

## **2351 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- GENERAL**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009

Last Review/Revision: May 1, 2009

### **Purpose**

The reimbursement of travel and entertainment (T&E) expenses must comply with IRS rules and regulations including intermediate sanctions. Non-compliance may subject the University and the individual to significant financial risks including tax assessments, penalties, and interest.

While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan." Under an accountable plan, individuals can be reimbursed for expenses incurred, without negative tax consequences, when the following conditions are satisfied:

- Advances and/or reimbursements are made for business expenses only
- Advances and reimbursements are made within a reasonable period of time before or after the expenses have been incurred
- Documentation, including original receipts, is obtained prior to reimbursement and retained for potential IRS review substantiating
  - the reimbursed amounts and reasonableness thereof
  - the timing of the reimbursement and the incurrence of the expense
  - the business purpose of the expenses
  - the timely return of any advances in excess of incurred reimbursable expense

The University, as a charitable organization, also has a fiduciary responsibility to ensure its resources are used prudently and that individuals do not incur inappropriate or excessive expenses, or gain financially.

This document establishes general policy applicable to all T&E reimbursements. More detailed policies are provided for specific T&E topics in the policy number series 2352 through 2370 and are listed on 2351.1 Travel and Entertainment Reimbursement Policy – Detail Listing. Procedures and forms for obtaining reimbursement of T&E expenses are located (fill in location).

Collectively the objectives of these policies, guidelines and procedures are to:

- ensure that reimbursable expenses are paid to individuals in a timely manner,
- ensure a clear and consistent understanding of the policies and procedures for the reimbursement of reasonable T&E expenses,
- ensure compliance with applicable external rules and regulations including those promulgated by the IRS,
- ensure that those who travel and entertain on behalf of the University understand that the University is not obligated to reimburse them for expenses that are not in compliance with these documents,
- ensure that those who incur expenses on behalf of the University understand that reimbursements that may be considered taxable are generally not permitted. Any exceptions must be properly identified, authorized and reported to appropriate taxing authorities.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

The University assumes no obligation to reimburse employees, student and non-employees for expenses that are not in compliance with this policy.

### **Traveler and Entertainer Responsibility**

Individuals traveling and entertaining on behalf of the University should exercise good judgment with respect to incurring T&E expenses and are expected to spend the University's funds prudently. The individual requesting reimbursement is responsible for ensuring that his/her incurrence of the expense and related reimbursement request complies with all applicable policies, is properly authorized, and is supported with required receipts and other documentation. **The signature on the reimbursement form of the individual requesting reimbursement affirms that these responsibilities have been met.**

### **Schools and Center Responsibility**

The head of the school or center (e.g. Provost, Deans, and Vice Presidents) have ultimate responsibility for their respective organizations to ensure that anyone traveling or entertaining on behalf of the University is aware of, and will abide by, all of the University's T&E policies and procedures for completing and documenting reimbursement requests.

Each school and center must assign a hierarchy of responsibility for the preparation and approval of travel and entertainment related reimbursement or advance requests. **At a minimum, when travel and entertainment expenses related to the same trip or event equal or exceed an aggregate amount of \$500, review and approval must be documented by someone at a higher level of organizational responsibility familiar with the activity on each reimbursement request submitted. All reimbursement requests, regardless of the amount, must also be reviewed and approved by the appropriate Transaction Authorization Card (TAC) holder.**

**Unless there are extenuating circumstances, documented and appropriately approved by the appropriate higher level approver, reimbursement requests that do not comply with University policies should be denied by the TAC Holder and should not be submitted to the central organization that processes reimbursements.** [[click here](#) for the Reimbursement Justification (C-5) form]

While extenuating circumstances may warrant reimbursement for certain limited exceptions, additional school and center review is required to determine whether the reimbursement needs to be reported as taxable income for the individual receiving the reimbursement. As a general rule individuals should not be "grossed-up" for the additional tax expense. Any request for "gross-up" must also be documented and approved in writing by the head of the school and center (or their designated representative).

Schools, centers or departments may, at their discretion, impose greater controls than required by this policy but never less.

### **Higher Level Approver Responsibility**

**In conjunction with departmental financial administrators, the higher level approver must ensure that the:**

- T&E expense was incurred while conducting authorized University business,
- T&E expenses were necessary, reasonable and consistent with University policies and the stated business purpose,
- supporting justification forms were reviewed and accepted as containing valid reasons, and
- the expenses meet any and all sponsored program guidelines, if applicable.

The Higher Level Approver must review and sign the reimbursement request(s) when travel and entertainment expenses related to the same trip or event equal or exceed an aggregate amount of \$500. The Higher Level Approver must also review and sign all Justification forms.

### **Transaction Authorization Card (TAC) Holder Responsibility**

The Transaction Authorization Card (TAC) holder:

- must have authorization over the account being charged,
- can only approve those requests within their limit,
- verifies that higher level approval has been obtained
- reviews documentation to further ensure compliance with all policies and tax requirements
- ensures the costs are charged to the proper 26 digit account code,
- ensures that reimbursement requests are not submitted to the central processing organization until all requirements are met.

The TAC Holder must emboss and sign all reimbursement requests, regardless of the amount.

### **Travel Administrator and Central Processing Organization Responsibility**

The Travel Administrator develops and communicates travel policies and procedures in a clear and concise manner and coordinates the development of training and related training materials to assist the schools and centers. The Travel Administrator also responds to school and center compliance questions prior to submission of requests to the central processing organization.

The central processing organization processes **previously approved and properly documented** T&E reimbursement requests on behalf of the schools and centers. It does not approve T&E expenses nor does it audit reimbursements for policy compliance. However, it will from time-to-time perform periodic reviews to identify and communicate compliance matters to the schools and centers.

### **Executive Level Responsibility**

The Executive Vice President (EVP) - Administration must approve the T&E reimbursement requests of the President. The Office of the President must approve the T&E reimbursement requests of the Provost, Executive Vice President for the Administration, and EVP for the Health System and other direct reports in the President's Center. The Office of the EVP will approve the T&E reimbursement requests of the Vice Presidents and other direct reports in the EVP Center. The Office of the Provost will approve the T&E reimbursement requests of the Deans, Resource Center Directors and other direct reports in the Provost's Center.

### **Payment Options and Reimbursement Timelines**

Individuals are generally expected to use the University's American Express Corporate Credit Card (preferred method under most circumstances) or other personal credit cards to pay for T&E expenses subject to reimbursement. See policy 2352 Travel and Entertainment - Payment Options for additional details and additional payment options.

Under limited circumstances T&E advances may be requested. See policy 2353 Travel and Entertainment - Advances for additional details.

To minimize amounts paid by individuals prior to reimbursement, properly approved and documented reimbursement requests should be submitted to the central processing organization within ten (10) days of the end date of the business activity. As a general rule, reimbursement requests submitted after six months (182 days) will not be paid. See policy 2354 Travel and Entertainment - Reimbursement Process for additional details.

## **Travel & Entertainment Reimbursement Audits**

T&E reimbursements are included in the audit testing performed by the University's independent accountants in connection with OMB Circular A-133, Audit of Federal Awards and with the annual general purpose financial statement audit.

The Office of Audit, Compliance and Privacy includes T&E reimbursement reviews in connection with school, center and department audits.

The Office of Audit, Compliance and Privacy will review annually the T&E reimbursements of the four highest ranking University executives (President, Provost, Executive Vice President, and Executive Vice President for the Health System) and will discuss its findings with the Chair of the Board and Chair of the Trustee Committee on Audit and Compliance.

The independent accountants will review annually the T&E reimbursements of Vice Presidents, Officers, Deans of the Schools and Directors of the Resource Centers and discuss their findings with the Executive Vice President - Administration and the Chair of the Trustee Committee on Audit and Compliance.

## **2351.1 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY - DETAIL LISTING**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009

Last Review/Revision: May 1, 2009

### **Purpose**

This documents lists all travel and entertainment related policies and provides "links" to those policies as well as related procedures.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICIES**

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[Click here for the T&E Procedure Manual.](#)

<http://travel.upenn.edu/wp/wp-content/uploads/2009/02/travel-procedure-manual.pdf>

[Click here for the Document/Forms Library under Individual Disbursement Services for all Travel Reimbursement forms.](#)

## **2352 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY – PAYMENT OPTIONS**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
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[View PDF Version](#)

### **Purpose**

This document describes the authorized payment options for all individuals when traveling or entertaining on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370. Procedures and forms for obtaining reimbursement of T&E expenses are located (fill in location).

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

Unless there are extenuating circumstances documented in writing on a Reimbursement Justification (C-5) form and approved, Penn travelers and entertainers are required to use the payment methods outlined below. These methods are designed to ensure that reimbursable expenses are paid to individuals in a timely manner and documentation and approval requirements are met in a cost effective manner.

The traveler, with assistance from the TAC (Transaction Authorization Card) holder, is expected to seek timely refunds of any prepayments and return the funds to the University if the business activity is cancelled.

### **Responsibility of Approvers**

The TAC holder assists the travelers and entertainers, as well as their higher level approver, when applicable, with understanding and complying with the process outlined below. They are to ensure that all reimbursement request documentation requirements have been met prior to submission to the central processing organization.

### **Policy**

Several methods of payment are available to assist individuals who are required to travel or entertain on behalf of the University. These methods are described below.

### Preferred Travel Agencies

The preferred method for airline travel is to use one of Penn's Preferred Travel Agencies. In addition to making the airline arrangements, Penn's preferred agencies maintain an airline billing account on the University's behalf and provide travel data that may be used to negotiate cost savings with airlines.

- 1) The airline billing account eliminates the traveler's incurrence of the expense. Instead charges are posted directly back to the department's 26 digit account string via a journal entry. A Travel Authorization Form must be properly completed and submitted in a timely manner to authorize the cost of a traveler's ticket to be charged back to the department.
- 2) Travelers using other travel agencies or airline internet sites are responsible for paying for their own ticket and seeking reimbursement from the University. The only time the University will make a payment to another travel agency is for international travel when a non-employee or group is able to get a substantially lower rate from a consolidator or agency that specializes in a specific destination and is privy to special fares that American Express may not be able to obtain.

### Credit Cards

Except for airline expense as noted above, because of the nature and volume of T&E expenses, the traveler or entertainer is generally expected to personally incur business expenses on behalf of the University and obtain reimbursement. To minimize the amount and time that the traveler or entertainer is "out-of-pocket", expenses are generally expected to be submitted for reimbursement within ten (10) days of the end date of the business activity.

- 1) American Express Corporate (AMEX) cards with personal responsibility are available to full time (monthly-paid) academic and administrative personnel who are required to travel or entertain on behalf of the University. This is the preferred T&E payment option which enables University employees to charge T&E expenses without impacting the spending limits of their own personal cards. Use of AMEX cards also provides the University with T&E data that may assist with identifying and negotiating cost savings opportunities for schools and centers.
- 2) AMEX cards can only be **used for expenses incurred in connection with official University business**. Common charges would be:
  - rail tickets, car rentals, airline tickets not charged to the airline billing account at American Express Travel
  - conference registrations (can also be paid by a departmental Purchasing Card).
  - guaranteeing and payment of hotel bills.
  - business meals and entertainment.
  - miscellaneous out-of-pocket T&E expenses.
- 3) AMEX cards, or other personal credit cards, should not be used to purchase non- travel and entertainment related goods and services. See procurement policies regarding the use of purchase orders and purchasing cards for these types of purchases.
- 4) It is the sole responsibility of the individual card holder to pay all charges made on the AMEX card in a timely manner. The University will not remit payment on an individual's behalf to AMEX. The University will not reimburse late fees or finance charges assessed as a result of late payments for AMEX cards (or any other card) unless the business reason is documented and approved on a Reimbursement Justification form. Failure to pay all charges in a timely manner can have an impact on the individual's personal credit history and can result in a negative financial impact to the University.

- 5) Using personal credit cards is not a preferred method for individuals eligible for the AMEX Card. Spending on personal cards does not provide the same information tracking capability and benefit to the University.
- 6) The University Travel Administrator reserves the right to cancel AMEX cards if:
  - Cardholder is no longer employed by the University.
  - An account is 90 days past due (cardholder privileges may be suspended when the account is 60 days past due).
  - Failure to adhere to the University's policies and procedures for travel and entertainment expenses and/or use of corporate card.
  - The card has not been used for more than a year.

For information on how to obtain an American Express corporate card, click on [AX Card](#) for details or call the Travel Administrator.

### **Other Methods**

In unusual circumstances when it is not possible to use the American Express Travel Agency or a credit card, the following other methods may be used:

- Check payments to third parties
- Wire transfers on behalf of the Traveler to Service Providers ([click here](#) for Treasurer's Office web site)
- Foreign Drafts i.e. payments in foreign currencies
- Advances (see Policy 2353 Travel and Entertainment- Advances)

[Click here](#) for Chapter 3 of the Procedure Manual. **Payment Options**

## **2353 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- ADVANCES**

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Approval: Chief Procurement Officer

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[View PDF Version](#)

### **Purpose**

This document describes the limited circumstances under which an individual may obtain travel and entertainment (T&E) related funds to be used in the future (called a T&E Advance) and the related documentation and reconciliation requirements that must be strictly followed.

Documentation and reconciliation requirements and related timelines have been designed to meet IRS Accountable Plan rules (See 2351 for more information). While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan."

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

For International Project/Program Advances over extended periods of time see Policy 2353.1.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

Travelers and entertainers can request T&E Advances only when circumstances are such that other payment options (See Policy 2352 for more information) are not feasible.

Travelers and entertainers must document in writing the extenuating circumstances that preclude the use of other payment options and obtain approval at the designated approval level. ([click here for the Advance Justification form](#)).

As a general rule, travelers and entertainers should document the business use of any advanced funds and return any excess funds received within ten (10) days of the end date of the business activity.

## Responsibility of Approvers

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of any advance requests to the central processing organization.

### Policy

An Advance is the payment of funds to an individual to be used *in the future* during an authorized trip, project or event.

- 1) T&E advances will be issued only under circumstances where other payment options as described in Policy 2352 are not feasible. For example:
  - a. T&E advances cannot be requested for airline tickets which can be obtained through the Penn desk at American Express Travel.
  - b. T&E advances cannot be requested for any expenses that can be charged to the University's Corporate American Express card or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
  - c. In the unusual circumstance whereby the traveler or entertainer is unable to obtain and use an AMEX card or other personal credit cards, the University will advance monies to or make direct payments on behalf of that individual.
- 2) As a general rule T&E advances should not be used for small amounts of personal cash that may be used to pay for taxis, tips, refreshments, gas or other incidentals.
- 3) T&E advance requests must include a detailed breakdown of the anticipated expense and an explanation as to why other payment options cannot be used **on an Advance Justification form**. All advances are required to have an **Advance Justification form attached signed by someone at a higher level of organizational responsibility familiar with the activity**.
- 4) Cash advances may only be obtained within five days of the planned trip or event and are limited to \$200. Advances over \$200 must be requested within one month of the date of the trip or event and not less than ten (10) days prior to the date of the trip or event to allow the necessary processing time to issue a check.
- 5) To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all advances should be accounted for on a Travel & Entertainment Reimbursement (C-1) form and any excess funds received should be submitted to the central processing organization within ten (10) days of the ending date of the business activity. Absent special circumstances described below, submission should be no later than thirty (30) days after the ending date of the business activity.
- 6) Special circumstances that may require an extended period of time for submitting advance related documentation include:
  - Extended personal illness
  - Death in the family
  - Unanticipated leave of absence
  - Travel outside the country for an extended period of time, if documentation cannot be readily sent to Penn.

Special circumstances must be documented in writing on the Reimbursement Justification form (C-5) and approved by the head of the school or center (or their designated representative).

- 7) Failure to account for a Travel Advance and return any excess funds within one hundred and twenty (120) days will result in the following actions being taken:
- **Unreconciled advances to employees will be treated as taxable income and included on a W-2 form (subject to withholding of employment taxes) or on Form 1042-S (subject to section 1441 withholding).**
  - Unreconciled advances to students will be charged to their bursar bills.
  - Denial of any additional advances.
  - Other disciplinary and collection action that may be required.

[Click here for Chapter 6 in the Procedure Manual. How to Request a Travel Advance](#)

## **2353.1 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- PROJECT / PROGRAM ADVANCES**

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### **Purpose**

This document describes the limited circumstances under which an individual may obtain travel and entertainment (T&E) related funds to be used in the future for special projects or programs (called a T&E Project / Program Advance) and the related documentation and reconciliation requirements that must be strictly followed.

Documentation and reconciliation requirements and related timelines have been designed to meet IRS Accountable Plan rules (See Policy 2351 for more information). While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan."

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

Travelers and entertainers can request T&E Advances only when circumstances are such that other payment options (See Policy 2352 for more information) are not feasible.

Travelers and entertainers must document in writing the extenuating circumstances that preclude the use of other payment options and obtain approval from the designated approval level. ([click here](#) for the Advance Justification form).

As a general rule, travelers and entertainers should document the business use of any advanced funds and return any excess funds received within ten (10) days of the end date of the business activity.

## Responsibility of Approvers

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver when applicable, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of any advance requests to the central processing organization.

## Policy

T&E Project / Program Advances are advances that are issued in conjunction with international projects or programs that are longer than one month in duration and include costs beyond the realm of normal travel and entertainment.

- 1) Examples of such costs would be labor costs, equipment costs and curriculum-related expenses such as excursions, cultural instruction, group meals and lodging. The receipts for project/program costs and the responsibility for ensuring that those monies have been spent in accordance with the guidelines of the program or project rests with the school or center.
- 2) T&E Project / Program Advances will be issued for periods not to exceed three months at a time and under circumstances where other payment options as described in Policy 2352 are not feasible. For example:
  - a. T&E advances cannot be requested for airline tickets which can be obtained through the Penn desk at American Express Travel.
  - b. T&E advances cannot be requested for any expenses that can be charged to the University's Corporate American Express card or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
  - c. In the unusual circumstance whereby the traveler and entertainer is unable to obtain and use an AMEX card or other personal credit cards, the University will advance monies to or make direct payments on behalf of that individual.
- 3) As a general rule T&E advances should not be used for small amounts of personal cash that may be used to pay for taxis, tips, refreshments, gas or other incidentals.
- 4) Travelers who are requesting advances for international projects or programs that cover extended periods of time, must submit detailed documentation that includes a budget based upon the duration and the scope of the project or program and must contain the number, timing and amounts of expected project advances. All advances are required to have an Advance Justification form attached signed by someone at a higher level of organizational responsibility familiar with the activity.
- 5) Project/program managers must provide a quarterly accounting of the funds in order for additional advances to be released. Reconciliations will adhere to the same reconciliation timeline stated below.
- 6) Advances over \$200 must be requested within one month of the date of the trip or event and not less than ten (10) days prior to the trip or event to allow the necessary processing time to issue a check.
- 7) To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all advances should generally be accounted for on a Travel & Entertainment Reimbursement (C-1) form and any excess funds received should be submitted to the central processing organization within ten (10) days of the ending date of the business

activity. Absent special circumstances described below, submission should be no later than thirty (30) days after the ending date of the business activity.

- 8) Special circumstances that may require an extended period of time for submitting advance related documentation include
- Extended personal illness
  - Death in the family
  - Unanticipated leave of absence
  - Travel outside the country for an extended period of time if documentation can not be readily sent to Penn.

Special circumstances must be documented in writing on the Reimbursement Justification form (C-5) and approved by the head of the school or center (or their designated representative).

- 9) Failure to account for a Travel Advance and return any excess funds within one hundred and twenty (120) days will result in the following actions being taken:
- **Unreconciled advances to employees will be treated as taxable income and included on a W-2 form (subject to withholding of employment taxes) or on Form 1042-S (subject to section 1441 withholding).**
  - Unreconciled advances to students will be charged to their bursar bills
  - Denial of any additional advances
  - Other disciplinary and collection action that may be required

[Click here](#) for Chapter 7 in the Procedure Manual. How to Request a Travel Advance

## **2354 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY – REIMBURSEMENT PROCESS**

Resp. Office: Purchasing Services  
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[View PDF Version](#)

### **Purpose**

This document describes the process for individuals requesting reimbursement of travel and entertainment (T&E) expenses that they have incurred on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

The individual requesting reimbursement is responsible for ensuring that his/her incurrence of the expense and the related reimbursement request complies with all applicable policies, is properly approved, and is properly supported with required receipts and other documentation. **The signature on the reimbursement form of the individual requesting reimbursement affirms that these responsibilities have been met.** This individual is also responsible for adhering to the reimbursement process described below.

### **Higher Level Approver Responsibility**

**In conjunction with departmental financial administrators, the higher level approver must ensure that the:**

- **T&E expense was incurred while conducting authorized University business,**
- **T&E expenses were necessary, reasonable and consistent with University policies and the stated business purpose,**
- **supporting justification forms were reviewed and accepted as containing valid reasons, and**
- **the expenses meet any and all sponsored program guidelines, if applicable.**

**The Higher Level Approver must review and sign the reimbursement request(s) when travel and entertainment expenses related to the same trip or event equal or exceed an aggregate amount of \$500. The Higher Level Approver must also review and sign all Justification forms.**

### **TAC (Transaction Authorization Card) Holder Responsibility**

The TAC holder assists the travelers and entertainers, as well as their higher level approver with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization. **The TAC Holder must emboss and sign all reimbursement requests, regardless of the amount.**

The Transaction Authorization Card (TAC) holder:

- must have authorization over the account being charged,
- can only approve those requests within their limit,
- verifies that higher level approval has been obtained
- reviews documentation to further ensure compliance with all policies and tax requirements
- ensures the costs are charged to the proper 26 digit account code,
- ensures that reimbursement requests are not submitted to the central processing organization until all requirements are met.

## Policy

Travelers and entertainers are required to sign and submit to their TAC holder and higher level approver, **when applicable**, for their review and approval a properly completed T&E Reimbursement form ([click here](#) for form).

- 1) The traveler and entertainer may be reimbursed following the completion of a trip or event if they have incurred expenses in compliance with this policy, have provided a bona fide business purpose for the trip or event and have attached the required original receipts and other necessary documentation.
- 2) The traveler and entertainer may be reimbursed before a trip or event if they have incurred specific travel or entertainment expenses and need to be reimbursed in order to pay their credit card statements in a timely manner. Receipts must be attached showing the expense has been incurred and the dates of travel must be clearly stated on the form as well as the supporting documentation.
- 3) The traveler and entertainer must indicate on the T&E Reimbursement form their affiliation with the University and attach the required documentation based upon their designation as stated on the T&E Reimbursement form.
- 4) By signing the T&E Reimbursement form, the traveler or entertainer certify that the expenditures listed on the form were incurred in conjunction with official University business, **comply with all applicable policies**, are accurate and that they are not requesting reimbursement from any other source.
- 5) Extenuating (or unusual) circumstances must be provided in writing on a Reimbursement Justification form and approved **by the Higher Level Approver**. ([click here](#) for the Reimbursement Justification form)
- 6) To facilitate more timely reimbursement to the individual and facilitate cost center reporting in the proper period, properly completed and approved reimbursement requests are expected to be submitted to the central processing organization within ten (10) days of the end date of the business related trip or event.
- 7) As a general rule it is expected that properly completed reimbursement requests will be processed by the central processing organization within ten (10) days of receipt. The twenty day cumulative time period of submission and processing respectively is designed to meet the payment grace period for the American Express Corporate credit card (i.e. in general, 45 days from the ending date of the statement).
- 8) If a group of Penn representatives are traveling or entertaining on behalf of the University, the group related expense may be incurred by one person. When seeking reimbursement, an explanation listing individuals in attendance, must be attached to the T&E Reimbursement Request.

9) For reimbursement forms containing advances, see Policy 2353-Travel and Entertainment- Advances for those limited situations where funds have been advanced to travelers or entertainers prior to a trip or event.

10) **Expenses reported more than six months (182 days) after the ending date of the business activity will not be reimbursed** and should not be submitted to the central processing organization absent extenuating circumstances. Extenuating circumstances which prevent submission at some point within the 6 month period are expected to be rare. Circumstances that may justify an exception include:

- Extended personal illness
- Death in the family
- Unanticipated extended leave of absence
- Travel outside the country for an extended period of time if documentation cannot be readily sent to Penn

Extenuating (or unusual) circumstances must be provided in writing on a Reimbursement Justification form and approved by the head of the school or center (or their designated representative).

[Click here for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement \(C-1\) form](#)

## **2355 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- AIR TRAVEL**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009

Last Review/Revision: May 1, 2009

[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to the procurement of airline tickets when traveling on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to book the lowest logical airfare on Penn's preferred carriers (when applicable) consistent with their itinerary, the business purpose of their trip and the requirements of the funding source. Travelers should strive to be as flexible as possible and to make their travel plans as early as possible, thus taking advantage of advance purchase fares.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

The TAC holder is also responsible to monitor ticket usage to ensure that trips are actually taken and tickets are used.

### **Policy**

The mode of air travel is expected to be the least costly option consistent with the itinerary and particular University business involved. On federally funded projects the Fly America Act takes precedence over a less expensive foreign carrier.

- 1) Coach accommodations should be used at all times and travelers are expected to take advantage of advance purchase rates and the University's negotiated discounts.
- 2) **Business or first class travel will not be reimbursed or allowed on the airline billing account unless approved by the head of the school or center (or their designated representative).** Business class on sponsored research must also meet the strict guidelines stated under the Fly America Act ([Federal Travel Regulations](#), §Part 301-10) and be documented for audit purposes.

- 3) Full coach fares that allow upgrade opportunities are unacceptable if a lower fare was available. Upgrades at the expense of the University are not permitted.
- 4) If an employee elects to fly business and/or first class and agrees to pay the difference between the two fares, the difference will be calculated from the least expensive logical airfare on that particular routing as determined by the Travel Administrator.
- 5) Employee participation in frequent flyer programs must not influence flight selection which would result in incremental costs to the University beyond the lowest logical airfare.
  - a) The University **will not** reimburse travelers for tickets purchased with frequent flyer miles.
- 6) Air transportation is restricted to regularly scheduled and certified airlines. Air charter or air taxi services licensed by the U.S. Government, aircraft of major recognized corporations or private aircraft may be used when required by the urgency of a situation.
  - a) The number of key personnel who are permitted to travel on the same aircraft should be limited. It is the responsibility of each Dean, Resource Center Director, Vice President or Vice Provost to specify for their school or center the key personnel who may not travel on the same aircraft.
  - b) An employee electing to travel on a charter or private plane will only be reimbursed for an amount no more than the lowest logical commercial airfare on that routing and must provide documentation for the actual cost of the charter or private plane.
- 7) When traveling internationally on federally sponsored projects, a United States flag carrier must be used. For specific federal guidelines on this issue, click here on the [Fly America Act \(Federal Travel Regulations, §Part 301-10\)](#) for details. Any questions regarding foreign travel on federally sponsored projects should be directed to Research Services.
- 8) When a trip has been cancelled after a non-refundable ticket has been issued, the ticket can be applied to a trip in the future by that traveler on that airline less a change or cancellation fee. Travelers must apply any unused ticket value towards a business trip in the future, to mitigate any financial loss to the funding source. In most cases the traveler has a year during which that ticket can be applied towards a new ticket.
- 9) When a trip has been cancelled after a non-penalty ticket has been issued, the ticket must be submitted for refund. If the traveler has already been reimbursed for this prepaid expense, the traveler must return the money to the University once they have received the refund from the airline.
- 10) The University will not absorb any of the costs associated with the loss of a ticket unless special circumstances are documented in writing by the traveler on a Reimbursement Justification form approved by the head of the school or center (or their designed representative). Upon discovery of a lost/stolen ticket, the traveler must immediately request and file a lost ticket application with the airline.

[Click here](#) for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.

## **2356 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- RAIL TRAVEL**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009

Last Review/Revision: May 1, 2009

[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to the procurement of rail tickets for business travel.

Other policies are provided for specific Travel and Entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to book the lowest logical rail fare consistent with their itinerary and the business purpose of their trip. Travelers should strive to be as flexible as possible and to make their travel plans as early as possible, thus taking advantage of lower fares.

### **Transaction Authorization Card (TAC) Holder Responsibility**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

The TAC holder is also responsible to monitor ticket usage and to ensure that travelers are not reimbursed for Amtrak tickets charged to purchasing cards.

### **Policy**

The mode of rail travel is expected to be the least costly option consistent with the itinerary and particular University business involved.

- 1) Reserved trains on the Northeast Corridor are permitted and should be used for most Amtrak. "Coach Class" and "Business Class" (reserved seating) is permitted on these trains.
- 2) Acela trains are the high speed trains. Appropriate usage of Acela service between Philadelphia, New York and Washington, DC is the responsibility of each department and these trains should only be used when time is of the essence. Business class seats on Acela trains are the acceptable class of service.
- 3) **Use of first class service on Amtrak trains is not permitted.** Any exception to this policy requires a completed Reimbursement Justification form that is approved by the head of the school or center (or their designated representative).

- 4) If necessary, roomette accommodations may be used for overnight travel, although airline travel is usually faster and less expensive and should be used, whenever possible.

[Click here](#) for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.

## **2357 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- INTERNATIONAL TRAVEL**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to international travel.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to know the entry requirements of their destination and to obtain the necessary passports, visas and travel advisories in order to travel safely and prudently.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

### **Definition of International Travel**

International travel includes destinations outside the United States, its possessions and territories. For travel coding purposes Canada is considered domestic.

### **Policy**

The mode of air travel is expected to be the least costly option consistent with the itinerary and particular University business involved.

- 1) For information on airline class of service, see policy 2355 Air Travel.
- 2) When traveling internationally on federally sponsored projects, a United States flag carrier must be used. For specific federal guidelines on this issue, click here on the [Fly America Act \(Federal Travel Regulations, §Part 301-10\)](#) for details.
  - a) Some federal sponsors require approval for foreign travel 90 days in advance of the trip, even if the travel was approved in the proposal. Principal Investigators are expected to review all their award notices carefully to determine if such prior approval is required.

- 3) When renting a car internationally, University employees are authorized to accept the loss damage waiver (LDW) and the supplemental liability coverage. These costs are considered legitimate and reimbursable expenses when traveling in Canada and other foreign countries.
  - a) Any purchase of a vehicle internationally in conjunction with a long term project requires immediate notification to the Risk Management department.
- 4) Travelers are expected to obtain visas necessary for international travel in a timely manner. CIBT is a Penn authorized visa service. Click on [CIBT](#) for details.  
[http://www.finance.upenn.edu/comptroller/travel/fo\\$reign/cibt.shtml](http://www.finance.upenn.edu/comptroller/travel/fo$reign/cibt.shtml)
- 5) Penn travelers are expected to be familiar with the latest travel advisories issued by the State Department for the destinations to which they anticipate traveling. Travel advisories can be obtained from the [State Department's](#) home page.
- 6) Similar health advisories can be obtained by contacting the Center for Disease Control at (404) 332-4559 or the [CDC's home page](#).
- 7) Penn provides medical and evacuation assistance through International SOS Assistance to Penn travelers. This coverage is not medical insurance.
  - a) In the event that Penn travelers require assistance in securing medical attention or medical evacuation or they need a hospital deposit or payment guarantee, they are instructed to call **International SOS Assistance** at 800.523.6586 or 215.245.4707 or access their website at <http://www.internationalsos.com/>.
  - b) They must identify themselves as faculty, staff or students of the University of Pennsylvania and advise them that the Scholastic Group Membership is 11BSGC000012. Risk Management should be contacted as well at 215.898.4327.
  - c) International SOS Assistance cards can be obtained by contacting the Travel Administrator.
- 8) The Travel Medicine and Immunization Department at the University of Pennsylvania Medical Center serves people traveling abroad by providing one-on-one counseling and immunizations. For information contact:

Travel Medicine and Immunization Program  
Department of Emergency Medicine  
University of Pennsylvania Hospital  
Ground Floor, Silverstein  
3400 Spruce Street  
Philadelphia, PA 19104  
(215) 662-2427 or Penn Health at 1-800-789-PENN  
<http://pennhealth.com/travelmedicine/>

[Click here for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement \(C-1\) form.](#)

## **2358 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- LODGING**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009,

Last Review/Revision: May 1, 2009

[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to the procurement of lodging and accommodations when traveling.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to seek lodging that is safe, comfortable and reasonably priced. Travelers are expected to take advantage of negotiated rates, conference rates, web rates, Penn rates or educational rates, when seeking hotel accommodations.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that personal items on a hotel statement are deducted and only business related expenses are submitted for reimbursement.

### **Policy**

The cost of lodging should be kept to a minimum by requesting standard accommodations, whenever possible.

Legitimate lodging expenses include:

- single room rate unless traveling with a colleague
- business telephone calls (use of **Verizon** calling cards is encouraged to reduce the cost of long distance calls from hotel rooms) (see Policy 2362)
- reasonable calls home
- luggage storage and tips for service

1) **The University will not reimburse travelers for the following expenses:**

- **in room video rentals**
- **in room alcoholic beverages**

- alcoholic beverages not purchased in conjunction with necessary business entertainment
  - health club or exercise room fees
  - recreational charges such as golf, tennis and ski lift tickets
  - laundry and dry cleaning charges (unless traveling for more than five days)
  - costs incurred for failure to cancel hotel reservations unless a completed Reimbursement Justification form is attached that has been approved by the head of the school or center (or their designated representative).
- 2) If a traveler elects to stay at a private residence, the traveler may be reimbursed for a small gift or meal extended (in lieu of lodging) as a gesture of appreciation to friends and relatives for their hospitality.
- 3) Lodging reimbursement must be done with actual costs. Per diems may not be used for lodging.
- 4) When making reservations for visitors to Penn, departments are encouraged to use Penn's preferred hotels in Philadelphia.

[Click here for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement \(C-1\) form.](#)

## **2359 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- RENTAL CARS**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009,

Last Review/Revision: Jul 1, 2008

[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to the usage of rental cars when traveling for business purposes.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to have valid driver's licenses and clean driving records, if renting cars on behalf of the University. Penn travelers are expected to rent cars from Penn's preferred rental car companies and use the corporate ID numbers affiliated with those rental car companies in order to obtain the University's negotiated rates and insurance coverage.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to make sure that the Penn traveler is not seeking reimbursement for non-reimbursable items (see below) and that the car rental class is consistent with the number of travelers and the business purpose of the trip.

### **Policy**

The size of the rental car should be the least expensive model consistent with the number of travelers and the business purpose of the trip.

- 1) Travelers are authorized to use rental cars when other transportation is not available or when their use results in a cost savings.
- 2) Legitimate car rental costs include daily rental fees, local and state taxes, concession fees, mileage fees and drop-off fees. Non-reimbursable costs include, but are not limited to, unnecessary upgrades, car repairs, tickets and fines. Travelers renting cars on behalf of the University are expected to refuel the car prior to returning the car to avoid excessive refueling fees.

- 3) Penn employees are expected to decline the loss damage waiver (LDW/CDW) option, supplemental liability coverage, personal accident insurance (PAI) and other additional insurance options when renting a car for business purposes. If Penn drivers are unfamiliar with this policy and accept any of the insurance options listed above, they will not be reimbursed for these costs.
- a) Coverage options such as LDW/CDW (damage to the vehicle) and supplemental liability are included when you use Penn's corporate ID numbers with National and Enterprise. If using other rental car companies, travelers must take the Penn's Driver Education Program (see below) to reduce the risk of any deductibles to the department.
  - b) Any insurance provided by the rental car company is primary and is supplemented by Penn's insurance coverage. For additional information on insurance coverage and reimbursement guidelines, click here on [Insurance](http://travel.upenn.edu/travel/before-you-travel/car/car-rentals/).<http://travel.upenn.edu/travel/before-you-travel/car/car-rentals/>
  - c) All individuals who intend to drive the rental vehicle must be listed on the rental agreement for insurance purposes. With National and Enterprise, the additional driver fees are waived in most locations.
  - d) Any additional questions about car rental insurance should be directed to the Risk Management office at 215.898-4327. Travelers must notify the Risk Management office immediately if an accident occurs.
- 4) Employees and authorized students renting cars for University business purposes must take Penn's Driver Education Program. Authorized drivers should contact the Office of Risk Management at ext. 215.898-4327 for more information.
- a) Policy No. 2607 of the Financial Policy states:  
  
Reimbursement for loss or damage of a rental vehicle will be subject to a departmental deductible of \$250 per occurrence. Any loss or damage sustained by a driver who has not attended the University's Drivers' Safety Program will be subject to a 100% deductible, i.e. the department will be responsible for the total repair cost.
- 5) Students are not covered under the University's insurance policy unless specifically authorized by a school or center to rent a car. Students may use the University's corporate ID#s only when:
- they are renting a vehicle for a school sponsored event,
  - the rental has been authorized by a school or department,
  - they are 21 years of age or older,
  - they have a valid driver's license,
  - they have a clean driving record, and
  - they have completed Penn's Drivers' Education Program.
- a) If they have met the criteria listed above and are renting a car from National or Enterprise (using the Corp ID#), they are automatically covered for damage to the vehicle. They may decline the supplemental liability (SLI) coverage unless:
    - the trip is more than 6 hours or more of consecutive driving time,
    - the number of vehicle occupants is 6 or more, and
    - the destination is to New York, Massachusetts, Florida or California.

- b) The University's Travel Administrator reserves the right to determine whether renting a car is necessary for student groups or if other modes of transportation are more appropriate. The University will not authorize or complete any Additional Insured Endorsement forms on behalf of student drivers.
- c) For additional information on students renting cars, click here on [Student Drivers](#).
- 6) When traveling internationally on business, a University employee is authorized to accept both the loss damage waiver (LDW/CDW) and additional liability coverage. With rental car companies, international includes Canada.
  - a) Prior to any purchase of a vehicle in conjunction with a long term international project, the Risk Management department must be contacted.
  - b) Any additional questions about international car rental insurance should be directed to the Risk Management office at 215.898-4327.
- 7) In non-business related travel situations, employees may use the corporate ID numbers with National and Enterprise, but insurance coverage is not provided by either the rental car company or the University.

[Click here for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement \(C-1\) form.](#)

## **2360 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- PERSONAL VEHICLES AND GROUND TRANSPORTATION**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To provide travel guidelines with regard to the usage of personal vehicles and other ground transportation providers for business purposes.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

Drivers are reimbursed when using their personal vehicles on a mileage basis. It is the personal responsibility of the owner of the vehicle to carry adequate insurance coverage for their protection and for the protection of any passengers. When driving a personal vehicle for business purposes, the vehicle owner's policy will be responsible for any damage to the vehicle and becomes primary for any insurance claim.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, when applicable, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to make sure that the Penn traveler is not seeking reimbursement for any non-reimbursable items (see below) and that the mileage was calculated in a reasonable and prudent manner.

## Policy

Employees can elect to use their personal cars for business purposes if such use is less expensive than other options, such as rental cars or taxis, or if such use saves time.

- 1) When driving a personal vehicle, drivers are reimbursed for the actual miles traveled. The mileage reimbursement rate is calculated on a yearly basis by the federal government and covers all transportation and operating costs of the vehicle, including gasoline. Click here on [Mileage](#) for the current mileage reimbursement rate.
- 2) Additional allowable expenses include turnpike tolls, bridge tolls and reasonable parking fees.
- 3) A driver will not be reimbursed for parking tickets, fines, moving violations or vehicle towing charges. No reimbursement will be made for vehicle repair costs regardless of whether it results from the traveler's acts or acts of others.
- 4) Travelers who choose to use their own automobiles on a trip where air travel is more appropriate will be reimbursed an amount not to exceed the lowest logical air fare to the destination.
- 5) Expenses associated with normal commuting between an employee's home and regular place of business are not reimbursable.
- 6) The most economical mode of transportation, such as shuttle service, is expected to be used to and from air, rail or bus terminals, whenever possible.
- 7) The University will pay for travel costs such as SEPTA tokens for those traveling locally for authorized activities but not for commuting purposes.
- 8) Taxis utilized while traveling on University business are a reimbursable expense.
- 9) Sedan/limousine car services are authorized expenses for recruiting purposes or visiting dignitaries. Such services are more expensive than taxis and should be used only when the valid business purpose precludes the use of more economical modes of transportation.
- 10) Sedan/limousine car services are not considered acceptable transportation to New York airports or other regional locations unless there are enough people traveling together to make the expense economical in nature. Such requests require a completed Reimbursement Justification form that is approved by the head of the school or center (or their designated representative).

[Click here for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement \(C-1\) form.](#)

## **2361 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- MEALS AND ENTERTAINMENT**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To provide guidelines with regard to meals and entertainment when traveling or entertaining on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of every Penn representative to act in a prudent and reasonable manner when entertaining on behalf of the University. Penn representatives are expected to be familiar with the meal guidelines listed below, to abide by those guidelines and to retain and submit itemized receipts for meals of \$25 or more.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that a completed Entertainment and Business Meal Worksheet (C-1A) has been attached listing the date of the business meal or function, location, person or persons entertained and their affiliation, business purpose and amount. It is also the responsibility of the authorized signer to ensure that any alcoholic beverages are charged to the correct object code, 5214, since they are unallowable expenses for indirect cost allocations.

## Policy

Personal meals are defined as meal expenses incurred when traveling on an out-of-town business trip. Meal reimbursements will commence from the time you leave home until your return. Travelers will be reimbursed for personal meal expenses provided they are documented and reasonable. In general, meals should be taken at the most economical restaurant fitting the occasion.

- 1) Meal reimbursements, as a general rule, should not exceed the applicable federal daily per diem meal rate. It is acceptable to use the federal meal per diem rate in lieu of claiming actual meal costs. For a complete listing of domestic per diem rates, [click here](#).
- 2) When not using the meal per diem rates, any meal that costs \$25 or more must be supported by original itemized restaurant receipts.
- 3) If a meal is provided by a conference as part of the conference fees and a traveler elects to purchase a meal independent of the conference, such meals will be considered a personal expense and will not be reimbursed.
- 4) Alcoholic beverages consumed while traveling will not be reimbursed unless purchased in conjunction with necessary business entertainment. Alcoholic beverages cannot be reimbursed from federal grants or contracts.

Business meals are meals with a clearly substantiated business purpose and are directly associated with the active conduct of University business. At a business meal the business discussion is the primary purpose of the meal. Examples of business meals include meetings with business associates, professional colleagues, students and others at which a bona fide business discussion takes place.

- 1) Business meals or entertainment costs where the business purpose is to conduct local, state or federal lobbying activities must be separately identified and charged to object code 5336.
- 2) The frequency and number of local business meals should be limited. Acceptable reasons for local business meals include:

- a) Meals with a guest speaker or lecturer. These meals should be limited in terms of number of attendees and total cost. The cost of these meals should not exceed \$35 per person for lunch or \$80 per person for dinner (including alcohol, taxes and gratuities)\*. In certain circumstances, these guidelines can be exceeded, but special circumstances must be documented in writing on a Reimbursement Justification form and approved by the head of the school or center (or designated representative).
- b) Meals with a prospective faculty, staff or student recruit. These meals are expected to be limited in number of attendees and total cost. The cost of these meals should not exceed \$35 per person for lunch or \$80 per person for dinner (including alcohol, taxes and gratuities)\*. In certain circumstances, these guidelines can be exceeded, but special circumstances must be documented in writing on a Reimbursement Justification form and approved by the head of the school or center (or designated representative).
- c) Meals with other Penn colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be considered a personal expense unless the business being conducted is such that it cannot be done in the office. An explanation of the reason as to why the meeting could not take place in the office must be provided on the Reimbursement Justification form.

\*SAS allows only \$75 per person for dinner

\* Note: Schools/centers and departments may, at their discretion, elect to establish lower per person limits.

- 3) For those instances where individuals are required to work during normal meal breaks, e.g. lunch hour, meals or refreshments with other Penn colleagues in offices/labs for working meetings are acceptable and considered a reimbursable expense.
- 4) The number of persons comprising the group involved in the local business meal should be limited to the host, the guest and two to three other Penn colleagues or affiliates. **If the party is larger than three or four people, then a less expensive restaurant should be chosen.**
- 5) The alcohol portion of any meal must be charged to object code 5214. Meals can be charged to 5209 or 5214 depending on the business purpose of the meal. Restaurants chosen for dinners should be reasonably priced and alcohol, if consumed, should be moderately priced. Local meals that do not meet these guidelines will be considered “unreasonable” and the form will be returned for a completed and approved Reimbursement Justification form.
- 6) Employees will be reimbursed for business-related meals with other employees in the following circumstances:
  - when dining with other employees on an out-of-town trip, such as at a conference; or
  - when authorized by the department for staff reward or recognition.
- 7) Entertainment expenses that are non-reimbursable include parties or meals for birthdays, weddings, births, administrative professional’s day, or bosses day.**
- 8) Alcoholic beverages consumed during business meals and/or meetings should be kept reasonable.
  - a) Alcoholic beverages purchased when traveling on University business or during local business meals will only be reimbursed if purchased in conjunction with necessary business entertainment.
  - b) Alcoholic beverages are unallowable for indirect cost allocation purposes. For all University sponsored events at which alcohol is served, e.g. meetings, conferences, receptions, parties, retirements, fund raisers, etc, the alcohol costs must be considered entertainment and charged to object code 5214.
  - c) Alcoholic beverages that are used for entertainment functions in Pennsylvania must be purchased in Pennsylvania. For policy and procedures related to the purchase of alcoholic beverages for local events, go to the Purchasing website at: <http://www.purchasing.upenn.edu/buyinfo/how-to-buy-wine-spirits.php>.
  - d) If alcohol is being served at a University sponsored meeting, the alcohol must be charged to entertainment (5214), but the meeting expenses can be charged to University sponsored meetings and conferences (5211).
- 9) Entertainment expenses are those expenses incurred during a meal or an event that is business-related but social or celebratory in nature. Entertainment expenses include food and beverages, alcohol, catering services, banquet facilities, decorations and musical groups. Payments to a caterer, facility or transportation provider must be processed against a purchase order issued through Purchasing.
  - a) When paying a performer for services rendered at an event, e.g. a pianist or vocalist, the performer must be paid as an independent contractor through **Individual Disbursement Services**. These individuals cannot be paid directly by a University employee. For information on how to pay independent contractors, see:

[http://www.finance.upenn.edu/comptroller/tax/contractor\\_guide.shtml](http://www.finance.upenn.edu/comptroller/tax/contractor_guide.shtml).

**[Click here](#) for Chapter 5 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.**

## **2362 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- TELEPHONE USAGE**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To provide procurement guidelines with regard to telecommunication costs when traveling on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to keep telecommunication costs to a minimum when traveling on behalf of the university.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that Penn is only paying for services and/or calls that are authorized under this policy or Penn's cell phone policy.

### **Policy**

Travelers will be reimbursed for business calls made when traveling on behalf of the University.

- 1) To reduce the cost of long distance business calls, the University offers Verizon calling cards in conjunction with Amex corporate cards to full-time (monthly-paid) academic and administrative personnel who are required to travel or entertain on behalf of the University. These cards should be used whenever possible, for they reduce the cost of long distance calls when traveling.
- 2) Travelers will be reimbursed for personal calls home while traveling on business. Both the length and the number of calls should be kept to a minimum and the **Verizon** calling card should be used to reduce costs.
- 3) Travelers will be reimbursed for business calls made on cellular phones which are reasonable and necessary for conducting business. Travelers are expected to keep cellular

phone usage to a minimum. The monthly service fees are non-reimbursable unless pre-approved by your department or if you are using a cell phone owned by the University.

- 4) For additional information on cell phone policies, click here:  
<http://www.finance.upenn.edu/vpfinance/fpm/2300/2329.asp>
- 5) Before traveling internationally, travelers should check with their cell phone company to determine if they offer international service.
- 6) When traveling internationally, travelers can use the **Verizon** calling cards but some countries are blocked to reduce possible fraudulent activity so check **with Customer Service at Verizon** before traveling.

**[Click here](#) for Chapter 5 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.**

## **2363 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- NON EMPLOYEES, COMPANIES AND NON-RESIDENT ALIENS**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

The purpose of this policy is to outline the specific documentation required when making payments to non-employees, companies and non-resident aliens.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of travelers to obtain and provide all necessary supporting documentation prior to seeking a payment from Penn.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that all required documentation is attached to an expense report and that they have indicated the status of the person seeking reimbursement.

### **Policy**

The University will pay the travel costs of non-employees (job applicants, lecturers, consultants and other individuals) when the schools and centers have authorized the central processing organization to do so. Payment will be made in accordance with the policies outlined in this policy manual.

- 1) Individuals requesting reimbursement are required to provide original receipts for travel expenses of \$25 or more. If the non-employee cannot provide original receipts, the central processing organization will be required to report the payment as income in accordance with applicable governmental regulations.
- 2) If a company elects to be paid for travel-related expenses, rather than the individual who traveled, they may do so.
- 3) The University will not normally provide non-employees with travel advances. Exceptions will be granted for special circumstances, which need to be documented to the central

processing organization on a completed and approved Advance Justification form. Any monies advanced are required to be accounted for in the same manner as outlined in Section 2353.

- 4) Payments unless covered under accountable plan rules to non-resident aliens for travel related expenses are generally subject to 30% federal income tax withholding in accordance with Internal Revenue Service (IRS) regulations. Such payments may be exempt from withholdings if a tax treaty exists with the country of citizenship of the non-resident alien. Tax treaties may provide for the exclusion of some or all of the payment from taxation.
- 5) The central processing organization will only consider granting visiting non-resident aliens an advance for local meals if 1) they are already here at Penn and 2) the department has agreed to provide them some type of meal payment during their designated stay.
- 6) Non-resident alien students may exclude reimbursed travel expenses from gross income (without any withholding) if:
  - They follow the IRS accountable plan rules
  - They complete a "Statement of Business Connection," and
  - Their paperwork is approved by the Corporate Tax office for processing.

Click here for the Statement for Business Connection form.

[http://www.finance.upenn.edu/forms/Penn-Student\\_Agreement.pdf](http://www.finance.upenn.edu/forms/Penn-Student_Agreement.pdf)

- 7) Expenses reported more than six months (182 days) after the ending date of the business activity **will not be reimbursed** and should not be submitted to the central processing organization absent extenuating circumstances. (see Policy 2354 #10)

[Click here](#) for Chapter 5 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.

## **2364 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- SPOUSAL / DEPENDENT TRAVEL**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To outline IRS regulations with regard to spousal and dependent travel and entertainment in conjunction with an employee conducting business on behalf of the university.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to be familiar with this policy and to be mindful of the IRS regulations when it comes to spousal or dependent travel.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that the necessary IRS regulations have been met and the necessary documentation is attached.

### **Policy**

Under IRS regulations, the travel expenses of a spouse (or dependent) are non-taxable provided it can be established that his or her presence serves a bona fide business purpose.

- 1) To be a bona fide business purpose, the presence of the spouse must be essential (not just beneficial) to the employee in being able to carry out his/her business purpose for the University.
  - a) The spouse's performance of some incidental service does not constitute a bona fide business purpose.
  - b) The bona fide business purpose of the accompanying spouse must be clearly documented on the expense report to show that the spouse's attendance at a function or event meets the above conditions.

- c) If a spouse has no significant role in such proceedings, then his or her travel or meal expenses are deemed a non-reimbursable expense.
- 2) Travel expenses for spouses and dependents are permissible during the interview process prior to an employment offer since employment is considered a family decision.
- a) Revenue Ruling 63-77: The IRS specifies that reimbursements made to individuals by a prospective employer for expenses incurred in connection with travel for interviews are not considered wages for federal tax purposes.
  - b) The expense reimbursement cannot be conditional on whether or not an employment offer resulted from the interview or whether or not the individual accepted.

## **2365 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- NON-REIMBURSABLE ITEMS**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

To provide guidelines with regard to non-reimbursable expenses that may be incurred while traveling on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of the traveler to be familiar with which items are considered reimbursable and which are considered personal expenses.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to review expense reports prior to submission to the central processing office to ensure that there are no non-reimbursable items listed on the Travel and Entertainment Expense Report.

### **Policy**

1) The Travel Administrator has tried to make this list comprehensive. However, if an item is not listed, that does not mean that it is automatically reimbursable. Contact the Travel Administrator for clarification.

2) **Travelers will not be reimbursed for the following miscellaneous expenses:**

- **airline club membership dues**
- **air phone usage**
- **alcoholic beverages if purchased in a non-business capacity**
- **annual fees for personal credit cards**
- **auto repairs**
- **baby-sitting/day care**
- **barbers and hair salons**
- **personal cell phone monthly fees**
- **clothing or toiletry items**

- corporate card delinquency fees or finance charges
- club memberships for business, pleasure or recreation
- expenses related to vacation or personal days taken before, during, or after a business trip unless they resulted in the reduction of the total cost of the trip.
- golf fees/ski lift tickets, etc.
- health club or exercise room fees
- items confiscated by airport security
- frequent flyer upgrades
- spa charges
- laundry charges (unless trip is 5 days or longer)
- limousine/sedan services (see Policy 2360 for exceptions)
- loss or theft of airline tickets
- loss or theft of personal funds or property
- medical expenses while traveling
- mini-bar alcoholic refreshments
- movies (in-flight or in-room movies)
- "no show" charges for hotel or car services (see Policy 2358 for exceptions)
- optional travel or baggage insurance
- parking tickets or traffic violations
- personal entertainment i.e. sporting events, theatre, etc.
- personal telephone calls in excess of reasonable calls home
- personal reading materials i.e. magazines, newspapers
- pet care fees
- rental car options such as LDW, PAI and liability
- rental car upgrades to premium or luxury class
- repairs to personal vehicles
- saunas, massages
- shoe shines
- souvenirs or personal gifts
- tuxedo/evening gown rentals

3) Travelers will be reimbursed for the following miscellaneous expenses incurred while on University business:

- business office expenses (faxes, copying services)
- business phone calls
- conference fees
- currency conversion fees
- gasoline (only if using a rental car or a Penn-owned vehicle)
- ground transportation (taxi, bus, airport vans, etc.)
- immunization costs if associated with an upcoming Penn authorized international business trip
- internet access fees
- laundry/dry cleaning/suit pressing on trips exceeding five days
- local mileage to and from the airport
- parking and tolls
- reasonable number of personal telephone calls home
- reasonable tips
- reasonable fees related to the issuance of visas and passports for Penn authorized international business trips

If extenuating circumstances exist, the traveler or entertainer must complete a Reimbursement Justification form and have it approved by the Higher Level Approver.

4) In general, gifts and gift certificates are non-reimbursable. [Click here](#) for the gift policy.

## **2366 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- RECEIPTS**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009,

Last Review/Revision: May 1, 2009

[View PDF Version](#)

### **Purpose**

The IRS accountable plan requires that the University retain original receipts to avoid reimbursements being considered taxable income to an employee.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to keep all itemized receipts of \$25 or more for submission with an expense report.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that only the necessary receipts are attached prior to submitting an expense report for processing to the central processing organization.

### **Policy**

- 1) The University requires that travelers retain and submit any receipts that are \$25 or more for reimbursement purposes.
- 2) An acceptable receipt is a document that contains:
  - transaction date
  - name of merchant
  - transaction details (what was purchased)
  - form of payment used
  - amount of purchase
  - indication that the amount was paid
- 3) An acceptable receipt for an airline or Amtrak ticket is defined by the type of ticket purchased.

- a) An acceptable receipt for a printed ticket is the original passenger receipt coupon. Such receipts are provided to the traveler when a printed paper ticket has been purchased.
  - b) An acceptable receipt for an electronic ticket purchased through an agency or on the web, is the printed itinerary/invoice. The itinerary/invoice should show the airline, flight numbers, times and destinations, class of service, amount and that a payment has occurred. If the itinerary/invoice is not available travelers should use, as supporting documentation, boarding passes and copies of credit card statements showing the cost of a ticket and any service or booking fees.
  - c) An acceptable receipt for a change or cancellation penalty is a document showing the additional charge accompanied by an explanation as to the business purpose for the change or cancellation.
  - d) Service fees charged by travel agencies do not always have a receipt but they are a reimbursable expense.
- 4) No receipts are necessary for mileage reimbursement in a personal vehicle but an attached mileage log is recommended. If a traveler does not know the mileage, a printout from Map Quest is considered acceptable documentation of the distance.
  - 5) An acceptable receipt from the rental car company is a receipt showing the breakdown of costs i.e. size of vehicle, daily rate, tax, concession fees, city surcharge, etc. A credit card receipt does not contain detailed information and is not considered adequate documentation.
  - 6) An acceptable receipt for business meals is an itemized meal receipt along with the credit card payment receipt. Without an itemized meal receipt it is difficult to ensure that unallowable costs such as alcohol are separated from indirect cost allocations as required by the IRS.
  - 7) An acceptable receipt for hotel charges is the itemized hotel receipt provided at time of checkout showing the room rate, tax and other items.
  - 8) If an expense is being paid by more than one university or entity, copies of receipts are acceptable documentation provided a brief explanation is attached.
  - 9) A receipt in foreign currency must be accompanied with the US Dollar equivalent amount. The equivalent dollar amount can be obtained from:
    - a) Credit card statements. The best and most accurate currency conversion is the conversion that credit card companies provide on statements.
    - b) Oanda currency conversion. For non credit card receipts in a foreign currency, use the Oanda currency conversion site. Click here for the Oanda site <http://www.oanda.com/converter/classic>.

[Click here for Chapter 6 in the Procedure Manual. Receipt Requirements](#)

## **2367 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- PER DIEMS**

Resp. Office: Purchasing Services

Approval: Chief Procurement Officer

Effective: May 1, 2009,

Last Review/Revision: May 1, 2009

[View PDF Version](#)

### **Purpose**

The purpose of the policy is to define the use of per diems for meals while traveling on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of Penn travelers to know the per diem policy and to follow the guidelines listed below.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that per diems match the corresponding time periods, are calculated correctly and that any necessary adjustments have been made.

### **Policy**

A per diem is an allowance determined by the U.S. government to cover meals and incidentals while traveling for business purposes. Per diem amounts are published by the General Services Administration (GSA) and are specific to major cities.

- 1) **Travelers claiming reimbursement on a per diem basis must use this method for the entire trip.**
- 2) Domestic per diems are set by the U.S. government once a year. Foreign per diems can change on a monthly basis due to currency fluctuations. Foreign per diems for the months traveled are expected to be used.
- 3) **Per diem information can be obtained by:**
  - **clicking here for [US Per Diem rates](#)**
  - **clicking here for [Foreign Per Diem rates](#)** add new link  
[http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)
  - calling the central processing organization at 215-898-3307.

- 4) Reimbursement on a per diem basis for meals is permitted. Meal receipts are not required when using a per diem rate, but **travelers must be able to demonstrate that the trip or stay did occur.**
- 5) If a traveler is attending a local conference or meeting (not at Penn) and he or she is going to leave home in the morning and return that evening, they may claim actual meal costs or a percentage of the daily per diem rate in that city or county depending upon the number of meals they were required to purchase. (See per diem adjustments link listed below).
- 6) If someone is claiming per diem while traveling but entertains individuals on behalf of the University during that trip, they may submit that business meal receipt along with a completed C-1A form for reimbursement provided they reduce the daily per diem amount.
- 7) If a meal is provided as part of a registration fee for a conference and the traveler is claiming per diem, a deduction in the per diem amount should be made as well. A meal provided by a common carrier (such as an airline) or a complimentary meal provided by a hotel does not affect the per diem calculation.
- 8) For a breakdown of breakfast, lunch and dinner components based on the per diem of the destination, [click here.](#) [Insert link](#)  
[http://www.gsa.gov/Portal/gsa/ep/contentView.do?programId=15586&channelId=-24653&oid=16365&contentId=16177&pageTypeId=8203&contentType=GSA\\_BASIC&programPage=%2Fep%2Fprogram%2FgsaBasic.jsp&P=MTT](http://www.gsa.gov/Portal/gsa/ep/contentView.do?programId=15586&channelId=-24653&oid=16365&contentId=16177&pageTypeId=8203&contentType=GSA_BASIC&programPage=%2Fep%2Fprogram%2FgsaBasic.jsp&P=MTT)
- 9) **Domestic per diems are adjusted for the first and last day of travel. Those per diem calculations are equivalent to 75% of the full daily per diem.** Use these adjusted amounts for the first and last day of travel when the traveler is not in full travel status the entire day.
- 10) For per diem payments to non-U.S. citizens who have been invited to the Penn campus, follow the guidelines under [Policy No. 2363– Non-Employees, Companies and Non-Resident Aliens.](#)
- 11) **The University does not reimburse lodging on a per diem basis. Actual lodging receipts are required.**

[Click here](#) for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form

## **2368 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- SPONSORED PROJECTS**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
[View PDF Version](#)

### **Purpose**

The purpose of this policy is to ensure compliance with the rules and regulations of sponsored projects.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **Scope**

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **Traveler and Entertainer Responsibility**

It is the responsibility of the traveler and the principal investigator to know the terms set forth in the award of a sponsored project with reference to allowable travel expenditures.

### **Responsibility of Approvers**

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, **when applicable**, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to review the travel and reimbursement request to ensure it follows the guidelines with respect to travel on sponsored projects and that a completed Expenditure Justification for Sponsored Research Projects form has been attached.

### **Policy**

Domestic and foreign travel charged to a sponsored project should follow the guidelines set forth in this policy manual unless the funding agency imposes greater restrictions. Federally funded sponsored projects are subject to the guidelines set forth in the Office of Management and Budget (OMB) Circular A-21, Section 48, Travel Costs. Click here on [OMB](#) to access the circular.

- 1) **All travel advance or reimbursement requests for sponsored research projects must have the Expenditure Justification for Sponsored Research Projects form completed and attached.** Research Services reviews the forms for foreign travel on federal awards. **Click here for the form:**  
<http://www.upenn.edu/researchservices/Forms%20and%20Agreements.html>
- 2) Domestic travel includes travel within and among the fifty United States and its territories and possessions and Canada.

- 3) Domestic travel included in the approved budgets of federally sponsored projects is generally permissible if it supports the purpose of the project.
- 4) The federal government defines foreign travel as any travel outside of the United States and its territories and possessions and Canada. In the case of other sponsored research agreements, foreign travel may be specifically defined in the contractual documents.
- 5) Some foreign travel requires pre-approval by the sponsor. Since sponsors' regulations vary, principal investigators should be familiar with those that are applicable to their projects.
- 6) When traveling on federally funded projects, travelers may request the hotel's government rate. A letter from the project sponsor may be required upon check-in to confirm funding source.
- 7) If traveling internationally on federal grants or contracts, a United States flag carrier must be used. For specific federal guidelines on this issue, click here on [Fly America Act](#) for details. Prior approval from the Office of Research Services should be obtained if someone needs to deviate from this policy. <http://www.tvlon.com/resources/FlyAct.html>
- 8) All international travel on a federal grant or contract must be reviewed and approved by Research Services prior to processing.
- 9) A principal investigator may be reimbursed for meals from federal sponsored project funds if he/she is in travel status. Consultants may be reimbursed directly for meals consumed in connection with the consulting services being provided to the sponsored project.
- 10) The cost of local meetings can be charged to sponsored projects; however, the cost of local meals will not be reimbursed from sponsored project funds for University employees, unless specifically authorized by the sponsor.
- 11) Federal regulations (and where sponsors so dictate) prohibit the reimbursement of alcoholic beverages with federal funds under any circumstances.**
- 12) Any questions regarding travel or entertainment on federal grants or contracts should be directed to the [Office of Research Services](#).

[Click here for Research Services website](#)

**2369 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- MOVING AND RELOCATION REIMBURSEMENTS**

Resp. Office: Purchasing Services  
Approval: Chief Procurement Officer  
Effective: May 1, 2009,  
Last Review/Revision: May 1, 2009  
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**Moving and Relocation Information**

For moving and relocation information, see the websites listed below:

- [Relocation Services](#) (Human Resources)
- [Relocation Guide](#) (Corporate Tax)

## 2370 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- OBJECT CODES

Resp. Office: Purchasing Services

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- 5200 Domestic travel for **faculty and staff** (travel expenditures incurred on a non-local trip within the United States, its territories and Canada). Includes all trip-related expenses such as airfare, lodging, ground transportation, conference fees and personal meals. Business meals while traveling should be charged to 5209 or 5214 and a C-1A form should be attached.
- 5201 Local travel for **faculty and staff**. Local travel includes destinations in and around Philadelphia (50 mile radius or less).
- 5202 Foreign Travel for **faculty and staff** (travel expenditures incurred while outside the United States, its territories and Canada). Includes all trip-related expenses such as airfare, lodging, ground transportation, conference fees and personal meals. Business meals while traveling should be charged to 5209 or 5214 and a C-1A form should be attached.
- 5203 Use object code 5202.
- 5204 Domestic student travel (travel expenditures incurred on a non-local trip within the United States, its territories and Canada). Includes all trip-related expenses such as airfare, lodging, ground transportation, conference fees and meals.
- 5205 Foreign student travel (travel expenditures incurred while outside the United States, its territories and Canada). Includes all trip-related expenses such as airfare, lodging, ground transportation, conference fees and meals.
- 5206 Non-employee domestic travel. For persons not directly connected with the University (e.g., lecturers, visitors, job applicants). Includes all trip-related expenses such as airfare, lodging, ground transportation and personal meals.
- 5207 Non-employee foreign travel. For persons not directly connected with the University (e.g., lecturers, visitors, job applicants). Includes all trip-related expenses such as airfare, lodging, ground transportation and personal meals.
- 5208 Local student travel, meals and entertainment. Includes college house activities, floor functions, entertainment, refreshments and local student travel. (A C-1A form is not required with this object code provided a valid business purpose is provided on the Advance or Reimbursement form).
- 5209** Business meals for **faculty and staff**. Business meals are meals with a clearly substantiated business purpose that are directly associated with the active conduct of University business. At a business meal the business discussion is the primary purpose of the meal. A meal that directly precedes or follows a substantial and bona fide business discussion also meets this criterion.

*Examples of business meals include meetings with business associates, professional colleagues, students and others at which a bona fide business discussion takes place. An Entertainment and Business Meal Worksheet (C-1A form) must be completed for meals listing the date, place of entertainment, persons entertained, affiliation and the*

*business purpose of the meal. Any alcohol in conjunction with a business meal must be charged to 5214. Local travel is no longer charged to this object code.*

- 5210 Conference registration fees. Use this object code when paying conference registration fees directly or reimbursing prepaid registration costs.
- 5211 Penn sponsored business meetings. Refreshments for meetings, informal office meetings, lab lunches, groceries, box lunches etc. constitute meeting expenses. Any alcoholic beverages that are served in conjunction with campus meetings must be charged to 5214.
- 5212 International project/program costs. When requesting an advance or seeking reimbursement for an extended international project or program, this object code should be used. Examples of such costs would be labor costs, equipment costs and curriculum-related expenses such as excursions, cultural instruction, group meals and lodging. The receipts for project/program costs and the responsibility for ensuring that those monies have been spent in accordance with the guidelines of the program or project remain within the school or center.
- 5214 Entertainment. Entertainment encompasses those expenses incurred in conjunction with a meal or an event that are business-related but social or celebratory in nature. Entertainment expenses and all alcohol purchases in conjunction with entertainment related activities must be charged to 5214. Expenses incurred for business-related entertaining include catering, decorations, alcohol, location rentals and musical (or other) groups that have been contracted to provide entertainment. \*

*[An Entertainment and Business Meal Worksheet (C-1A form) must be completed when using this object code listing the date, place of entertainment, all persons entertained, affiliation and the business purpose of the meal or event.]*

- 5327 Moving/relocation costs. Moving/relocation costs should be charged to this object code. Check the moving/relocation guidelines on the Travel Office website to insure compliance with the IRS requirements.

\* Entertainers should be paid directly by the University through Accounts Payable with Object Code 5319. Entertainers should not be paid directly by any third party. Entertainers are providing a service and the University is obligated to report amounts paid to taxing authorities.

Note:

**Alcoholic beverages.** Alcoholic beverages are unallowable for indirect cost allocation purposes. The following guidelines apply when purchasing alcohol:

- If alcohol is purchased directly from a distributor, the object code that must be used is 5214.
- If alcohol is served at an entertainment function such as a holiday party, retirement party, etc., the entire event should be charge to entertainment (5214).
- If alcohol is being served at a University sponsored meeting, then the alcohol must be charged to entertainment (5214) but the meeting expenses can be charged to University sponsored meetings (5211).