, public events, or public service functions.

Transportation Expenses

Local Travel

Reimbursement for local travel, generally considered travel that does not require overnight lodging, normally includes trips to non-routine destinations for business purposes that are not part of the normal and usual position requirements. Local travel does not include normal commuting costs. DePaul does not reimburse for normal commuting costs. Commuting costs are outside the scope of employment and are not for the benefit of the university, and therefore are not reimbursable by the university.

For example, costs associated with travel from an employee's home to a regular workplace are considered commuting costs and are not reimbursable. However, costs associated with travel between an employee's home and a temporary work location, such as a meeting location at another campus, is reimbursable.

Air Travel

For business trips that require air travel, employees are expected to book coach/economy-class fares. Employees are expected to make every effort to obtain the lowest fare possible and take advantage of special rates and fares. Employees who incur expenses for airfare in excess of coach/ economy (e.g., first and business class) are required to provide additional documentation detailing the reason for the additional expense. In addition, authorized approvers are required to document their reasons for approving such additional expenses. Unless otherwise approved in advance by the Accounts Payable Manager or the Controller, DePaul does not reimburse for flight insurance, flight cancellation insurance, or tickets purchased with frequent flier miles.

Automobile Travel (private)

DePaul reimburses on a per-mile basis, based on IRS standard mileage rates. The IRS standard rates are based on an annual study and include both fixed and variable costs of operating an automobile. For additional information please see Publication 463 at the [Internal Revenue Service website](#).

Parking and toll fees are reimbursed when receipts are provided. Receipts are required for all non-mileage-based transactions regardless of amount. Since the IRS standard mileage rates include gasoline, you cannot request separate reimbursement for fuel charges. IRS standard mileage rates are subject to change and are available on the [Internal Revenue Service website](#). Mileage calculations are processed automatically based on current rates once distance travelled is entered into the Expense Module.

Car Rental

Rental cars should be used when they constitute the most economical mode of transportation. Expenses for fuel, parking and tolls will be reimbursed for rented vehicles when receipts are provided.

When traveling on DePaul business, vehicle rentals are covered under DePaul's master insurance agreement. Additional insurance offered by the rental agency should be declined.

Living and Other Expenses

Hotel/Motel Accommodations

DePaul will reimburse hotel room charges in full, but travelers are expected to use discretion in selecting accommodations that are both conveniently located and reasonably priced.

Meals

Unless a meal is provided with the cost of registration or included as part of the hotel charge, DePaul will reimburse travelers for actual meal expenses. Travelers are asked to select restaurants offering fare that is reasonably priced. Tips/gratuities should also be reasonable, in line with local customs/practices, and should not exceed 20%. University departments may place caps on the per meal dollar amount expense. Caps shall not be placed below \$25 permeal.

Meal Reimbursement for Extended Work Hours

At the discretion of line managers and cost center owners, the University may reimburse for allowable extra costs paid when an employee is required to work overtime on evenings, weekends or holidays. Expenses are limited to an evening meal or lunch on weekends and holidays. This money should not be considered an allowance but a reimbursement of actual expenses paid.

Reimbursement is made when the line manager requires the staff member to be on campus and away from their home conducting university business at times other than normal working hours and therefore incurs meal expenses they normally would not have incurred. Staff who are scheduled to be on campus evenings, weekends or holidays, who remain on campus for their own convenience or who are engaged in their normal and generally accepted duties are not to be considered eligible for

reimbursement.

Registration/Seminar Fees

The University pays actual registration fees. Registration fees for all conferences or meetings should be paid via ProCard if possible.

Alternatively, payment can be made through a university check. In order to make payment, the traveler should obtain an invoice, generally available on the event's website, or a properly completed registration form. The invoice or registration form should be submitted to Accounts Payable along with a [Voucher Payment Requisition form](#), available on the [Financial Affairs website](#).

Phone and Internet Access Expenses

Travel Related

Employees are encouraged to use personal or DePaul-issued cell phones or phone cards to make phone calls when traveling to reduce hotel phone charges.

Expense approvers should review for unusually high telephone bills and documentation of DePaul-related business purpose for phone charges other than incidentals.

Non-Travel Related

Employees who have used their personal cell phone and/or internet access for DePaul business purposes may request a reimbursement for such use. Departments, employees, and managers may use the established guidelines for purposes of determining a reasonable reimbursement amount and for submitting appropriate documentation of such expenses. See Cell Phone and Internet Access Guidelines, on either the [Payroll](#) or [Accounts Payable](#) websites, for further guidance.

Other Expenses

DePaul will reimburse other reasonable expenses, however, employee's personal expenses, such as movies, magazines, health clubs, etc., are generally not reimbursable unless approved by the employee's direct line manager. Personal expenses of university guests are not reimbursable.

International Travel

Travel Form and Receipts

Expense Reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts. Travelers must use currency rates that were in effect at the time costs were paid.

Travelers may use the per diem method of expense reimbursement for international travel with the pre-approval of the Accounts Payable Manager. Additional approval is needed from both Restricted Accounting and the Office of Research Services (ORS) for per diem reimbursement related to grant-funded travel.

Per diem amounts related to international meal and/or lodging expenses are based on the regular federal rates provided by the [United States Department of State](#) and can be found at their web site.

Per diem amounts require all elements of substantiation, as listed above under "Expense Substantiation", except documentary evidence. Tips/gratuities should also be reasonable, in line with local customs/practices, and should not exceed 15-20%. In most international destinations, tips/gratuities are less than U.S. tips/gratuities; travelers should research prior to travel.

Travel to Embargoed Countries

Employees who will be requesting expense reimbursement for travel to countries appearing on the United States Department of the Treasury's [Office of Foreign Assets Control's Sanctions Program List](#) as embargoed countries must comply with the following:

- First-time travelers must meet with the Office of General Counsel (OGC) prior to travel
- All travelers must meet with OGC upon completion of their scheduled travel

Reimbursement requests will not be processed without proper documentation being presented to and approved by the OGC. In addition, employees should be aware that, pursuant to federal rules, reimbursement of expenses may be limited to the published [United States Department of State's](#) per diem rate for the embargoed country. The university will not reimburse non-employee travel expenses to embargoed countries.

Payment for Independent Contractor Services

Employees are not to pay directly for university related independent contractor services, which would require a contractual agreement, by either the service provider or the university, if the services had been contracted directly by the university. Directly paying for such services may circumvent the university's process for properly tax reporting such payments. As such, if an employee pays for such services from their own funds, the university reserves the right to tax report, as additional compensation, the amount reimbursed to the employee.

Travel Reimbursements to Domestic and International University Guests

Reimbursement of expenses made to guests of the university, including visiting lecturers, scholars and speakers, are not taxable as long as the reimbursement pertains to services performed for the benefit of the university and is made under the accountable plan. The university requires proper tax and immigration documentation prior to payment. For additional information about the university's accountable plan, incorporated by reference, see the appendix section of this policy. Reimbursement should be requested using the [Employee and Guest Reimbursement Form](#), located on the [Financial Affairs website](#).

For nonresident alien guests of the university, unsubstantiated reimbursements or those not made under the accountable plan are subject to withholding at a rate of 30%, unless a tax treaty provision exists to reduce the withholding rate. With proper immigration documentation, Accounts Payable can assist in determining the applicability of tax treaties and in completing all necessary government forms. If applicable, reporting for these amounts will be made via Form 1042-S.

For either U.S. citizens or resident aliens for tax purposes, unsubstantiated reimbursements or those

not made under the accountable plan are subject to U.S. tax reporting for amounts of \$600 or higher. If applicable, reporting for these amounts will be made via Form 1099-MISC.

Grant-Funded Travel

Special restrictions may also apply to grant-funded travel. Contact Restricted Accounting in the Controller's Office or the ORS for more information.

Reimbursements are generally made based on actual expenses paid; however, see the prior International Travel section of this policy for information related to per diem reimbursement. All expenses must be properly documented.

Exceptions

Exceptions to this policy may be approved in limited situations by the Manager of Accounts Payable.

Procedures

Submission and Approval

All transactions must be submitted and reviewed/approved within 30 days of the related event or purchase. If the reimbursement relates to travel, the 30-day deadline applies from the last travel date. It is recommended that transactions be submitted and approved as soon as possible to facilitate documentation of an accurate business purpose and to reduce the incidence of lost receipts. Repeated late submission, or approval, will be considered an incidence of non-compliance with this policy.

University Employees

ProCard expenses and Travel & Entertainment for university employees will be approved by the cost center owner incurring the expense (unless otherwise noted below). In some cases, multiple approvers may exist on a single transaction (e.g., multiple cost centers, special purchasing categories).

University Guests

Review of reimbursement requests for guests of the university will be approved by the cost center owner incurring the expense, as well as the sponsoring department or college.

Cost Center Owners

Review of Employee Expenditure Reimbursements, ProCard expenses, and Travel & Entertainment for cost center owners coding transaction to their own cost center will receive approval from the cost center owner's line manager.

University Officers, Vice President & Dean Expenditures

Review of Employee Expenditure Reimbursements, Petty Cash, ProCard expenses and Travel & Entertainment for the Vice Presidents and Deans will be approved by the Provost or Executive Vice President of their respective areas or their designee, as determined by the reporting structure. The President will approve expenses for his/her direct report reports.

EVP and Provost Expenditures

Review of Employee Expenditure Reimbursements, ProCard expenses and Travel & Entertainment for the Provost and Executive Vice President will be approved by the President. In the President's absence the Provost and Executive Vice President may approve the other's expenditure.

President's Expenditures

Review of Employee Expenditure Reimbursements, ProCard expenses and Travel & Entertainment for the President will be approved by either the Provost or the Executive Vice President. The Audit Committee will periodically review summary level detail of the President's approved expenses.

Delegations

Approvers may delegate their approval role if they so choose, but that delegation cannot result in the approval of their own transactions.

Employees may delegate reimbursement submission rights to an Expense Entry Delegate. This individual will have the ability to initiate reimbursement requests, make segment edits, document transactions, and attach receipts on behalf of the employee. Once the Expense Entry Delegate submits the transaction for approval, the employee is notified that the transaction has been submitted and can choose to review details.

Divisional Collaborations

- University Tax Services
- Office of Research Services
- Restricted Accounting
- Office of the General Counsel

Contact Information

Dave Soria

Tax Manager

University Tax Services/Financial Affairs

Bruce Brown

Accounts Payable

Appendices

[DePaul University Accountable Plan](#)

[Cell Phone and Internet Access Guidelines – Accounts Payable](#)

[Cell Phone and Internet Access Guidelines - Payroll](#)

History/Revisions

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