



UNIVERSITY POLICY

Policy Name:	Travel and Business Expense Policy				
Section #:	40.4.1	Section Title:	Financial Management	Formerly Book:	6.1.10
Approval Authority:	Executive Vice President for Finance and Administration and University Treasurer	Adopted:	1961	Reviewed:	07/01/2018
Responsible Executive:	Associate Vice President and Chief Procurement Officer	Revised:	04/16/2004; 03/01/2005; 11/01/2005; 07/01/2006; 07/01/2013; 10/10/2013; 07/01/2018		
Responsible Office:	University Procurement Services	Contact:	University Procurement Services (848) 932-4375 rutravel@finance.rutgers.edu		

1. Policy Statement

The University will reimburse individuals for reasonable, necessary, appropriate and approved travel and business expenses incurred in the performance of university business.

2. Reason for Policy

To make travelers and approvers aware of their respective roles and responsibilities relative to submitting and approving travel and business expenses. Individuals are expected to be prudent when incurring travel or business expenses.

3. Who Should Read This Policy

All members of the University community.

4. Resources

Rutgers Policies:

[University Policy 20.1.11: Procurement and Payment Policy](#)

[University Policy 40.4.2: Rutgers University Faculty and Staff International Travel Policy](#)

[University Policy 60.1.6: Employee Relocation Policy](#)

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Rutgers Code of Ethics:

[University Policy 40.2.12: Gratuities, Guests, Gifts and Use of University Resources](#)
[University Policy 50.1.12: Conflict of Interest for Members of the Board of Governors and Trustees, the Camden Board of Directors, and University Officers](#)
[University Policy 60.4.2: Code of Ethics for Administrative and Professional Staff Members](#)
[University Policy 60.5.9: Faculty or Staff Involvement with Commercial Enterprise – Contracts with the University](#)

University Websites:

[University Procurement Services](#)
[University Procurement Services Procedures Manual](#)
[University Travel Policies and Forms](#)
[Department of Risk Management and Insurance](#)
[Division of Grant and Contract Accounting](#)
[University Tax Services](#)

5. Definitions

Appropriate: Consistent with objectives of the program, project or task. Appropriate also means that the expenditure is allowable under the terms and conditions of the underlying funding source and/or policies.

Approver: An individual with the responsibility to review purchases for reasonableness, necessity, and appropriateness to allow reimbursement. The traveler's business manager (or designee), who does not report to the traveler/requester must approve all travel and business expenses.

Business Expense: Reasonable, appropriate, and necessary travel and business expense(s) that are incurred while carrying out University business.

Conference: A conference is a formal scheduled meeting of a recognized organization in which the university or unit has an active area of interest.

Department and/or Unit Head: The person in charge of a university unit or subdivision thereof that has its own structured budget.

Due Diligence: The pursuit of knowledge, facts, or both in order to make an informed decision. This may require consultation with superiors or other informed parties such as the Division of Grant and Contract Accounting, the Office of the University Controller or University Procurement Services.

Employee: Any full or part-time employee of Rutgers, The State University of New Jersey.

Expense Report: The form used to account for travel and other business expenses. Expense reports are subject to review by internal auditors, external auditors (including state and federal grant agencies), and the Internal Revenue Service (IRS).

Legitimate Travel-Related Incidentals: Small dollar purchases that occur and are not anticipated but are required for successful completion of the business trip. Examples of appropriate travel-related incidentals are: books, office supplies, and teaching supplies.

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Page 2 of 10

Lowest Logical Airfare: The lowest price coach class airfare available that may or may not include connecting flights.

Necessary: An expenditure that is required to achieve the expected goals or outcomes of the program, project or task, where there is a clear business purpose.

Professional Judgement: A determination based on the application of knowledge and understanding of facts and circumstances.

Proof of Payment: Documentation (e.g., receipt, credit card charge slip, hotel folio) that indicates that the individual has settled the bill in full with the service provider.

Prudent: Wise in practical matters, careful for one's own interests.

Reasonable: The cost of the good(s) or service(s) is not excessive.

Receipt: An original document itemizing the good(s) or service(s) purchased. The receipt must provide a named payee and date that confirms payment has been made for a stated purchase. If the receipt is lost, complete a Lost Receipt Certificate Form found at <https://procurementservices.rutgers.edu/travel/travel-policies-and-forms>.

Supervisor: A person to whom the faculty or staff member reports.

Travel Advance: When a traveler requests university funds to pay for travel-related expenses. Also known as a Cash Advance.

Travel Order: A form that must be completed and approved any time the direct billing option is used to purchase air or rail tickets through the University's preferred travel agencies.

Travel Status: When an employee travels more than 100 miles from his or her place of residence or official work site to perform official university business.

Traveler: Any person who incurs travel expenses on official university business and is entitled to reimbursement of those expenses.

Trip: Travel from an individual's work site for a duration of at least twelve (12) hours for a specific business purpose, such as, attending a conference, providing a paper, or conducting research. An individual can take several consecutive trips while on travel status. Each trip can be reported on a separate expense report or on one expense report with each trip clearly indicated.

Work Site: This is the official University payroll location to which the employee reports every day.

6. The Policy

A. General

The purpose of this policy is to:

- Ensure a clear and consistent understanding of the policies for incurrence and reimbursement for business expenses;

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Page 3 of 10

- Provide University travelers with a reasonable level of service and comfort at the lowest possible cost to the University;
- Maximize the University's ability to negotiate discounted rates with preferred suppliers in order to reduce overall cost of travel;
- Indicate when the Procurement and Payment Policy should apply rather than this policy. See the University Procurement Services website at <https://procurementservices.rutgers.edu/>.

This policy defines the conditions under which the University will reimburse employees and others for travel expenses incurred when using personal funds. It also defines how business expenses incurred while in a "Travel Status" or not in a "Travel Status" will be treated.

This policy is also necessary to ensure that travel and business reimbursements made to University employees will not be considered taxable income. Pursuant to IRS regulations, travel and business expenses reimbursed to employees are excluded from gross income only if they meet the following conditions:

1. There must be a business connection. The expense must be ordinary and necessary and in the performance of duties as an employee.
2. All business expenses must be substantiated with the date, amount, place, and business purpose of the expense being submitted to the employee within a reasonable time period. Specific documentation requirements are noted within this policy.
3. Employees are required to return all amounts in excess of substantiated expenses.

In conformance with IRS regulations, expenses reimbursed and later found not to be in compliance with University policy must be refunded to the University.

More restrictive travel or business expense policies may be specified by the deans, directors, and unit heads, and/or by the funding source(s), such as external sponsors.

B. Policy

Rutgers strongly encourages the use by employees of designated travel agencies for business related travel and expects employees to take advantage of University-negotiated travel discounts whenever possible. The University will reimburse faculty, staff, students and others for reasonable, necessary, and appropriate expenses incurred in connection with approved travel or business hosting on behalf of the University. If the University has a contract with an outside vendor which stipulates the vendor's travel agency be used, then the contract must be honored.

Employees using personal funds for University purchases and business travel must:

- Demonstrate integrity in making business arrangements and travel plans, especially in clearly separating costs for expenses related to outside business interests and personal travel.

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Page 4 of 10

- Accept responsibility to assure that business expenses and travel costs are necessary, reasonable, and appropriate, and to charge expenses to University accounts accordingly.
- Expect all expenses will be scrutinized and possibly disallowed if unreasonable or unallowable.

In order to be reimbursed, expenses require a clear **business purpose**, which is defined as one that supports or advances the goals, objectives, and mission of the University. An expense report must be submitted that adequately describes the expense as a necessary, reasonable, and appropriate business expense for the University, as further described in the [University Procurement Services Procedures Manual](#).

This policy does not apply to reimbursement for relocation expenses. Reimbursement for relocation expenses is addressed in [University Policy 60.1.6: Employee Relocation](#).

Employees who improperly submit and approvers who improperly authorize the use of University funds are subject to disciplinary action.

Unless otherwise provided in this policy, exceptions to any provision of the policy will require written approval from one of the following:

- President of the University
- Executive Vice President for Finance and Administration and University Treasurer (or a designee)
- Senior Vice President for Academic Affairs (or a designee)
- Chancellor of Rutgers University–New Brunswick (or a designee)
- Chancellor of Rutgers Biomedical and Health Sciences (or a designee)
- Chancellor of Rutgers University–Newark (or a designee)
- Chancellor of Rutgers University–Camden (or a designee)

C. Responsibilities

1. Responsibility of the Individual

Individuals requesting reimbursement from the University should exercise good judgment with respect to incurring business expenses and are expected to spend the University's funds prudently. Individuals have the responsibility to undertake due diligence in order to ensure compliance with the policy and the proper documentation provided in the expense report. Business expenses will be reimbursed if they are deemed reasonable, compliantly documented, properly authorized and approved, and within the guidelines of this policy. Expense reimbursements may be disallowed if unreasonable or unallowable.

2. Responsibility of the Approver

Approvers have primary responsibility for ensuring compliance with the policy and that the proper documentation is provided in the expense report. The approver must verify that the expenses and expense reports meet the following criteria:

- The expenses approved for reimbursement are compliant with this policy and all pertinent federal, state, and sponsoring agency policies including, for travel incurred on grants, contracts, sponsored programs or restricted funds, any specific expenditure policy of a funding source, if more restrictive;

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Page 5 of 10

- The expense was necessary and was incurred while conducting University business;
- The expense is appropriate and the amount is reasonable;
- The expense is charged to the proper account, organization number, and employee identification number.

Under no circumstances may an individual approve his or her own expense report. The traveler's supervisor or the supervisor's designee who does not report to the traveler must approve the expense report.

D. Travel Authorizations and Arrangements

The traveler's dean, director, or department head, in accordance with this policy, the [University Procurement Services Procedures Manual](#), and any procedures established within his or her school, division, department, or funding source, should authorize all official business travel. The employee and respective supervisor are responsible for ensuring that travel is appropriate, reasonable, and necessary to the mission, responsibilities, or duties of the department or division. Under no circumstances may an individual approve his or her own expense report. The traveler's supervisor or the supervisor's designee who does not report to the traveler must approve the expense report.

E. Travel Under Sponsored Programs

Domestic and international travel incurred on **grants, contracts, sponsored programs, or restricted funds** must comply with university policy and any specific expenditure policy of the funding source, if more restrictive than University policy. Air travel must be on an approved United States flag air carrier in compliance with the Fly America Act (<http://www.gsa.gov/portal/ext/public/site/FTR/file/Chapter301p010.html/category/21868/#wp1088896>). Further information can be obtained by visiting the Division of Grant and Contract Accounting website at <http://postaward.rutgers.edu>.

F. Non-University Employee Travel

Reimbursement of travel expenses made by the University to people outside of Rutgers (e.g., prospective employees) is subject to the same regulations that pertain to University employees.

G. Tax-Exempt Status

The University is a tax-exempt organization and individuals should request that taxes not be collected. Unfortunately, the travel industry (e.g., airlines, rail, hotel, car rental, restaurants) frequently will not recognize this status and insist that taxes be paid. In these instances, the employee will be reimbursed for the taxes paid. If the supplier requests a tax-exemption document, a tax exemption letter can be obtained from the [University Tax Department](#) or the purchasing office servicing your campus.

H. Making Travel Arrangements

Travelers may make travel arrangements directly with a supplier or online booking service as a cost containment strategy. Travelers are permitted to use any travel agency. The University has preferred travel agencies that can be used if the traveler wants to charge the purchase of an airline ticket directly to the University with an approved Travel Order.

00019969

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Page 6 of 10

I. International Travel

- **Registration.** Decisions to travel overseas should be made with the understanding of the current world situation, which requires that Travelers remain aware, informed, and prepared. In an effort to strengthen the ability of the University to ensure the safety of faculty, staff, and students participating in official University international travel, the University has implemented a travel registration procedure for all international travel. **All** Rutgers faculty, staff, and students who are traveling outside the United States on University affairs are required to register with the Department of Risk Management **prior to booking** at riskmanagement.rutgers.edu. Travelers must register separately for each international trip they make. For student groups not traveling as part of Rutgers Global Study Abroad, travel registration for the group is the responsibility of the Group Leader.
- **Emergency Travel Assistance Plan.** Upon completion of international travel registration, international travelers will be automatically eligible for an emergency travel assistance plan. Membership in the emergency travel assistance plan is provided at no charge to faculty, staff, and students while undertaking official University travel. The emergency travel assistance plan may also cover incidental personal travel, if taken in conjunction with official travel. The emergency travel assistance plan provides international travel assistance and services, including: medical assistance (with enrollment in International Medical Health Insurance) such as access, referrals, treatment, and case management; security assistance such as disaster/crisis centers, political evacuations, and medical evacuations; and travel assistance services such as travel security reports and lost cash/documents. Contact the Department of Risk Management and Insurance website at <https://riskmanagement.rutgers.edu> for more information.
- **International Health Insurance.** Since accessing medical and emergency assistance can be difficult and expensive while traveling abroad, the University recommends that its international travelers purchase International Travel Health Insurance. **Enrollment in International Travel Health Insurance is mandatory for all students traveling abroad.** Please see the [University Procurement Services Procedures Manual](#) for more information.

J. Reimbursable Travel Expenses

1. **Commercial Air:** The University will only reimburse coach class tickets aboard a regularly scheduled commercial carrier. Travelers should always select the lowest logical price airfare that meets their business travel needs. Flights booked using personal airline Frequent Flyer miles are not reimbursable. Travel by chartered or private aircraft is prohibited without prior authorization from the Office of Risk Management and Insurance.
2. **Bus/Rail Fares:** Reimbursement for coach class of service on commercial bus and rail travel will be the reasonable actual cost. See [University Procurement Services Procedures Manual](#) for additional information.
3. **Lodging Reservations:** The University will reimburse lodging for trips of more than 100 miles one-way. Specific exceptions for travel within the 100-mile proximity in New Jersey, New York, and Pennsylvania locations may be authorized by the approver (e.g., multiple-day conferences where commuting is inappropriate, particularly early start or late times, or multiple-day field assignments for which overnight lodging is deemed appropriate by obtaining written justification and approval from the unit head.) The cost

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of lodging should be kept to a minimum by requesting standard room accommodations at reasonably price mid-market hotels whenever possible. Luxury and upscale hotels should not be booked. There are several states that are eligible for sales tax exemption. Visit <http://uco.rutgers.edu/tax-services> and review the links on the right under Out of State Exemption Status Letters to see if the state the traveler is going to is eligible for a tax exemption certificate.

4. **Car Rental:** The University will reimburse for a rental car when there is a business justification or when there is no other means of comparable transportation. Car rentals may be used when the overall cost of the rental is less than the cost of other means of transportation (e.g., hotel shuttle, taxis, car service, airfare, personal car). Any accident involving a rental car must be reported promptly to the local police, employee supervisor, and rental car company where a claim should be completed. If the accident pertains to a third party occurrence, please notify the Office of University Risk Management and Insurance. If the accident results in injuries, the traveler must complete the form "[Online Accident Reporting Form](http://riskmanagement.rutgers.edu/)" (accessible at <http://riskmanagement.rutgers.edu/>) and return it to Risk Management and Insurance.
5. **Privately Owned Vehicles:** The University will reimburse staff that use private automobiles on University business at the current mileage reimbursement rate established by the IRS, plus parking and toll charges. When driving on University business, employees must carry a valid driver's license, vehicle registration, and proof of insurance. New Jersey residents must carry a New Jersey Insurance Identification Card. Privately owned motorcycles shall not be used on university business. A personal car should be used when the overall cost of the personal car usage is less than the cost of other means of transportation. In the event of an accident involving injuries or damages to other persons or property while operating a privately owned vehicle on university business, the employee must notify the Office of University Risk Management and Insurance in order to provide for any potential involvement of the University. The financial loss for damage to a privately owned vehicle used on business is not reimbursable by the University. Transportation to temporary official workstations or sites shall be reimbursed on the basis of the total travel cost from home to the temporary work site, less the total normal travel costs from home to the official work site. The lesser of actual miles driven or actual mileage minus commuting costs should be used.
6. **Ground Transportation:** Reimbursement may be requested for ground transportation from the traveler's home, or from their work site to the airport, bus, or train station. Before using either taxi or car service, determine that it is more economical and reasonable compared to personal car usage adding in tolls and parking. If a car service will be used, the University's contracted car service suppliers can be found at <https://procurementservices.rutgers.edu/travel/booking-travel>.
7. **Meal Expenses:** The University will reimburse employees for meals while in travel status (travel for a period of at least 12 consecutive hours or a distance of 100 miles each way) using a per diem option which do not require a receipt. Travelers should not seek reimbursement for a meal that is included in any aspect of travel such as a conference registration. The available per diem options are described in the [University Procurement Services Procedures Manual](#).
8. **Business Meals:** Business meals are meals with a clearly substantiated business purpose and are directly associated with University business. The cost for business meals must be prudent, reasonable, and in the best interest of the University. At a business meal, the business discussion is the primary purpose of the meal. Business

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meals should adhere to the following rules: Acceptable reasons for business meals include meals with a guest speaker, lecturer, or prospective faculty, staff, or students. These meals should be limited in terms of number of attendees and the total cost should be reasonable and prudent. If alcohol is included in the meal, the restricted fund source must allow for reimbursement. Business meals while not in travel status with other Rutgers colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be considered a personal expense. Business meal expenses include food, beverages, catering services, and banquet facilities. Payments to a caterer, facility, or transportation of food should be processed using a University purchase order whenever possible.

9. **Communication:** The University will reimburse individuals for telephone calls, faxes, and internet connectivity specifically for University business. One phone call for each day of travel and of reasonable duration to the employee's residence is also reimbursable. For international travel, international phone and data access should be pre-approved in writing from the unit head. International phone cards are acceptable for international use.
10. **Passports/Visas:** Actual fees for visas required by the country the traveler is visiting or related to requirement of employment / work assignment in the United States are reimbursable. Passports are allowable when they are a specific and necessary condition of fulfilling a work assignment on behalf of the University. See [University Procurement Services Procedures Manual](#) for more information.
11. **Inoculations:** Vaccinations and immunizations required for international trips should be handled through the traveler's personal physician or at the Rutgers University Health Center (Travel Clinic) at Hurtado Health Center in New Brunswick. To find out what immunizations are required for the country the travel is to, go to <http://wwwnc.cdc.gov/travel/destinations/list>.
12. **Conference Meeting Registration Fees:** The University will reimburse employees for approved conference or professional meeting registration fees. Employees have the option to pay the fee with personal funds and submit for reimbursement after the conference is over, or process via Check Request in the e-Procurement system. Individuals are encouraged to take advantage of significant discounts for early registration after attendance is approved.
13. **Miscellaneous Expenses:** Prior approval for miscellaneous expenses should be obtained from the traveler's dean, director, or department head whenever possible. Requests for these expenses (e.g., the rental of meeting rooms, storage space, or the purchase of special transportation) must be accompanied by a detailed explanation.

K. **Non-Reimbursable Expenses During Travel**

Although not a complete list, examples of expenses that will not be reimbursed by the University may be found on the Rutgers Travel site at <https://procurementservices.rutgers.edu/travel/reporting-travel-expenses>.

NOTE: Federal regulations prohibit the use of Federal funds for entertainment, lobbying, or the acquisition of goods or services for personal use.

L. **Goods and Services**

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Travelers and non-travelers may be reimbursed, including sales tax, for purchases of reasonable, necessary, and appropriate business related goods and services up to \$500 with the submission of an itemized receipt attached to an approved expense report.

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Page 10 of 10