

INSTITUTE FOR ADVANCED STUDY

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

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POLICY STATEMENT

The Institute for Advanced Study faculty, staff, and members routinely travel out of town on behalf of the Institute or in support of sponsored research activities. The Institute reimburses these travelers for necessary and reasonable business expenses incurred while traveling. Reimbursable expenses must conform to federal and state law and the restrictions placed upon sponsored projects. In order to provide this reimbursement, the Institute requires travelers to complete and submit an approved Request for Travel Reimbursement form which documents the business purpose of the trip and the types of expenses incurred.

REASON FOR POLICY:

The travel expense policy:

- Assures that the Institute and the traveler are in compliance with Internal Revenue Service regulations that define the types of expenses which can be reimbursed without being reported as taxable income.
- Assures that travel charged to sponsored projects conforms to the regulations and restrictions placed on the use of the funds by the sponsor.
- Enables the Institute to protect its reputation and not-for-profit status by avoiding excessive or inappropriate spending.
- Provides departments with the ability to control how their budgets are expended.

PRIMARY POLICY TO WHICH THIS POLICY RESPONDS:

This policy primarily responds to the regulations of the U.S. Internal Revenue Service, the rules established by the agencies and entities that sponsor research at the Institute and the federal and state laws that govern not-for-profit organizations.

RESPONSIBLE INSTITUTE OFFICE:

Comptroller's Office

WHO IS GOVERNED BY THIS POLICY

Any Institute traveler who seeks reimbursement for expenses incurred during approved Institute business travel. Individuals other than employees or members (e.g., consultants, job candidates) who seek reimbursement from the Institute for Travel Expenses must also comply with this policy. **Due to budgetary constraints, some IAS departments may institute more restrictive reimbursement guidelines. In cases where there is a discrepancy between this**

policy and a department, granting agency or donor policy, the more restrictive policy will apply.

WHO SHOULD KNOW THIS POLICY:

All persons governed by this Policy
Department Administrators and other Department staff

SPECIAL SITUATIONS:

This policy is designed to address the majority of expenses that a traveler may incur. On rare occasions, a traveler may incur an extraordinary expense for which they believe they are entitled to reimbursement. In cases where a traveler believes that they are entitled to reimbursement for an expense that is not addressed by the current policy or not allowed under current policy they may request an exception. Exception requests should be infrequent and require the approval of the Chief Operating Officer of the Institute.

POLICY TEXT

The Internal Revenue Code provides employers with requirements that must be met to qualify research, travel and entertainment expenses as legitimate business deductions. The following guidelines have been established within the framework of these regulations. The regulations require that adequate personal records of each trip be kept and pertinent information in support of each research and travel expenditure be submitted to the employer.

APPROVALS:

All reimbursement requests require signature approval.

Institute Faculty reimbursement requests will be approved by the Comptroller of the Institute at the time of processing the request in Accounts Payable.

Institute Staff should obtain signature approval from their Supervisor.

Members and Visitors should obtain signature approval from their respective School Administrative Officer. Members and Visitors are asked to refer to their individual School policies before proceeding with reimbursement procedures.

- Reimbursement for travel to arrive at the Institute will be handled at the initial meeting with the Comptroller's Office, and will be approved by the Comptroller or the Comptroller's designee.
- Reimbursements for professional travel and other expenses must be approved by the respective School Administrative Officer.

RECEIPTS:

Receipts are required for all expenses greater than US \$50.00. Reimbursements above this amount which are not accompanied by receipts will be included as taxable income on the recipient's W-2. Receipts must be the itemized merchant receipt or invoice issued by the supplier or service provider to document and substantiate the business transaction, as opposed to a credit card receipt with no detail.

APPROPRIATE AND ALLOWABLE TRAVEL EXPENSES:**Criteria for Determining an Allowable Expense:**

In order for a business expense to be paid directly by the Institute or reimbursed to an individual, the expense must be:

- **Necessary** to perform a valid business purpose fulfilling the mission of the Institute
- **Appropriate** in that the expense is suitable and fitting in the context of the valid business purpose
- **Reasonable** in that the expense is not extreme or excessive, and reflects a prudent decision to incur the expenses
- **Allowable** according to the terms of any federal regulation, sponsored contract, or Institute policy.

Appropriate and allowable travel expenses include:

- Transportation
- Lodging
- Conference registration
- Meals while traveling
- Fees for Passports or Visas required for travel
- Vaccinations required for travel

All allowable expenditures should be within a reasonable range of rates approved by the U.S. General Services Administration for the location and purpose of the expense.

Examples of unallowable expenses:

- Commuting costs to and from work
- Sundry expenses (magazines, mini-bar purchases, etc.)
- In-room movies

- Lost baggage
- Laundry services
- Annual fees on personal credit cards
- Late payment penalties or interest charges on personal or Institute credit cards
- Parking tickets or traffic violations
- Personal services (i.e. babysitting or pet sitting)
- Political contributions of any kind
- Spouse, family, or companion expenses
- Personal vacation expenses occurring before or after business travel

Sponsored research agreements may have specific provisions for travel and entertainment and those restrictions supersede any restrictions in this travel policy. If your travel is funded by a federal or state grant, contact Roxanne Bridger (bridger@ias.edu) for expense reimbursement guidelines specific to your grant.

Travel Expense Reimbursement Process

Travel expenses that are identified in advance, such as airfare or registration fees, can be paid directly by the Institute and charged to the appropriate expense account. It is requested that individuals make reservations as soon as their travel plans are known to obtain advance purchase discounts. Travelers are expected to be prudent when selecting transportation (i.e. air, rail, automobile) for business trips. The transportation chosen should be the least costly, consistent with the itinerary and the business requirements of the trip.

To obtain reimbursement of out-of-pocket travel expenses, a Request for Travel Reimbursement form with supporting documentation should be forwarded to the Comptroller's Office within one month of return. **Federal regulations require any reimbursement request received after 120 days be treated as taxable income.** For travel expenses pre-purchased, if the expense is within three months of the travel date, all expenses can be submitted together after the trip has taken place. If it is greater than three months earlier, reimbursement request should be submitted when the purchase occurs.

All travel requisitions must include the date and purpose of the travel. A record of expenses incurred by the individual while traveling should be maintained and documented by receipts. Current exchange rates for foreign denominations can be obtained from the OANDA Currency Converter, whose link is referenced on the Comptroller's Office web site.

Invoices for travel expenses should be forwarded to the Accounts Payable Office for processing in one of the following formats:

- 1) Reimbursement requests from faculty and staff can be submitted electronically by emailing acctpay@ias.edu. Email should contain Request for Travel Reimbursement Form, receipts and other backup
- 2) Reimbursement requests can be printed and sent to Accounts Payable via interoffice mail. If submitting hardcopy information, it should be sent in the following format:
 - All receipts smaller than 8 ½ by 11 must be taped to an 8 ½ by 11 piece of paper. The receipts should be taped at the top and bottom. Receipts may be taped to both sides of the paper and/or the back of the requisition form.
 - Documents should not be stapled together; instead they should be held together with paper clips or binder clips.
 - Documents should not be sent with torn edges. All tears should be taped or cut off if trimming is more practical.

Expense Guidelines

Airfare

1. Travelers are expected to book the lowest available airfare in the applicable class.
2. Economy class upgrades (e.g. Economy Plus, exit row, aisle seat, etc.) are an allowable expense, except on sponsored research awards.
3. Business class may be used for domestic travel if appropriate funds are available, and if any of the following conditions are met:
 - Any flight segment has a scheduled in-air flying time in excess of five hours, OR
 - The total scheduled in-air flight time, including connecting legs, is in excess of seven hours
4. International travel may be booked by the following guideline:
 - When actual flying time, excluding stop-overs, is between five and ten hours coach or business class may be booked **
 - When actual flying time, excluding stop-overs, is over 10 hours business or first class may be booked **
5. Air reimbursement is not permitted for tickets purchased with frequent flyer miles. Travelers may use their personal airline miles to upgrade from the seats allowable under the policy, or may choose to pay the difference to upgrade.
6. Some airlines charge fees for snacks, non-alcoholic drinks, checked baggage, WiFi charges, pillows and blankets, and preferred coach seating. Such costs are reimbursable if the individual is traveling economy class. If your travel is funded by a federal or state

grant, please contact Roxanne Bridger prior to travel to determine if these items are reimbursable under the grant.

- a. If receipts for snacks and non-alcoholic beverages are submitted for reimbursement, the traveler must use actual costs for meals versus the per diem for the entire trip.
7. If part of the trip is leisure and requires extra bags (e.g. golf clubs), the cost of additional baggage is considered personal and will not be reimbursed.
8. If a travel itinerary is created to accommodate personal business, a traveler must pay the incremental cost of personal business and document the costs incurred, separating personal from business expenses.

*** For members – Policies on air travel class for domestic and international flights varies by School. Please consult your School Administrative Officer.*

Unused tickets or changes

1. Penalties incurred for changes to an airline ticket for business reasons or circumstances beyond the traveler's control will be reimbursed. Any other penalties incurred will not be reimbursed. If federal or state sponsored funds were used, please contact Roxanne Bridger.
2. Unused non-refundable tickets need to be applied to the next business trip whenever possible.

Lodging

1. Travelers should stay in a reasonably priced hotel room at a single occupancy rate. The cost for double occupancy rate over the single occupancy rate will be considered personal and not reimbursed.
2. Personal expenses incurred while traveling on Institute business will not be reimbursed (e.g. in room movies, mini bar charges unless treated as an actual meal, babysitting, recreational activities, and double occupancy)
3. Only those nights during the period of the conference/meeting will be reimbursed. If a trip includes additional work days before or after the conference/meeting, the charges incurred on these days are considered personal, and the time off must be charged to an employee's Paid Time Off.

Personal Car Usage and Car Rental

1. Mileage for use of one's personal vehicle while traveling for business will be reimbursed at the current government approved rate. Mileage is calculated from one's place of

business to the destination, if departing from IAS. If leaving from home and the mileage is greater than commuting to IAS, the difference in miles is reimbursable. If leaving from home and the mileage is less than one's normal commute to work, the mileage is not reimbursable. The current mileage rate is available at the U.S. General Services Administration link on the Comptroller's Office website.

2. The mileage from one's home to one's workplace is considered commutation and is not reimbursable.
3. When renting a car, travelers should rent the most economical size (compact or mid-size) vehicle.
4. When renting a car, IAS employees should take "Physical coverage" insurance from the rental company.
5. Personal use of a rental vehicle is not covered by the Institute.

Private Car Services

1. A private sedan or town car service may be used when the cost is reasonable and consistent with business requirements
2. Use of a private stretch limousine should be limited to situations involving multiple passengers or exceptional circumstances

Train

1. Travelers should select the lowest available class of service, which is business class on Amtrak's Acela trains and economy on Amtrak's regional trains.

Meals and Incidental Expenses

1. Meal expenses incurred during the days/nights of the conference/meeting will be reimbursed, as well as meals during travel. The Institute expects the cost of business meals to be within a reasonable range of the per diem rates approved by the U.S. General Services Administration for the location and purpose of the expense. The links to domestic and foreign per diem rates are available on the Comptroller's Office web site.
2. Per diem rates may be used for reimbursement in lieu of keeping itemized receipts for each meal.
3. Gratuities may be included in the amount shown for applicable expenses such as meals, taxi service, etc. The gratuity should be limited to the generally accepted norm of between 15% and 20% unless the expense is incurred in a country where local practices

are not consistent with this guideline. Tips for skycaps, bellhops, and porters are generally limited to US \$1.50 per bag.

Entertainment

The Internal Revenue Service requires that entertainment expenses be associated with the active conduct of “business” which in an academic non-profit environment would include meetings and seminars, lectures and other academic pursuits, fund raising and administrative meetings. The Institute expects the cost of business meals to be reasonable and to be \$100 or less per person (including tax and tip). Charges for alcoholic beverages are specifically prohibited from government grants.

Itemized merchant receipts for entertainment expenses should be submitted to the Accounts Payable Office as described above for travel reimbursement and must include the following information:

1. Date of event
2. Location of event
3. Cost
4. Name of participants
5. Explanation of event or occasion with sufficient detail as to establish the business purpose

Materials and Supplies

The Institute’s general policy states that staff and members should obtain materials and supplies through the Purchasing department for reasons that include benefiting from the institutional tax exemption and bulk purchase pricing. Should certain circumstances require reimbursement, rather than direct payment, please submit the reimbursement request to the Comptroller’s Office on a check requisition form with receipts included. Materials and supplies include but are not limited to: books, periodicals, office supplies, photographs, and printing services. Expenses under \$100 should be reimbursed through petty cash.