



AZUSA PACIFIC
UNIVERSITY

Travel and Business Expense Guidelines and Procedures

November 13, 2006

TRAVEL AND BUSINESS EXPENSE GUIDELINES AND PROCEDURES

INTRODUCTION

Azusa Pacific University (“APU”) Travel and Business Expense Guidelines and Procedures are designed to assist our employees in:

- obtaining prompt reimbursement for their travel and business expense, and
- exercising accountable stewardship for the University resources entrusted to their care.

REIMBURSEMENT PROCEDURE

The APU Travel/Expense Report (“Expense Reimbursement Form”) is located within the University’s public folders. The Internal Revenue Service requires the following to be included in the reimbursement request:

- Actual receipts (no copies, please) supporting the claimed expenses,
- The original signature of the employee submitting the report,
- The original signature of the supervisor approving the report, and
- For meals or authorized entertainment expenses, a listing of individuals included and the business purpose of the gathering.

Since University policy and most contracts/grants do not permit reimbursement for alcoholic beverages, please include the itemized hotel portfolio/restaurant bill, rather than just the credit card authorization, to assist us in documenting compliance with these guidelines and procedures.

To provide our Budget Managers with an accurate accounting of their remaining funds in a timely fashion, please submit all Expense Reimbursement Forms within thirty days of the incurred expense. For expenses incurred near the close of the fiscal year, the reports should be submitted no later than five working days after June 30.

Reports may be submitted to the Business Office via inter-office mail or delivered to the Business Office at Admin West.

Note: To safeguard University assets, please do not include cash with your Expense Reimbursement Form. Any funds remaining from a cash advance should be deposited promptly with East Campus University cashier and the receipt attached to the Expense Reimbursement Form. Please do not leave any cash in University offices, even if secured in a locked area.

UNIVERSITY, EMPLOYEE AND SUPERVISOR'S RESPONSIBILITY

The University

Upon submission of a complete Expense Reimbursement Form, the University is responsible to process and make payment to the employee on the 15th paycheck if received by the 5th of the month and on the last day of the month paycheck if received by the 20th of the month. Any questions or requests for additional documentation will be made within three working days. If items are not complete, reimbursement cannot be made and will be returned.

The Employee

The employee is responsible to obtain the approval of their supervisor prior to travel. All expenses incurred and advances received remain the employee's responsibility until the submission of a valid and complete Expense Reimbursement Form, including the original signature of the employee's supervisor. An employee may not approve her or his own travel and business expenses.

Employees are personally responsible for cash advances that are unaccounted for, lost or stolen. These amounts will be treated as an employee loan and deducted from the employee's paycheck.

The Supervisor

The supervisor approving the Expense Report is responsible to assure the accuracy of the report, the appropriateness of the expenses, and the compliance with all aspects of these guidelines and procedures. The supervisor is also responsible to document their review and approval with their original signature. While an assistant may help with the review of the forms, they may not sign on behalf of a supervisor, or sign the name of the supervisor, or use a signature stamp.

REIMBURSEMENT FOR CONTRACT/GRANT EXPENDITURES

While this document offers direction for University travel and business expense, awarded contracts and/or grants may have more restrictive policies. In these cases, please limit reimbursement claims to expenses permitted under the provisions of the applicable contract or grant.

TRAVEL ARRANGEMENTS AND RESERVATIONS

Travelers are required to use the services of one of the official travel agencies of the university which include Aloha World Travel in Glendora or MTS Travel in Claremont for all commercial travel, including domestic and international

airline/rail tickets, rental cars and hotels. Full contact information and procedures are included on page 12.

Internet travel booking is allowed, but the individual must pay out-of-pocket and submit for reimbursement using the university's expense reimbursement plan. Advances and university credit cards are not available for these transactions. The university also expects that the traveler is aware of all restrictions, penalties, and possible additional fees that are attached to certain internet travel deals. The university will not reimburse change fees, penalty fees or non-refundable tickets when trips are cancelled due to the travelers responsibility.

Travel insurance policies for faculty and staff are reimbursable by the university if approved by the dean/vice president and costs remain within the department's operational budget. Please see approved travel insurance policy for additional detail.

Airline Travel:

- All employees are expected to fly coach class at the most appropriate and economical flight option available. Business or First Class tickets require approval by the President or Provost prior to purchasing the tickets
- All awards gained by employees through airline incentive programs are the property of the employee. Responsible stewardship requires us to choose the most economical flight option for the University rather than attaining mileage incentives as the primary incentive.
- Additional life, baggage or trip delay insurance, if desired, are the responsibility of the employee. APU does not reimburse the cost of this additional insurance coverage.
- If a ticket or any portion of a ticket is not used, please notify your travel agent at Aloha World Travel or MTS travel or internet booking site and return any paper tickets issued within seven days of cancellation. **These tickets are negotiable documents and should not be thrown away.** Include a copy of the unused portion and note it on your expense report. Department managers should be sure that trips are taken and tickets used or verify that unused tickets are exchanged for a future business trip.
- Baggage handling gratuities of up to one dollar per bag is considered reasonable and may be included for reimbursement.

Automobile – Business Use of Personal Car:

- Use of an appropriately insured privately owned vehicle is authorized when commercial service is not available, impracticable, or more expensive. Total private automobile mileage expense is limited to the lesser of coach air transportation costs for the same destination or actual business mileage driven multiplied by the mileage reimbursement rate.
- No employee is authorized to use a privately owned vehicle on University business unless such vehicle is covered by public liability and personal injury

insurance meeting minimum California state requirements. The University does not provide property damage or liability insurance coverage and accepts no responsibility for accidents and injuries for employee travel in privately owned vehicles. See Appendix B for general policies related to insurance.

- Use of a traveler's automobile will be reimbursed at the current Internal Revenue Service mileage rate. This mileage rate covers depreciation, maintenance, repairs, gasoline, oil, insurance and vehicle registration fees. The University will automatically implement any changes in the IRS reimbursement schedule.
- Reimbursement for two or more persons traveling in the same automobile shall be limited to the mileage reimbursement paid to the driver.
- The standard mileage distances to/from APU Regional Centers is listed in Appendix A. Travel to regional sites is deemed to start from your contracted campus, whether this is APU's main campus or a Regional Center. Standard airport mileage is also included on Appendix A and should be utilized in preparing Expense Reports.
- Parking costs will be reimbursed if properly substantiated by receipts. Long-term/remote site parking should be utilized.
- Bridge and turnpike tolls will be reimbursed if properly substantiated by receipts or documentation listing the amount and location of the toll paid.

Automobile - Rental:

- Car rental service may be utilized only when other ground transportation is not practicable.
- Drivers must carry the proper license in accordance with the vehicle class and the number of passengers transported. Contact the University's travel agency or Risk Manager if you have further questions.
- The least costly available vehicle (standard/midsize) and rental arrangement are to be used, taking into consideration the number of passengers, luggage, equipment, etc. When a more costly rental is employed, justification for the additional cost must be included on the Expense Report.
- The University will not reimburse or pay for the Collision Damage Waiver commonly offered by rental companies, except for rentals in foreign countries. If Personal Accident Insurance is elected on rentals, it is at the traveler's personal expense. See Appendix B for general policies related to insurance on auto rentals.
- APU does not reimburse for personal items damaged or stolen from the rental car and does not reimburse for the cost of insurance coverage for personal items. Claims should be made to the traveler's homeowners/renters' insurance.
- Gasoline charges on a rental car will be reimbursed with submission of an original receipt and the rental agreement. Rental cars should be returned to the rental agency with a full tank of gas to avoid expensive refueling charges.
- Please include your entire rental agreement when submitting your expense report. Credit card receipts are not sufficient for reimbursement.

Taxicabs/Shuttle Service/Parking:

- Taxi service, where appropriate, will be reimbursed if properly substantiated by original receipt.
- When travel calls for an extended time out of town, such that the cost of long term parking at an airport is greater than an airport shuttle, it is expected shuttle service will be utilized.
- Airport and hotel shuttles often provide a cost effective alternative to taxis or rental cars and should be utilized whenever possible.
- Private limousine service will not be reimbursed, except when the cost of shared service is less than the cost of a taxi or shuttle.

Lodging:

- In order to control hotel expense and exercise good stewardship, travelers of the same gender are requested to double up on room occupancy, when appropriate, in the following circumstances:
 - o When traveling together to attend a retreat, convention or conference
 - o The cost of the hotel room exceeds \$150 per night
- Travelers are expected to utilize economical accommodations. Reimbursement for lodging may not exceed the normal rate for a standard room. If an individual is attending a conference, use of the conference hotel is appropriate.
- Travelers should request the educational rate where available.
- Reimbursement must be documented by an original itemized hotel bill and receipt, and is limited to room and tax.
- Any "no-show" charges resulting from an employee not canceling a reservation are the responsibility of the employee.
- Gratuities to the housekeeping staff of up to one dollar for each night's stay are permitted for reimbursement.

Meals while Traveling:

- If meals are to be reimbursed, actual meal costs will be repaid. Each employee is expected to exemplify good stewardship in this area and not incur lavish or extravagant expenses.
- Meal allowances are not granted when meals are covered by conference or registration fees, or any other instance in which the employee does not pay for the meal.
- While the University will provide up to three meals per day, discretionary snacks and specialty drinks/coffees are the responsibility of the employee.
- Tips should be included in meal costs and limited to 15% or as automatically included by the dining venue.

- Meals included on hotel bills must be listed separately on the Expense Report with the appropriate documentation to facilitate compliance with IRS reporting guidelines.
- Actual expenses substantiated by the original receipts are required for reimbursements. The University does not have a per diem rate.
- In the event a check is “split” and an original receipt is unable to be obtained, please provide written documentation including cost of meal, tax, tip, business purpose and individuals included.
- Expenses incurred for alcoholic beverages will not be reimbursed.

Moving Expenses:

Please refer to the faculty or staff handbook for the applicable policies.

Flowers/Gifts/Recognition

- The Office of Human Resources and the Office of the President, Provost or Advancement will handle any flowers for employees and donors of the University in the case of death, serious illness or additions to family. Any other flower or “in lieu of” donations from individuals or departments should be coordinated with the appropriate dean/vice president/vice provost/provost through their discretionary fund or should be handled personally.
- Recognition and length of service gifts are coordinated through the Office of Human Resources. Any exceptions shall be approved and funded by the appropriate dean/vice president/vice provost/provost with their discretionary funds.
- Birthday, wedding, Christmas, anniversary, shower and special day gifts (e.g. Secretaries Day, Boss’ Day) are a personal expense and will not be reimbursed by the University.
- The IRS considers all cash gifts, gift certificates, or other gift-type items paid/purchased from University funds to an employee to be taxable earnings. Accordingly, the employee’s supervisor or the individual/department providing the gift or incentives should promptly report the transaction to the payroll department. Note: Pursuant to IRS regulation, there is no de minimus amount. All gifts/awards/incentives purchased with University funds, regardless of size, are taxable to the employee and must be reported to the payroll department.

Business-Related Expenses:

For the most part, these are not travel-related, but are extraordinary expenses incurred in the performance of an employee’s responsibilities. As there may be a fine distinction between personal and business-related expenses, prior to claiming reimbursement for this type of expense, each employee should thoughtfully review whether such costs are an appropriate business expense. If claimed, appropriate documentation and justification are to be included on the

Expense Report. Whenever possible, purchases should be made through APU's purchase order process.

Meals and Entertainment:

- Entertainment is defined as meals, snacks, beverages and entertainment to non-employees deemed to be in the best interest of the University, e.g., local visit by an external candidate for a position within the University. Authority to incur entertainment expense must be approved by the dean, vice provost, vice president or provost and documented by receipts and records indicating name(s) of guest(s) and justification for the expenditure. Note that entertainment expenses incurred primarily for the benefit of University employees are considered personal expenses and are not reimbursable.
- Staff retreats funded by the University must include a business purpose and require approval of the applicable dean, vice president or provost.
- Whenever feasible, employees should utilize the University's facilities for reimbursable business meals. Guest meals should be purchased on a department meal card.
- "Feast funds" for professors providing meals for students in class are available on a limited basis upon request from the Provost.

Professional Association Membership Dues and Subscriptions:

- The University will pay for individual memberships to professional organizations only when the University requires such membership and the individual's supervisor approves it.
- Whenever feasible, memberships and subscriptions should be in the names of University offices, rather than in the names of individual employees.
- Memberships and subscriptions should be paid through accounts payable and not reimbursed in expense reports.
- Faculty are permitted individual memberships as authorized through the Provost's office. Please submit any requests to the Provost's office on an Expense Reimbursement Form with the appropriate original receipts.

International, Visas, Passports and Vaccinations:

- It is the policy of Azusa Pacific University that all international travel by faculty, staff or students for academic or business purposes must be approved by the International Travel Committee.
- Academic or business purposes is defined as receiving academic credit, student financial aid assistance, or receiving financial support of university funds (operational budgets), or representing the university in an official capacity.
- Approval is for purchasing of tickets and final travel clearance. Budget and management of international travel is determined by the supervising Academic Dean, vice president or the university president. The procedure for approval will be maintained in the Office of Administration and

Information. Approval will not be granted for travel to countries listed on the U.S. Department of State Current Travel Warnings List (http://travel.state.gov/warnings_list.html)

- Passport and visa charges are payable by the University when required for University-related international travel. The University travel agent will assist with requirements for passports and visas.
- The University will reimburse all vaccinations required for University-related international travel. Many of these vaccinations are provided in the University's Health Services Center. The University does not assume responsibility for informing the employee of the appropriate vaccinations needed for international travel. Please review the websites for the World Health Organization, National Center for Disease Control and the State Department as well as checking with your health care provider.

NON-REIMBURSABLE EXPENSES

The University provides an opening kickoff banquet, catered coffee breaks once a week, monthly community meetings with refreshments, faculty meetings with refreshments, a Christmas gathering, summer fun activities for employees, a daily subsidized employee meal available at four locations, a Spiritual Life retreat and/or a Day of Prayer for our main campus employees each year. Regional center employees will also be provided similar activities approved by administration. Accordingly, any additional entertainment expenses for University employees where only University employees are involved will not be considered for reimbursement. Employees are strongly urged to utilize the opportunities afforded to them to meet, conduct business and enjoy community on campus. Examples of expenses not acceptable for reimbursement include one University employee buying another University employee a meal or soda/coffee, even if University business is discussed during their time together. This also applies to supervisors who routinely meet with employees over meals or coffee. One modest office party, subject to approval by the dean/vice provost/vice president/provost, is permitted on an annual basis for each department.

The following expenses are also not considered a legitimate business expense of the University and will not be reimbursed:

- Fines for parking or traffic violations.
- Childcare, babysitting, fees to board pets, pet or house sitting.
- Repair or insurance of personal automobiles
- Theft, loss or damage of money, personal luggage and effects.
- Membership dues in private or social clubs and organizations.
- Membership in automobile or airline clubs.
- Charitable/memorial donations of any type, including contributions to mission trips.

- Personal expense, e.g., phone calls, barber, shoe shines, laundry, manicure/pedicure, spa treatments, movies ordered in hotel rooms and other entertainment expense
- Passenger insurance, e.g., flight or baggage insurance.
- Gifts, birthday cakes, Girl Scout cookies or other school/church/mission trip fundraisers, cards or flowers, including plants, fruit baskets, floral arrangements or other items of condolences or congratulations.
- House or automobile cleaning/washing.
- Formal wear purchase or rental, including regalia and/or other items of clothing.
- Annual fees/memberships on credit cards.
- Annual membership fees to price clubs such as Costco, Sam’s Club, etc.
- Alcoholic beverages
- Luggage and briefcases,
- Personal planners, personal digital assistants or electronic planners except as approved by the Dean/Vice President/Provost.
- Computer monitors, software, hardware, GPS systems, or other peripheral equipment, without the approval of IMT.
- Magazines or newspapers except for authorized subscriptions to professional journals.

The above list of non-reimbursable items is not considered to be all inclusive. We appreciate your good judgment and stewardship.

CREDIT CARDS

Upon request of the dean/vice president/vice provost/provost and specific authorization of the CFO or their designee, University credit cards may be issued to University officials with a continuing need for significant expense advancements or reimbursements. Exceptions based on identified need may be granted on a case-by-case basis.

No personal expenses may be charged to a University credit card. Charges to a University credit card are treated as an employee expense advance and therefore require a completed expense reimbursement form along with original receipts for all transactions.

All credit cards are university property and must be returned to the Business Office upon request or prior to the termination of employment.

TRAVEL EXPENSES FOR OTHER THAN UNIVERSITY EMPLOYEES

Travel expenses to other than University employees, such as guest speakers, consultants and prospective employees are subject to the same regulations pertaining to University employees. The sponsoring office is responsible for informing the traveler of the University’s policies.

RECEIPTS

All claims for reimbursement of the expense items listed below must be documented by the original receipted bill or by a vendor-certified copy of the receipted bill. This includes itemized statements of meals and purchases. Photocopies, credit card receipts, or facsimile copies are acceptable only with permission of the Business Services Manager. Note: In the event that an original receipt over \$25.00 is lost, it must be noted and approved by the dean, vice president, vice provost or provost.

TRAVEL ADVANCES

Individuals traveling on University business are urged to use their credit card to pay for hotels, car rentals and meals and submit their expense report immediately upon return. All other expenses should be paid directly by the University through the purchase requisition and accounts payable check process.

- Travel advances may be requested for estimated reimbursable expenses. Please request these advances two weeks in advance of the trip from the using the university purchase request system.
- Travel advances represent personal loans from the University to the traveler. Advances must be accounted for within two weeks after returning from the trip by completing an Expense Reimbursement Form. Any remaining money should be given to the Cashier for a receipt immediately upon the traveler's return. Under no circumstances is the remaining cash to be held within department offices or returned via campus mail. Any loss of funds associated with such behavior will be considered a University loan to the employee, subject to repayment through withholding from their paycheck.
- Upon termination, any un-reconciled amount may be deducted from the individual's paycheck. Habitual delays in the proper clearance of advances will lead to a suspension of this privilege.
- If traveling overseas, please obtain documentation of the exchange rate at the time any funds are exchanged in order to ensure appropriate reimbursement. Also, please use the International Expense Reimbursement Form upon your return for proper calculation of exchange rates.

FORMS AND PROCEDURES

The forms referred to in these guidelines and procedures are available on our website at www.apu.edu/businessoffice. While the employee and the supervisor charged with reviewing the Expense Report are primarily accountable for the integrity and stewardship of expense reporting under these guidelines and procedures, the Business Office is charged with the responsibility of reporting and reconciling employee expense transactions in accordance with University and IRS guidelines. Accordingly, they may at times request clarification and additional documentation. We appreciate your cooperation with

our Business Office department as they strive to carry out their responsibilities with excellence.