

Financial & Budget Administration Policies & Procedures Manual**Processing Expenditures****SECTION 7****Section & Subject**

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Financial & Budget Administration Policies & Procedures Manual

Processing Expenditures

SECTION 7

Section & Subject

Exhibits

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<ul style="list-style-type: none">• <u>Office of The President</u>• <u>John M. Bennett -- Sr. V.P. for Finance and Administration</u>• <u>Donald C. Gehring -- V.P. for Government Relations and Health Policy</u>• <u>Stephen D. Gottfredson -- Provost and V.P. for Academic Affairs</u>• <u>Francis L. Macrina -- V.P. for Research</u>• <u>Sue Ann Messmer-- Chief of Staff, Office of the President and V.P. for University Relations</u>• <u>Sheldon M. Retchin -- V.P. for Health Sciences and CEO, VCU Health System</u>• <u>Peter L. Wyeth -- V.P. for Advancement</u>	

7.00 Receipts of Merchandise or Services

It is the department's responsibility to complete the appropriate paperwork when merchandise or services that have been ordered are received. Accounts Payable and Support Services (by State regulation) requires a signed "receiving report", purchase order, and vendor invoice in order to process payments. For proper internal control, the system requires the purchase "authorizer" and purchase "receiver" to be different individuals. Arrangement for storage or installation of purchased materials must be made before the delivery occurs, to ensure the safety and security of the materials. Purchasing procedures are covered in Section 6 of this manual.

The University is required by law to pay all valid invoices and/or the undisputed amount of an invoice within 30 days after the receipt of the invoice or the receipt of the goods or services, whichever is later. It is essential that the receiving report be completed, properly dated, and signed as soon after the receipt of goods or services as practicable. The electronic receiving signatures are recorded automatically based on the individual's system ID and password. As a rule of thumb, the receiving should be done within two working days. When dating the receiving report, use only the date the goods or services were received. If there is an agreed upon installation or testing period, you should use the date that the goods have been appropriately installed or satisfactorily tested. The dating of the receiving report is very important because the due date is determined by law as 30 days after the receipt of the invoice or the receipt of the goods or services, whichever is later. Vendors must be instructed to send their invoices directly to Accounts Payable and Support Services for payment.

All individual business reimbursement and travel receipts must be originals. If the original receipt is not available, a copy of the receipt must be provided. The person requesting the reimbursement must certify that the expense has not been previously reimbursed and that the original receipt is not available. This certification must be retained with the payment package.

7.01 Processing Receiving Reports

Receiving reports are processed electronically in the Banner system on the FPARCVD form. Instructions for entering receiving information can be viewed in the on-line training manual at:

<http://www.vcu.edu/procurement/EPBRManual.pdf>

7.03 Release of Vendor Checks/EDI Payment

Most University and State EDI (Electronic Data Interface) payments are cut to vendors based on the invoice due date. University checks are cut on the due date while State EDI payments are submitted to State Department of Accounts approximately five days before the due date in order to be processed on the due date. Checks for prepaid items (including subscriptions, memberships, registrations, hotel deposits, etc.) are cut as soon as they are processed.

7.04 Special Payment Considerations

IRS 1099 reporting requirements dictate that the first line of the vendor's name and address on purchase orders is the organization or business name that will receive the funds.

7.05 Transactions Between University Departments

Charges made by a service department against a "customer's" account generally are processed electronically by Journal Voucher. The originating service department is responsible for accurately transmitting the data.

7.20 Transactions With Other State Agencies

Departments in the University that provide merchandise or services to other State agencies are responsible for billing their "customers".

Merchandise or services provided to the University by other State agencies must be paid by check or EDI. Therefore, orders must be placed using the eVA On-line Purchasing system. Departments should inform the other

agency that they will receive a check/EDI payment rather than an Inter Agency Transfer (IAT). This process includes all orders placed with VCU Health System such as the Dental Store, Catering, Pharmacy, etc.

7.30 *Travel Reimbursements*

Applicability

These policies apply to:

- All employees of the University
- Students attending the University whose travel expenses are being reimbursed by the University
- Non-employees who have been invited to the University or have been authorized to travel on behalf of the University

Expenses Must be Reasonable and Necessary

Travel expenses reimbursed to individuals on official VCU business must be reasonable, necessary, and represent an efficient use of resources. Furthermore, travelers and travel planners should seek ways to reduce the cost of travel. Travel expenses for individuals (spouses, friends, etc.) or employees not on official business for the University are not allowed. The State relies on the honesty and integrity of its employees to prevent excessive expenditures and reimbursements. Travel expense accounts are open to the public and must be able to sustain the test of public review. Any falsification of expenditures constitutes fraud and will be treated as such.

VCU should communicate their travel policies, regulations and procedures to anyone who travels on University business. VCU assumes no obligation to reimburse employees, students or non-employees for expenses that are not in compliance with this policy.

Responsibility of the Schools

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

It is the responsibility of the various schools to ensure that anyone traveling or entertaining on behalf of the University is aware of and will abide by the University's policies and procedures as outlined in this document.

It is the responsibility of each school to assign a hierarchy of responsibility with reference to the preparation and approval of travel requests for payment and/or reimbursement based on VCU's policies.

See Section – 'Responsibilities of the Authorized Approver'.

Responsibility of the Traveler

Individuals traveling on behalf of the University should exercise good judgment with respect to incurring travel expenses and are expected to spend the University's funds prudently. Travel related expenses will be paid by the University *if* they are deemed to be reasonable, appropriately documented, properly authorized and within the guidelines of these policies. It is the responsibility of the traveler to comply with the University's policies governing travel.

Responsibility of the Authorized Approver

The Authorized Approver must verify that expenses and expense reports meet all of the following criteria:

- The travel expense was incurred while conducting University business.
- The expenses were necessary and consistent with University policies.
- The information contained on the expense report and in the attached documentation is accurate.
- The expense meets any and all sponsor guidelines, if applicable.
- The expenditure is charged to the proper index(s) and account(s).

Definitions

The following travel-related terminology is provided to clarify the intent of specific terms and their use.

Authorized Approver	<p>The Authorized Approver:</p> <ul style="list-style-type: none"> • should have authorization over the account being charged, • cannot be the individual seeking reimbursement, unless documented by the Dean or Vice President. • if possible, should be the spender's direct supervisor, • in general, should not be asked to approve the travel expenses for an individual to whom they report, and • can only approve those reimbursements within their transaction authorization limit. <p>At VCU this may be a Traveler's Supervisor or a VP Designee as specified in policy, depending upon the particular situation.</p>
Base Point:	Place, office, or building where the traveler performs his/her duties on a routine basis. Multiple base points are not allowed.
Commuting Mileage:	Round-trip mileage traveled routinely by the employee between his residence and base point.
In State Rates:	Includes all locations in the State of Virginia except the Cities of Alexandria, Fairfax, Falls Church and the counties of Arlington and Fairfax. (These qualify for the out of State rates.)
International Travel:	International travel consists of all travel to areas outside of the 48 contiguous United States and Alaska and Hawaii.
Non-State Employee:	Any individual who is not employed by the State, but who is conducting State business, including a member of any board or commission.
Official Station:	The area within a 25-mile radius of an employee's base point.
Out of State Rates:	All locations outside the State of Virginia unless explicitly listed. Cities of Alexandria, Fairfax, Falls Church and the counties of Arlington and Fairfax qualify for the out of State rates.
Public Transportation:	Commercially scheduled airline, rail, bus, or taxi (when necessary).
State Employee:	Any elected, appointed, classified, or non-classified employee of the Commonwealth.
State Funds:	Any funds deposited with the Treasurer, whether derived from appropriation or from agency receipts.
Travel Status:	Travel outside of an employee's official station.
Vice President Designee:	A Vice President Designee is an individual designated by the Vice President's office. Such designation must be approved by the Office of the Vice President in writing and be retained on file within VCU. These listings should adhere to the record retention policy in order to provide adequate evidentiary support of appropriate approvals for audit/review purposes.

Travel Reimbursement Requirements

Travel Reimbursement Requirements

Although **not all-inclusive**, the following information is required for expense reimbursement and must be submitted with the Travel Expense Reimbursement Voucher (TERV):

- Social Security Number – (Required due to Comptroller’s Debt Setoff & EDI)
- Authorization and Exception approvals (See **Approval and Exceptions** section)
- Approval for mileage reimbursement at IRS mileage rate (See **Current Mileage Rates**)
- Reason for travel and any unusual fees such as charges for changing reservation/ticket
- Hard-copy confirmations of expenses if online methods were used to procure services (If a Boarding pass is not available, itinerary and proof that the trip was taken is required)
- Reason for business phone calls or facsimiles
- Itemized receipt for lodging or comparative statement if alternative lodging is used (i.e., apartment)
- Receipt for each meal expenditure of \$75 or more (IRS requirement)
- Receipt for registration fees
- Approval for use of private or State-owned aircraft
- Printouts of appropriate per diem rate table for international destinations
- Receipts required if claim for “for hire transportation” (i.e. taxi, shuttle, metro, limousine) is more than \$25.

Travelers must keep receipts and accurate records of all expenses to ensure correct reporting and submission of travel reimbursements. Travel reimbursements will not be made from travel charge card statements or tissue receipts. Each day’s expenses must be shown separately on the travel reimbursement.

By signing the TERV, the traveler is certifying the accuracy of all information and the legitimacy of the travel. The signature of the Traveler’s Supervisor certifies that he/she agrees that the travel was necessary and the requested reimbursements are proper.

Timeframe to Submit TERV

Travelers should submit the Travel Expense Reimbursement Voucher (TERV) to their supervisor within 30 working days after completion of the trip. In the case of continuous travel, the traveler should submit the voucher to their supervisor within 30 working days of the last day of travel for which reimbursement is requested. However, reimbursements should be processed in a timeframe that allows travel charge card payments to be made by the specified due date. In all instances, the travel reimbursement must be submitted to the supervisor within 60 days.

However, any travel submitted to the Traveler’s Supervisor beyond sixty (60) days after the last day of travel must be accompanied by the following:

- A written explanation as to the causes of the delay in submission.
- A corrective action plan to prevent such occurrences in the future.

The corrective action plan must be approved by the respective Office of the VP prior to reimbursement being processed for payment.

Travel Planning

Travel planning should take into consideration the following issues:

1. Consider the use of video conferencing and conference calls in lieu of in-person meetings.
2. Travelers are encouraged to carpool to meetings, seminars, conferences, etc.

3. Travelers are encouraged to purchase alternative fuel if applicable.

Introduction

All travel should be authorized by an appropriate member of VCU prior to any cost being incurred. Travelers should always be mindful of the cost of all travel expenses. Unless documented by policy, no self-authorization should occur.

Travelers should prepare an estimate of the total cost of any proposed overnight travel. If the estimate demonstrates that costs are going to exceed per diem limits, the traveler should be able to demonstrate, with documentation, that a reasonable effort was made to secure the most cost beneficial means of travel.

The estimate should include lodging, transportation, meals, conference registration, and any other travel costs or course fees. Costs of the trip that may be direct billed, such as lodging or conference registration, should also be included in the cost estimate.

If the Covered Institution has any agreements with individuals under contract to conduct business with the Commonwealth, these expenses should be paid with an Accounting Voucher. When entering into such contracts, agencies should adhere to the dollar limitations outlined in this section or clearly document the business case for any deviations. If there is no contractual agreement specific to travel and travel expenses (hotel, air fare, meals, mileage, etc.) and such expenses are incurred, the dollar limitations and documentation requirements outlined in this section are applicable.

Internet Usage

Usage of the Internet to procure travel services is allowed. Use prudent judgement when choosing an Internet travel service site. The traveler must comply with procurement guidelines.

Suggested sites include:

- Priceline.com
- Expedia.com
- Orbitz.com
- Travelocity.com

When paying for services via the Internet, the following methods may be used:

- Travel Card
- Personal Credit Card

In addition to other documents required by policy, the following supplementary documents must be submitted with the Travel Expense Reimbursement Voucher when procuring services via the Internet.

- Hardcopy final page from Internet sight showing total cost and confirmed service (proof of payment).
- Airline confirmation (itinerary, ticket stub, or boarding pass) of the class of ticket purchased (e.g. coach, business).

Conference Procurement

In planning for department-sponsored conference, the Lodging and M&IE guidelines in these regulations should be used as a measure of reasonableness. Departments should be prudent in selecting the most cost beneficial option available to the department. Procurement guidelines should be followed. Documentation supporting the procurement must justify any costs in excess of the guidelines based on the overall conference procurement costs (i.e., free room space or other no or low-cost amenities needed for meetings).

For reimbursements where procurement guidelines are used, "Cost based on Procurement Guidelines" must be clearly stated on the reimbursement voucher.

7.31 Travel Authorization

Travelers who are **employees** of the university must prepare a Travel Authorization (TA) for any trip in which the total cost is estimated to exceed \$500. Travel Authorizations (TA) should include **all costs** related to the trip, regardless if expenses are to be direct billed or reimbursed to the individual traveler. Total costs includes: airfare, baggage fees, lodging, ground transportation, meals, conference registration, and any other travel costs or course fees. The Travel Authorization must be approved by the Office of the VP or a VP Designee prior to purchasing the travel. If the travel is estimated to be >\$2,000, the Travel Authorization must be approved by the Dean or Department Head. The TA must accompany both the Travel Reimbursement Voucher (TERV) and any applicable direct-billed Vendor Payment vouchers. The traveler must be able to demonstrate, with documentation, that a reasonable effort was made to secure the most cost beneficial means of travel.

Departments are required to make only those purchases that are operationally necessary. There should be no discretionary travel using State funds that does not directly support the University's core functions. All travel reimbursement requests must include a bonafide business justification and must pass the test of public scrutiny.

International/out of Country Travel All international/out of country travel by University employees to a convention, conference, or meeting, regardless of amount, requires approval by the responsible Vice President's office. It is imperative that employees obtain all necessary departmental/school travel authorization approvals before seeking approval from the responsible Vice President's office. Said travel should be prudent and consistent with the University's mission.

Combining Business Travel and Vacation Leave Business Travel and Vacation Leave may be combined if prior approval is obtained from the responsible Vice President's office or VP Designee. In such cases, reimbursable transportation and accommodation expenses will correspond with a round trip to the designated area of official business. Reimbursement will be appropriate only for the time during which official business is conducted. If the employee would normally be expected to remain in the area of official business overnight and return the following morning, and does so, expenses for that night and breakfast the next day are reimbursable. The State will not be responsible for any expenses related to accident or injury while the employee is not on official business.

Approving Authority and Exceptions for University President All non-exception based travel reimbursements for the University President should be reviewed and approved by the covered institution's head fiscal officer designee. Any exception based travel for University President should be submitted to either the Chief Academic Officer, the Chief Financial Officer, or the Chief Operating Officer as designated by the institution.

7.32 Transportation

Air & Rail Tickets Generally, airline and rail travel cannot exceed the rates charged for tourist/coach fare. With careful consideration of the reasonableness limitations specified in the **Expenses Must be Reasonable and Necessary** section of these regulations, the approving authority may grant permission for **business class air** or rail travel under any of the following circumstances.

Air

- When it does not cost more than the lowest available tourist/coach fare (comparison must be attached to travel voucher)
- For travel to western Europe if the business meeting is conducted within three hours of landing
- For transoceanic, intercontinental trips involving flight-time of more than eight consecutive hours
- If the traveler pays the difference.

**Air & Rail
Tickets, (cont'd)**Rail

- When it does not cost more than the lowest available tourist/coach fare (comparison must be attached to travel voucher)
- When reserved coach seats are not offered on the route
- If the traveler pays the difference.

Reimbursement for first class air or rail travel is prohibited.

The Travel Authorization form is the controlling document for obtaining airline or rail tickets from the University's travel agencies. This applies to all trips, not just those that exceed \$500. The University has five travel agencies to make travel reservations, obtain and deliver tickets, and perform other planning and travel services. Use of these travel agencies is recommended for all University travel, regardless of the source of funds for the travel. It is the department's responsibility to contact the travel agency directly to obtain reservations and tickets; detailed procedures for doing so are contained in [Exhibit 7 – A](#). Travelers using Federal grant funds are generally required to fly on U.S. flag air carriers. Contact your principal investigator or Grants & Contracts Accounting for detailed Federal regulations. The following related organizations are prohibited from using these procedures for obtaining airline or rail tickets: MCV Physicians, MCV Foundation and VCU Foundation. Travelers from these related organizations and any travelers whose expenses are "host paid" (or no cost to VCU) must process payments directly to the travel agencies.

Travelers may choose any of the five travel firms to handle their travel needs. The advantage of using these travel firms is their use of a University Travel Card to pay for the airline tickets, so the traveler does not pay for the ticket personally. You are encouraged to search fares online prior to calling one of the contracted travel firms that we deal with here at VCU. This will provide you with a better idea of what a reasonable price is for the trip you are attempting to book.

**Aircraft –
Chartered**

Use of Chartered Aircraft is permitted when authorized by the traveler's Dean or Vice President prior to making the purchase and when a documented cost/benefit analysis is prepared and attached to the Travel Expense Reimbursement Voucher or invoiced travel expenses. Without this prior approval, the University reimbursement will be limited to the current cost of tourist or coach air fare for all passengers, but not exceeding actual cost.

**Aircraft –
Personally
Owned**

The use of personally owned aircraft is permitted for official University travel with the prior approval of the University President or Designee. Documentation of comparable costs for other travel means must be included in the voucher package. The reimbursement shall be limited to the most economical means of travel available at that time. For example, if it were less costly to travel by commercial carrier, the reimbursement shall be limited to the lowest cost commercial carrier ticket available.

The reimbursement rate per mile shall be the amount listed by the federal government at the GSA website:

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=9646&contentType=GSA_BASIC at the time of the travel. A dated printout of this site indicating the appropriate mileage rate for the travel time period must be included with the travel reimbursement voucher package.

**Aircraft –
State-Owned**

Use of State-owned aircraft is permitted when authorized by the traveler's Vice President prior to making the purchase and when a documented cost/benefit analysis is prepared and attached to the Travel Expense Reimbursement Voucher or invoiced travel expenses. Without this prior approval, the University reimbursement will be limited to the current cost of tourist or coach air fare for all passengers, but not exceeding actual cost.

State-owned aircraft are available on a priority basis and can be scheduled through the Department of Aviation (DOAV). Refer to the **Aircraft Use Policy and Guidelines** that can be found on DOAV's website at www.doav.virginia.gov.

Automobile – Personally Owned

Employees are permitted to use their personally owned automobile when a State-owned vehicle or *Enterprise State contract* vehicle is not available, or when the use of a personally owned vehicle is cost-beneficial to the University. Employees electing to use their personal vehicle as a matter of convenience will be reimbursed for mileage at the lesser rate. The Personal Vehicle Use Statement at the top of the Travel Expense Reimbursement Voucher should be checked with the appropriate choice.

Cost Benefit Analysis

The employee must conduct a cost/benefit analysis to determine whether a State-owned/Enterprise rental or a personally-owned vehicle should be used in official State travel. It is expected that a good faith effort will be made to use the Enterprise Rental contract when practical. (See Short Term Travel—Rental Car Contract) Generally, a personal automobile is considered cost beneficial under the following circumstances:

- When occasional travel is planned for distances up to 100 miles per day.
- For constant daily routine travel (agencies should consider the cost effectiveness of an agency fleet).
- When an emergency exists and is approved by the Traveler's Supervisor.
Examples of other factors that can be considered in the cost benefit analysis are:
- *Distance to the nearest Enterprise location*
- *Enterprise hours of operation (e.g. A one day trip may require a 2 day rental due to an early departure and late return time.)*
- *Administrative time required to obtain the Enterprise rental car*
- *The type of vehicle required and the number of travelers*

This justification must be documented and attached to the TERV.

Current Mileage Rate

Reimbursement rates are set in the current Appropriation Act (Section 4 - 5.04f). Currently, the rates for the first 15,000 miles of use each fiscal year are:

- **\$.55/mile Current IRS rate** - when a personally-owned vehicle is cost justified or a State-owned vehicle/Enterprise rental is not available.
- **\$.246/mile** when use of a personally-owned vehicle is elected for the convenience of the employee.

Reimbursement rates are reduced to **\$.13/ mile** for travel in excess of 15,000 miles in one fiscal year, unless an Enterprise vehicle is not available; then, the rate shall be **the current IRS rate**.

If the higher mileage rate is used for reimbursement, appropriate justification must be **documented** (as required by the Appropriation Act, Section 4-5.04f2). This documentation and approval must be attached to the Travel Expense Reimbursement Voucher.

Mileage Versus Air Costs

When travel is by personally-owned automobile, the total of the expenses reimbursed, including meals and lodging, should not exceed the total cost of the trip using the most economical public air transportation fare available, also including meals and lodging. (Normally it is more cost effective to utilize public transportation if a round trip exceeds 500 miles.) VPs or VP Designees are authorized to grant exceptions to this policy when justified. Comparative statements should be attached to the travel voucher for reimbursement.

Rental Cars – Local

VCU utilizes a VASCUPP Cooperative Procurement Contract to provide vehicles for short term travel by University employees when a rental vehicle has been determined to be the most cost beneficial means of transportation.

Option 1 – Contact Enterprise directly and notify them you are a state employee that would like to utilize account number: L212005. You must use your personal or travel charge card for this option. Rentals can be made at the Enterprise of your choice.

**Rental Cars –
Local (cont'd)**

Option 2 – Reserve an Enterprise vehicle through the on-line process.

- Either go to <http://www.enterprise.com/> and enter “L212005” as the Customer Number. Enter “VIR” as the first three (3) letters of the contract when prompted on the second screen. This will take you to contract pricing and available vehicles.
- To navigate directly to contract rates by using the following extended website address: http://www.enterprise.com/car_rental/deeplinkmap.do?bid=002&cust=L212005. On-line reservations require use of your personal or travel card.

Rental receipts and gas receipts must be attached to your Travel Reimbursement Form. It is the traveler’s responsibility to make sure that tax is not inappropriately charged and that unauthorized extras have not been charged to the rental agreement. Failure of the traveler to verify charges on the receipt may result in non-reimbursable expenses.

WARNING: For safety purposes, the Governor of the Commonwealth of Virginia has signed into law a ban on cell phone use while driving a state vehicle. This does apply to all vehicles rented for state use as well as state owned vehicles.

**Rental Car – at
Destination
Location**

Reimbursement of car rental expenses is limited to official business use only. Car rentals may be made through commercial rental agencies. *The traveler **must** select the most economical contractor and type of vehicle available, and acquire any commercial rate or government discount available when the vehicle is rented.* When possible, rentals should be arranged through a travel agency that has contracted with the Commonwealth to perform such services.

WARNING: For safety purposes, the Governor of the Commonwealth of Virginia has signed into law a ban on cell phone use while driving a state vehicle. This does apply to all vehicles rented for state use as well as state owned vehicles.

**Car Rental
Refueling**

Travelers must ensure that the rental vehicle is refueled before returning the vehicle to the rental contractor. Reimbursement will be based on the fuel used and receipts provided.

**Car Rental
Insurance**

The option to purchase insurance offered by rental car contractors depends upon the following circumstances:

If the traveler is a	then	Notes
State Employee	Decline	Rental insurance will not be reimbursed. The Department of Treasury, Division of Risk Management, provides a Statewide Self-Insured Automobile plan for State employees.
Non-State Employee	Accept	Only when the agency considers automobile rental reimbursable. Rental car insurance for these individuals may also be treated as a reimbursable expense. Insurance reimbursement should only include Liability Damage Waiver (LDW) and Collision Damage Waiver (CDW). Agencies are encouraged to set limits on reimbursement of this expense.
State or Non-State Employee Outside the United States	Accept	Individuals traveling outside of the territorial United States (including Canada, Puerto Rico) <u>are required to purchase</u> and will be reimbursed for LDW and CDW insurance. Other types of insurance offered such as trip cancellation, personal, health or life insurance are not reimbursable.

**Commuting
Mileage**

Round-trip mileage traveled routinely by the employee between his residence and base point incurred on a scheduled workday is considered commuting mileage. Commuting mileage and other commuting costs incurred on normal workdays are considered a personal expense and are not reimbursable.

Base Point

An employee can only have one base point, even if the employee has multiple work locations. It is the department’s responsibility to assign the base point to be used for reimbursement purposes.

Parking & Toll Expenses Parking and Toll expenses are reimbursable. A receipt is required for reimbursement of each individual claim greater than \$25.

Public Transportation Public transportation travel includes:

- Rental Car
- Plane
- Taxi or Shuttle and other “for hire transportation”
- Train
- Bus

Public transportation rates must not exceed those for tourist or coach class accommodations. Receipts for such expenses must be retained for submission with the travel voucher. Because of the liquidity of air and rail tickets, any unused portions must be returned to the Department for credit. Each Department should have a written policy and assigned responsibility for obtaining and controlling airline and rail tickets, particularly any unused portions.

Charges for changes to tickets/reservations to accommodate personal comfort, convenience and taste are **not** reimbursable. Change fees must be explained on the TERV.

For taxis, shuttle vans and other forms of “for hire transportation”, receipts are required only if the reimbursement for an individual claim exceeds \$25.

Public transportation from place of lodging to restaurants is allowed only for official business needs.

7.33 **Allowed and Disallowed Expenses**

Allowed Expenses Taxes and surcharges paid by the traveler for lodging.

Business Telephone Calls, Telegrams, and Facsimiles made for official business purposes and paid for by the traveler may be claimed on the travel reimbursement voucher. A full explanation must be stated on the reimbursement voucher accompanied by supporting documentation. Individuals using personally owned cellular telephones may be reimbursed for business calls when shown to be cost beneficial or out of necessity. In this case, an itemized cell phone statement must be included. In the event that free minutes are used for business calls, reimbursement is not permitted.

Tolls and parking fees are reimbursable when paid for by the traveler in the course of conducting official University business. Receipts are required for each individual claim greater than \$25.

Funeral attendance expenses for travel outside of the official station are reimbursable for one employee selected by the Office of the Vice President or a VP Designee to represent the agency.

Disallowed Expenses Disallowed expenses include:

- Lost or stolen articles
- Alcoholic beverages
- Services to gain entry to a locked vehicle
- All expenses related to the personal negligence of the traveler, such as fines
- Damage to personal vehicles, clothing, or other items
- Expenses for children, spouses, and companions while on travel status.
- Movies charged to hotel bills
- Entertainment expenses
- Towing charges

The above list is not all-inclusive. Travelers should use prudent judgement and remember that all travel expense accounts are open to the public and must be able to sustain the test of public review.

7.34 Meals and Incidental Travel Expenses (M&IE)

Introduction Generally, meals and certain other incidental travel expenses are reimbursable only for overnight official business travel **outside** the traveler's official station. Reimbursement for such expenses (including all related taxes and tips) shall be made to the traveler based on a fixed per diem allowance, rather than actual expenses. (See exceptions for business and overtime meals later in this topic.)

M&IE Per Diem Allowance CONUS and OCONUS rates are used as the standard meal and incidental reimbursement guidelines (including all related taxes and tips) and are provided at the following website: http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943. The "Per Diem Rates" tab will allow for navigation to specific location rates. The "Meals and Incidental Expense Breakdown" tab will allow for navigation to an M&IE Rate Table with the breakdown for Breakfast, Lunch, Dinner and Incidentals. The incidental amount is not prorated on a travel departure or return date.

The applicable M&IE per diem, or fraction thereof, is payable to the traveler without itemization of expense or receipts. Reimbursement for actual expense incurred during overnight travel for these expense categories is not permitted. Departments may be more restrictive and pay the actual expenses up to the appropriate M&IE in place of maximum per diem.

Incidental Allowance Incidentals of meal tips, baggage handling, and housekeeping tips are included in the M&IE per diem amounts as shown on the CONUS and OCONUS rate tables. Reimbursement of these expenses as separate items is not permitted.

Miscellaneous Expenses Miscellaneous expenses that are not covered by the Incidental fees and are reimbursable when allowed include cab fares, fax, telephone, copy charges, room taxes, energy surcharges, laundry, cleaning and pressing of clothes and other business related expenses. Receipts are required for any expense that exceeds \$25.00.

M&IE Rates The following reimbursement policies apply.

- The M&IE per diem must correspond to the location specified for the overnight lodging.
- Direct billing of meal expenses incurred during overnight travel, including charging meals to direct-billed hotel rooms, is **not** permitted.

The M&IE Rate Table below provides individual meal reimbursement amounts, which are breakdowns of the M&IE per diem rates shown in the CONUS and OCONUS tables. These rates should be used to determine the maximum meal reimbursement amounts for official business meals and/or the M&IE reduction. The M&IE must be reduced for the applicable meal when meals are provided at no cost during an overnight travel period. Refer to the **Prorations and Reductions** section for additional guidance. The M&IE Rate table below reflects rounded amounts for the 75% travel days. This is intentional and intended to be more convenient for the Institution and the traveler. This M&IE Rate table should be used unless a traveler needs to make an adjustment for provided meals. In the instance that an adjustment is needed, rounding is optional.

M&IE Rate Table

Total	\$46	\$51	\$56	\$61	\$66	\$71
Continental Breakfast / Breakfast	\$7	\$8	\$9	\$10	\$11	\$12
Lunch	11	12	13	15	16	18
Dinner	23	26	29	31	34	36
Incidentals	5	5	5	5	5	5
75% Travel Days	\$36	\$40	\$44	\$47	\$51	\$55

Prorations and Reductions

Regardless if the per diem is on a travel day or a full day, full incidentals are reimbursed to the traveler. Only the meals should be prorated. On a travel departure or return day, 75% of the Meals per diem is reimbursed. For example, if the M&IE rate allows a \$46 total reimbursement, \$36 would be allowable on a travel departure or return day. Begin by removing the \$5 incidentals and then multiply the remaining meal allowance by 75%. Add the incidentals back in at the end (e.g. $[(\$46 - \$5 \text{ incidentals}) \times .75] + \$5 \text{ incidentals} = \35.75). Travel days are rounded to the nearest dollar, making this \$36. For trips involving multiple travel destinations, base the reduction on the per diem in effect for where the night was spent as follows:

Departure Day: Where you spend the night.

Return Day: Where you spent the night *before* returning to home base.

- When meals are provided at no cost in conjunction with travel events, the applicable M&IE per diem reimbursement rate shall be reduced by the amount shown for the applicable meal in the M&IE Rate Table, excluding the incidental allowances. For example, if the M&IE rate allows a \$46 total reimbursement, and lunch was provided at no cost, the total allowable reimbursement for that day would be $(\$46 - \$11 \text{ lunch}) = \$35$. The incidentals are not prorated.
- However, when meals are provided at no cost in conjunction with travel events on a travel departure or return day, the full Meals per diem reimbursement rate is reduced by the full amount of the appropriate meals followed by a 75% prorating of the balance. For example, if the M&IE rate allows a \$46 total reimbursement, and lunch was provided at no cost on a travel departure or return day, the total allowable reimbursement for that day would be \$27.50. Begin by removing the \$5 incidentals and the \$11 lunch allowance. Then multiply the remaining meal allowance by 75% and add the incidentals back at the end (e.g. $[(\$46 - \$5 \text{ incidentals} - \$11 \text{ lunch}) \times .75] + \$5 \text{ incidentals} = \27.50).

When meals are included with registration or lodging expense as part of a package, the number and type of meals (breakfast, lunch, dinner) must be recorded on the TERV. The applicable meal amount must be reduced when meals are provided at no cost during an overnight travel period.

If a substantial meal is offered as part of a conference and the traveler has medical or dietary restrictions, the traveler should make every effort to have the conference facilitate his/her needs by the deadline specified by the conference. If the conference does not honor the request, the traveler is not required to deduct the applicable meal allowance from the per diem. However, the traveler must include a note or other documentation with the Travel Expense Reimbursement Voucher documenting this information.

Overtime Meals Allowance

When developing an overtime meal policy, prudent judgment is expected which recognizes only reasonable and necessary costs. An overtime meal allowance is a fixed dollar amount allowed while working or traveling in an overtime status. Overtime status is when work or travel time occurs beyond an employee's normal, scheduled work hours, but not overnight. Therefore, overtime meal allowance does not apply during overnight travel status. In the case of overnight travel, per diem rates apply.

An overtime meal allowance is allowed when overtime worked is:

- essential to the University's mission
- permitted by University policy
- approved by appropriate University personnel, and
- in excess of the employee's normal, scheduled work hours.

If the department officials require employees to work overtime, the department may provide an allowance for meals for those employees. Overtime work periods may also include extended work hours due to **non-overnight** travel. Generally, an employee would not be eligible for an overtime meal until they had out of necessity been on duty for 10 hours.

Overtime Meals Allowance (cont'd) The documentation must describe the circumstances involving the overtime and note that the overtime was essential to the department. The letter must include the employee's normal work schedule for the day and the overtime start and end times. The meal is not reimbursable if taken at the end of the overtime period.

Authorized overtime meals may be reimbursed based on actual costs incurred for each meal up to published meal limits in this policy. Receipts are required. If a receipt is not available, reimbursement will be made at the rate of \$5 for meals within an employee's official station and \$7.50 outside the official station. An official station is defined as the area within a 25-mile radius of where an employee routinely performs his/her duties.

The University is required to comply with IRS regulations regarding reportable meals. An overtime meal allowance based on the number of hours worked is considered taxable wages and must be reported to Payroll.

Business Meals Generally, meal expenses must involve an overnight stay to qualify for reimbursement. In these instances, the traveler must adhere to the travel regulations outlined earlier for meal reimbursement. Individuals who are not in travel status are eligible for meal reimbursement if they participate in a business meal. Individuals in travel status may occasionally attend meals that qualify as business meals.

VP Designees may authorize business meal reimbursements up to 150% of the applicable per diem guideline for the location as stated on the CONUS and OCONUS charts. Such meals occur while the individual is on official business and must:

- Include the approval of the VP Designee. This certifies the business meal is necessary and involved a bona fide business discussion.
- List the group affiliation and the reason for the meal. Identify the number of people fed and an explanation of additional meals, if necessary (e.g., coverage of walk-ins).
- For individuals in travel status, the per diem allowance applicable to the business meal must be clearly excluded from the daily reimbursement.
- Require itemized original receipts.
 - If a situation arises in which an itemized receipt is not available, a memo stating such must be written stating whether or not alcohol was purchased.
 - If alcohol was not purchased, the amount may be placed on state funds.
 - If alcohol was purchased, the entire amount must be placed on local funds.
 Either memo must be approved by a VP Designee prior to reimbursement.
- Office of VP must approve business meals that exceed 150% of applicable per diem and the portion that exceeds 150% must be placed on local funds.

IRS Reporting Requirements for Meals Meal reimbursements made in accordance with these regulations are not considered by the IRS to be reportable income, except for meal/tip expenditures of \$75 or more which are not related to overnight travel. This includes situations where one traveler purchases and claims reimbursement for the meals of another person on official business. A receipt is required for meal expenses of \$75 or over.

7.35 Lodging

Introduction Lodging may be reimbursed when an individual is traveling overnight on official business outside his/her official station. Lodging expense reimbursement varies with the travel destination, but all expenditures must be necessary and reasonable. Primary responsibility for ensuring the reasonableness of amounts reimbursed rests with the VP Designee or Traveler's Supervisor. This includes ensuring that all travel expenditures have been approved at the appropriate level required, as defined in these regulations.

Lodging Contracts Details regarding these contracts may be found in the contracts section of the University' website.

Lodging Reimbursement Rates When overnight stays are required while on travel status, first preference shall be given to selecting lodging in the economy class. Check, request and confirm government rates both at the time reservations are made and during check-in.

Lodging limits must follow the CONUS and OCONUS rate tables.

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

Reimbursement for lodging is limited to actual expenses incurred up to the guideline amount, plus hotel taxes and surcharges. Expenses in excess of the guidelines may be reimbursed up to 100% overage when proper justification can be provided. Travelers who do not plan with careful consideration to these guidelines will bear the additional expense personally. In such cases, taxes and surcharges will be prorated and reimbursed only for the appropriate rate.

Alternative Lodging Authorization When lodging other than hotels and motels is used, e.g., apartments, a comparison statement must be submitted with the travel reimbursement. The comparison statement should show:

- Total cost for using the alternate accommodations and length of contract
- Cost of the usual accommodations
- Net savings

Non-Canceled Hotel Reservations Communicate travel plan changes to the hotel as soon as possible when a confirmed reservation is being held. Since hotels can charge for non-cancelled reservations, these charges will not be reimbursed if the traveler is negligent in cancelling reservations.

Number of Persons in a Hotel Room When two or more people are traveling on official University business and staying in the same hotel room, the reimbursable amount will be the lodging rate allowed in the area they are staying, plus the cost charged by the hotel for any additional persons in the room. Documentation from the hotel listing additional hotel charges for each additional person, per room must be provided.

Dividing the hotel rate by the number of persons in the room for purposes of justifying rates that exceed the lodging guidelines is not permitted. This regulation is not intended to discourage the employment of cost savings measures such as multiple travelers staying in the same room. However, do not diminish the overall savings that might otherwise be obtained by concurrently upgrading to luxury or premium accommodations.

Advance Payments Advance payments for direct billed hotel/motel expenses are discouraged. Use of the travel card is encouraged to secure room confirmations. Advance payments using the travel *charge card will not be reimbursed prior to the trip. If an advance payment is necessary, it is limited to one night's deposit for direct bill payments.*

Direct billing of lodging expenses (rates, taxes, and surcharges only) incurred during overnight travel is permitted. Direct bill charges, however, are still considered travel expenditures and are governed by these guidelines and should be included with the estimated costs of the trip if the trip is expected to exceed \$500. A copy of the TA should be included with the vendor payment. Direct billing of meal expenses incurred during overnight travel, including charging meals to direct-billed hotel rooms is highly discouraged. In situations where the cost of the meal must be included in a registration or lodging, documentation indicating the requirement should be attached in the Department files. Documentation supporting direct bills must include the name of traveler, dates, and purpose of travel.

Hotel Bills	Submit with the original travel voucher the original, itemized hotel bills obtained at time of checkout, and other supporting receipts for lodging expense. For hotel rooms obtained through Internet providers (Priceline, Expedia, Orbitz, Travelocity, etc.), the traveler must submit the "hardcopy final page from the Internet site showing total cost and confirmed services" (proof of payment). Explain fully any unusual charges.
Lodging Exceptions	<p>VP's or VP Designees are responsible for ensuring travelers understand their responsibility for making a good faith effort to secure lodging within the guidelines before requesting exceptions.</p> <p>For all official University business travel, the Office of the V.P. or a VP Designee is authorized to approve reimbursement, for lodging up to 100% over the guidelines when circumstances warrant. Explanations of circumstances requiring exceptions must be provided for reimbursement.</p> <p>Examples of when this exception may be justified are as follows:</p> <ul style="list-style-type: none">• Where it can be shown that the additional lodging cost will be offset by reduced local travel costs incurred for travel (e.g. taxi or rental car expense avoided) between a hotel and the business destination.• Safety of the travelers• Specific accommodations are required that are not available at facilities within the lodging guidelines.
Conference Lodging Rates	<p>Travelers are encouraged to stay in the conference hotel. This saves cost on travel to and from the conference site and allows the traveler to gain the most from the program. Reimbursement rates for a conference hotel will follow the CONUS and OCONUS rates with an allowable 100% overage. Note: This does not require any additional approval. These rates can be found at the following website:</p> <p>http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943</p> <p>Should the conference hotel rate exceed this allowance, exceptions may granted by the Office of the VP.</p>

7.37 International Travel

International Travel	All employees traveling Internationally require a Travel Authorization approve by the Office of the Vice President prior to travel, regardless of the dollar amount of the trip.
Foreign Travel Certification	<p>Business travel and annual leave may be combined. However, if the vacation (non-business) portion of the trip was a major consideration of the travel, the expenses reimbursed by the University will be reported as taxable income to the traveler per Treasury Regulations §1.274-4. In all instances where foreign business travel and annual leave are combined, the traveler must complete and sign a Foreign Travel Certification form. The traveler must submit the signed Foreign Travel Certification form with their TERV. A copy of the Foreign Travel Certification Form can be found at the following website:</p> <p>http://www.vcu.edu/procurement/Foreign_Travel_Certification.doc.</p> <p>In all cases where business travel and annual leave are combined, reimbursable transportation and accommodation expenses will correspond with a round trip to the designated area of official business. Reimbursement will be appropriate only for the time during which official business is conducted. If the traveler leaves the designated area after business is concluded, there will be no reimbursement from that moment on, except for those expenses relating to the second half of the round trip. If the employee would normally be expected to remain in the area of official business overnight and return the following morning, and does so, expenses for that night and breakfast the next day are reimbursable.</p>

**Air Travel
Emphasized**

The guidelines stated previously for air travel also apply to international travel. Specifically, airline travel cannot exceed the rates charged for tourist/coach fare except as follows:

When warranted, the Traveler's Supervisor may grant permission for business class travel under any of the following circumstances:

- When it does not cost more than the lowest available tourist/coach fare (comparison must be attached to travel voucher)
- For travel to western Europe if the business meeting is conducted within three hours of landing
- For transoceanic, intercontinental trips involving flight time of more than eight consecutive hours
- If the traveler pays the difference

Reimbursement for first class travel is prohibited.

7.38 Travel Advances**Introduction**

Travel advances may be issued to University faculty and staff to pay for hotel rooms, car rental, food and incidental travel expenses. A \$25 fee charged to the home department for each travel advance check. If a travel advance is needed for a student or hourly employee, a faculty or staff sponsor must obtain the advance and becomes ultimately responsible for the repayment of the advance. Advances will not be issued if expenses are estimated to be less than \$100. Travel Advances will also not be issued to employees who have a sufficient line of credit on the Corporate Travel Card or whose Corporate Travel Card has been cancelled by the Corporate Card Program Administrator due to delinquent payments, personal use, or failure to respond to audit and compliance requests. Advances are not issued for air or rail fares, since those expenses are paid directly to the approved travel agencies or paid through the corporate card programs. In situations where an advance remains unsettled because the traveler is no longer associated with the University, or the traveler is affiliated with the University but is not on the University payroll system, the department that approved the advance becomes responsible for the advance.

**Timeframe to
Process a Travel
Advance**

If a travel advance is desired, a copy of the Travel Authorization must be received in Accounts Payable via campus mail (Box 980327), fax or e-mail at least ten working days prior to the departure date to ensure sufficient processing time. If an advance is required with less notice, please contact the travel area directly to seek instruction as to how to proceed. All required approvals must be indicated on or attached to the form. Accounts Payable will notify the traveler if an advance cannot be issued for any reason.

**Receipt of Travel
Advance Funds
by Traveler**

University travelers on payroll direct deposit will receive their travel advance funds Electronically. Their travel advance funds will be deposited to the same bank account as their payroll direct deposit within five days before the travel departure date. Travelers will receive an e-mail notice advising of the deposit. It is the traveler's responsibility to notify the department, and the department's responsibility to notify Accounts Payable if a pending travel advance has not been received at least 5 days prior to departure for travel. Failure to notify the appropriate personnel may result in an inability to issue a travel advance prior to the stated departure date.

**Processing a
Travel Advance
Post Travel**

All travel advances will be deducted from the travel expense amount on the Travel Reimbursement Voucher. The department approving the Travel Reimbursement Voucher is responsible for making this deduction on the Travel Reimbursement Voucher. If the traveler does not spend the entire travel advance, the traveler must submit a check, made payable to

**Processing a
Travel Advance
Post Travel
(cont'd)**

“VCU”, in the amount of the unspent funds with the Travel Reimbursement Voucher. “Travel Advance Repayment” should be notated on the memo line. If the traveler spends more than the advance, the overage will be deposited into the same bank account as their payroll direct deposit. Accounts Payable will then process Journal Voucher to reimburse the travel advance account and charge the department account for the travel advance overage. The settlement of a travel advance is required within thirty days of receiving the travel advance. Travelers receiving an advance will receive only one notice that their advance has not been settled after the thirty-day period. Additional travel advances will not be issued to any individual who currently has an unsettled advance, or who has had payroll deductions because of unsettled advances more than twice in the preceding twelve months. The Travel Authorization form also authorizes the University to deduct the amount of a travel advance from a traveler's pay check if the advance has not been settled within thirty days of the traveler's return.

7.39 Corporate Travel Cards

University faculty and staff may apply for a corporate travel card. This card is available to full time faculty and staff who travel on business. The corporate card provides the ability to charge travel expenses. Application and request forms can be accessed on-line. [Corporate Travel Card](#) The card is usually available in three weeks. Cash advances are available through designated ATMs.

The corporate card is a contract between the card company and the cardholder. The travel reimbursement voucher must be submitted on a timely basis to provide repayment of the corporate card invoice. The invoice is the responsibility of the cardholder. Accounts that are 60 days past due may lose card privileges. Accounts that are 180 days past due are reported to a credit bureau.

7.40 Travel Expense Reimbursements

Proof of Payment Only reasonable and necessary expenses authorized by State/University regulations may be submitted for reimbursement. Original receipts are required for hotel bills, registration fees, car rentals, parking, and any like expenses. If the original receipt is not available, the department head approves the reimbursement by writing a memo detailing the information above, indicates why an original receipt is not available, and signs and dates the memo. This memo is retained with the payment package for record retention. Canceled checks are accepted as proof of payment if a receipt is not obtainable.

**Expenses to
Document on
TERV**

If the traveler is paying part of the expenses for the trip, only the expenses to be reimbursed by the University should be reflected on the Travel Expense Reimbursement Voucher. To assist the department reviewing Travel Expense Reimbursement Vouchers, the checklist used by Accounts Payable and Support Services is included as [Exhibit 7 – B](#). If the traveler is requesting reimbursement for other than his/her own expenses, the other parties must be identified and justification for payment provided.

All travel advances will be deducted from the travel expense amount on the Travel Reimbursement Voucher. The department approving the Travel Reimbursement Voucher is responsible for making this deduction on the Travel Reimbursement Voucher. If the traveler does not spend the entire travel advance, the traveler must submit a check, made payable to “VCU”, in the amount of the unspent funds with the Travel Reimbursement Voucher. If the traveler spends more than the advance, the overage will be deposited into the same bank account as their payroll direct deposit. Accounts Payable will then process an Interdepartmental Transfer (IDT) to reimburse the travel advance and charge the department account for the travel advance overage.

**Traveler
Information**

The traveler's full legal name should be listed on the Terv since this is how they are identified in the Banner Finance System. A home address should be listed to further aid Accounts Payable in verifying the proper recipient of funds. A Banner ID should be listed. If a Banner ID has not been created for the traveler and therefore is not available, a full Social Security number

Traveler Information (cont'd) will need to be provided (this will only be in the case of non VCU employees or students). Travelers must sign and date the Travel Expense Reimbursement Voucher to certify that the expenses listed were incurred and necessary for State business. The voucher must also be signed and dated by the traveler's supervisor to certify that the travel (expense) has been reviewed and approved as necessary for State business.

Exceptions and Rates *All exceptions and out-of-country rates must be attached to the voucher.*

Payment to Traveler Travelers will receive their reimbursement by a direct deposit to their bank account used by Payroll Accounting whenever possible. An e-mail notification will be sent stating that the reimbursement is being made and will be deposited within three to five banking days. Any traveler who is not on direct deposit through VCU will receive a physical check to their home address.

Maintenance Copies of travel-related documentation are to be maintained on file in each agency for 3 years. Agencies and institutions participating in the Decentralization of Financial Records must maintain original documentation for a period of 3 years.

7.41 Payments to Individuals

The following are the types of payments to individuals that may be processed through Accounts Payable and Support Services: Independent Contractor Agreements, Post Doctoral Trainee Awards, Awards & Prizes, Honorariums and Royalty Payments (see Sections 7.42 - 7.46). Review the [Summary of Payment Methods for Non Employees and Employees](#) for further guidance. Other payments to individuals are processed as follows.

Payments to VCU employees (with the exception of Research Participant payments and random prizes) or individuals who are nonresident aliens must be processed through Payroll Accounting. Questions regarding nonresident alien status may be directed to the Center for International Programs. Questions as to whether an individual should be regarded as an employee or an independent contractor may be directed to and Human Resources.

All non-service payments of scholarship and fellowship awards to students must be processed through Financial Aid. The payment will be posted to the student's account as a direct credit and a refund check will be issued if necessary.

7.42 Independent Contractor Agreement - Persons Not Employed by VCU

[Independent Contractor Agreement](#) must be used to pay independent contractors. Review [IC policy](#) for complete definition and guidelines and [Emp vs IC](#) to determine if the individual should be considered an employee or independent contractor.

The ICA form must be completed by the department in advance of the service and be signed by both the person who is to provide the service and an authorized Dean or VP Designee. The ICA must be submitted to Accounts Payable and Support Services with the Purchase Order number entered in the appropriate box. Payments are subject to University policies concerning the procurement of individual, professional /nonprofessional, and consulting services. Procurement and Payment is responsible for Internal Revenue Service reporting of ICA payments of \$600 or more in a calendar year (IRS Form 1099 Misc.). The department is responsible for providing the social security number and home address of the individual to be paid. The check will be made payable to the vendor listed on the purchase order, and sent to the recipient's home address. The IRS Form 1099 Misc. will also be mailed to the recipient's home address.

7.43 Payments to Post Doctoral Trainees

Individuals who have already obtained their degree but who are classified as fellows/trainees and paid on a training grant as described by the University's definition of Post Doctoral Fellow/Trainee should be paid through Accounts Payable and Support Services using a Purchase Order Number and a Payment schedule.

For payments meeting requirements, Purchase Order number and [payment schedule](#) form to Accounts Payable and Support Services 15 days in advance of the first payment. Accounts Payable and Support Services is responsible for Internal Revenue Service reporting of post doctoral trainee payments \$600 or more in a calendar year (IRS Form 1099 misc). The department is responsible for providing the social security number and home address for the individual to be paid. The payment will be direct deposited to individual's account or mailed to the recipient's home address. The IRS Form 1099 misc will be sent to the recipient's home address.

If a Post Doctoral Fellow/Trainee is not currently direct deposit but desires to be, contact Accounts Payable for the necessary paperwork.

7.44 Awards and Prizes

Payment of awards and prizes to non-employees, as well as prizes for **random** drawings to employees and students, are processed through Accounts Payable and Support Services. The [Award and Prizes form](#) must be submitted to Accounts Payable and Support Services and the Purchase Order number entered in the appropriate box. The department is responsible for providing the social security number and home address of the individual to be paid. The check will be made payable to the vendor listed on the purchase order, and sent to the recipient's home address. The IRS Form 1099 Misc. will also be mailed to the recipient's home address.

7.45 Honorariums

An honorarium is a token payment to a non-employee granted in recognition of a special service for which custom or propriety forbids any fixed business price to be set. The amount of the honorarium should be specified in documentation provided to the individual who will receive the honorarium. A copy of the documentation should accompany the request for payment. An honorarium is a token of appreciation paid to an individual for services performed for which payment is not required. The recipient may not set the honorarium amount. The services involved vary but are generally associated with oral presentations made at University sponsored functions. The arrangement between the individual and the University is informal. It does not involve a contract, and invoicing is not required.

The [Honorarium form](#) must be submitted to Accounts Payable and Support Services and the Purchase Order number entered in the appropriate box. The department is responsible for providing the social security number and home address of the individual to be paid. The check will be made payable to the vendor listed on the purchase order, and sent to the recipient's home address. The IRS Form 1099 Misc. will also be mailed to the recipient's home address.

7.46 Royalty Payments

All royalty payments should be coordinated with the Director of Technology Transfer in the Department of Technology Transfer.

7.50 Revenue Refunds

The return of overpayments or other revenue (receipts) collected from individuals or businesses is referred to as a revenue refund. Revenue refunds are documented on a [Revenue Refund Voucher](#) and sent to Accounts Payable and Support Services. All revenue refunds must either have the original receipts (documents) attached or a copy

and indicate, "Records and receipts are on file in the _____ department" on the body of the Revenue Refund Voucher.

7.60 Moving and Relocation Expenses

State policies and procedures concerning moving and relocation expenses are published in the State Comptroller's Moving and Relocation Regulations, last revised in March 2008 (see [Commonwealth Accounting Policies and Procedures \(CAPP\) Manual](#)). These regulations cover all employees of the State who qualify for moving and relocation reimbursement, concerning expenses incurred to move the employee, family, household goods and personal effects to a new work location. The responsible Vice President must approve the offer of reimbursement for moving and relocation expenses before the offer is formally made to the employee or any expenses are incurred. The reimbursement must be within the maximum limitations and restrictions provided in the State regulations, and may be restricted to a lesser amount than the maximum allowed (either in total or by category).

VCU policy for obtaining quotes on common carriers varies from the State Comptroller's Moving and Relocation Regulations. VCU policy requires the following:

- For expenses \$7,500 and over utilizing a contract vendor, the individual is not required to obtain three (3) quotes since the competitive process has been satisfied
- For expenses \$7,500 and over that do not utilize a contract vendor, three (3) quotes will be required and the lowest of the three (3) bids should be used
- For expenses less than \$7,500, only a single quote is required, consistent with all other procurement guidelines.

If the expense is greater than \$7,501 and a contract vendor is not being utilized, departments should contact Purchasing for guidance.

It is the Payroll Accounting Office's responsibility to include all moving and relocation reimbursements in the employee's gross income on the Federal W 2 form. All reimbursements and vendor payments must be thoroughly documented and will be reviewed by Accounts Payable and Support Services before being approved for payment; assistance in advance from that office is recommended.

ELIGIBILITY The employee must be a salaried employee in a regular full time position and must be expected to work for at least one year. The new employee must be the best qualified applicant for the position. The relocation must be at the request of the University, and the distance between the employee's new work location and former residence must be at least 50 miles greater than the distance between the employee's old work location and former residence.

EXPENSE LIMITATIONS Any expenditure to be reimbursed must be reasonable, necessary, incurred after the employee executes an employment Agreement for Reimbursement of Moving and Relocation Expenses, and reported within twelve months of the date the employee starts work. The total dollar reimbursement for gross expenses cannot exceed \$11,000, excluding transportation and storage costs of a commercial moving company.

PROSPECTIVE EMPLOYMENT Any expenditures for travel, testing, interviewing and related activities incurred by or for a prospective employee before the applicant has accepted the employment offer are termed pre employment expenses and are not considered moving and relocation expenses. Those expenses must be in compliance with State travel regulations, and are processed using a Travel Expense Reimbursement Voucher through Accounts Payable and Support Services.

EMPLOYMENT AGREEMENT FOR REIMBURSEMENT OF MOVING AND RELOCATION EXPENSES Any employee to be reimbursed for moving relocation expenses must execute an employment Agreement for Reimbursement of Moving and Relocation Expenses before any such expenses are incurred. If the employee terminates employment before one year of service, the employee will refund the gross amount of moving and relocation reimbursements.

Exhibit 7 – A**Procedures for Utilizing Contract Travel Firms**

The following five firms are on contract:

Covington International Travel
Crossroads Travel Advisors, LLC.
EEI Travel Agency
Shorts Travel Management
Travel Management Partners

Travelers may choose any of the above travel firms to handle their travel needs. The advantage of using these travel firms is their use of a University travel charge card to pay for the airline tickets, so the traveler does not pay for the ticket personally.

If the traveler chooses an alternate method of purchasing airline tickets, the traveler is responsible for paying for the ticket in advance and requesting reimbursement after completion of his/her trip.

The traveler may use his/her travel card or a personal credit card to purchase the ticket, however, the traveler is not reimbursed until the trip is completed and proper travel reimbursement documents have been submitted.

SCOPE OF SERVICES

Each of these five travel firms is prepared to perform, at minimum, the following services:

- Book all airline and rail travel and, when requested, make hotel and rental car reservations.
- Assist in itinerary planning, including suggestions regarding flight times, ground transportation and hotels in the destination city.
- Conference planning to include research for the lowest rates and variety of services available from local enterprises.
- Provide travel estimates for budget planning.
- Arrange ground transportation between Richmond and Washington or Norfolk if substantial savings or more convenient departure times for the traveler can be realized by leaving from Washington or Norfolk.
- Provide free ticket delivery to designated department/division locations.
- Provide emergency and short-notice booking and ticket delivery service.
- Process visas and passports as required for international travel.
- Provide a 24-hour emergency toll-free telephone number for use by travelers.
- Provide free automatic common carrier and flight insurance for all rail and air travelers.
- Provide protection against loss in the event of airline default.

PROCEDURAL GUIDELINES**RESERVATIONS**

When calling to make travel arrangements, you should identify yourself as a University employee and give the travel agency your name, department, telephone number and pertinent travel information regarding travel dates, destination and the desirable departure/arrival times. VCU departments will give the agency the departmental budget account number from the Travel Authorization.

The department must FAX a copy of the completed Travel Authorization form to the agency. Note, the travel agencies are not authorized to place your order without first receiving a copy of the Travel Authorization.

Attached to this memorandum is a Reservation Guide which may be used to assemble this information prior to calling the travel agency of your choice. It is the responsibility of the travel agency to advise of the least expensive alternatives closest to your proposed travel times as well as any other alternatives that might result in cost savings during the trip. Please note that it is the responsibility of the travel agency to advise you of alternatives that might lower the overall cost of your travel, if they exist; however, it is not their responsibility or desire to force you to agree to any alternate travel plans that might cause inconvenience.

CONFERENCE/CONVENTION TRAVEL

In some cases national organizations contract with a travel agency to coordinate air transportation to the site of their annual conferences. Such arrangements often enable airlines to offer the contracted travel agency ticket fares lower than are normally available to the regular commercial traveler. If you plan to attend a conference or meeting where such an arrangement is offered, please consult one of the contract travel agencies and give them all pertinent data concerning the trip and the fare offered. This will allow the travel agency to determine if their fare can be matched or if a lower fare is available for the trip. If the conference fare is lower and the fare exceeds \$7,500, provide University Purchasing an explanation of why the University's contract travel agencies were not used, making a note of which one(s) were contacted and prices quoted. University Purchasing will work the department to process the requirement.

FEDERALLY-FUNDED TRAVEL

It is the responsibility of the traveler to advise the travel agency when travel, especially international travel, is federally funded. Federal regulations require that air travel charged to accounts funded by the Federal Government must be on a "certificated U.S. Flag carrier if such service provided by such carrier is available." These regulations say, in part, "passenger or freight serviced by a certificated U.S. flag carrier is considered 'available' even though comparable or different kind of service by a noncertificated air carrier costs less." For additional information relating to these Federal regulations, please contact the Office of Sponsored Programs Administration.

TRAVEL AUTHORIZATION FORMS

Use of the Travel Authorization Form remains mandatory for all University travel. All Travel Authorization forms should be processed promptly and sent to the designated departmental location. When placing an order for airline or rail tickets VCU department will fax, or deliver a photocopy of a travel authorization to the Travel Agency. The authorization form authorizes the agency to use the airline charge card, and to issue the tickets.

TICKET DELIVERY

Delivery of tickets will be made 72 hours before the travel date to one central location per department or division. (Designated department/division delivery location information may be obtained from your department head or the fiscal administrator responsible for your department/division.) The travel agencies are required to attempt to deliver tickets twice within the designated 72-hour delivery period.

The airline bills will be mailed directly to each travel agency. The agency will date stamp bills upon receipt. The travel agency will match the Travel Authorizations to the charges and reconcile the statements. The travel agency will research and assist in identifying charges that cannot be supported with a travel authorization, and can contact the credit card company directly to straighten out problems with the bill. The travel agency forwards the statements, invoices and travel authorizations, with any disputed or unreconciled items notes, to VCU Accounts Payable and Support Services for payment within ten days of receipt.

SECURITY FOR DELIVERED TICKETS

In order to protect lower fares or takes advantage of 30-day advance purchase prices, the travel agencies will, on occasion, have to issue and deliver tickets in advance of the 72-hour specified delivery time. Upon delivery, the tickets and their security become the responsibility of the department/traveler. **IT IS IMPERATIVE THAT ADEQUATE SECURITY PROVISIONS BE MADE TO PROTECT THESE DELIVERED TICKETS.**

On occasion, a ticket which has been delivered and billed to the University will have to be exchanged as a result of revised travel plans. On such occasions, a copy of the original Travel Authorization Form can be exchanged for the newly issued tickets. When this occurs, the copies must be clearly marked "TICKET EXCHANGE" and the original ticket delivery date, the date the original ticket was returned to the travel agency, and the date on which the revised ticket was delivered must be shown on the face of the copies given to the travel agency. This procedure will preclude the necessity of preparing and processing a new Travel Authorization Form.

TICKET RETURNS

Tickets are charged to the University's accounts when issued. Unused tickets or coupons cannot be credited to the proper account until they are returned to the travel agency. NEVER THROW AWAY AN UNUSED TICKET OR COUPON. Tickets may be returned to the travel agency for credit via mail or by the travel agency delivery person.

TRAVEL COSTS

Reduced airline travel costs are important to VCU and supporting low-cost airlines help ensure that Richmond remains a competitive air travel market. As part of travel planning, departments are strongly encouraged to check Jet Blue and Air Tran websites and consider use of these airlines whenever possible. Links to these websites follow.

<http://www.airtran.com/Home.aspx>

<http://www.jetblue.com/>

Contract travel firms can utilize these carriers for your travel requirements.

SUGGESTIONS ON WAYS TO OBTAIN THE LOWEST AVAILABLE AIR FARES

The deregulated airline industry has devised many ways to discount airline tickets; however restrictions apply to most of these fares. The contract travel agencies will work with you to interpret the applicable restrictions and help you obtain the lowest available air fares. Following are some suggestions on ways to obtain the lowest available fares.

1. Book early – Many discounts are available simply by booking a certain number of days in advance. In addition, some discounts are sold in limited quantities and on a first-come, first-served basis.
2. Once booked, don't change – Airlines treat changes as a new booking and, therefore, changes can negate savings achieved by early bookings.
3. Spend a Saturday night – This is a general rule for obtaining a "Super Saver." Many times, the savings on this fare far outweighs the cost of an extra night's hotel room.
4. Fly during off-peak hours – These are usually early and late in the day and may sometimes be all day on Tuesday and Wednesday.
5. Be flexible with your arrival/departure times and do not specify an airline or routing.

RESERVATION GUIDE

NAME OF PASSENGER: _____

DEPARTMENT/DIVISION: _____

1. Where and on what date does the passenger wish to travel?

2. Does the passenger wish to travel morning or afternoon?

3. Must the traveler depart from Richmond or can either Washington or Norfolk be used if fares are lower?

4. Are departure and arrival times or dates flexible if lower fares are available at other times or by staying over a Saturday night?

5. Is the passenger attending a conference for which a special, convention air fare is offered?

6. If so, what is the name of the conference, the airline offering the fare, and the account number assigned by the airline to this fare?

7. Is the passenger attending a conference which as a special rate arranged at a hotel?

8. If so, what hotel has this rate, what is the name of the conference, and what rate was quoted?

9. Does the passenger have any special needs such as special meal service on the plane or assistance at the airport of which the travel agency should be aware?

Exhibit 7 – B**VIRGINIA COMMONWEALTH UNIVERSITY*****Checklist for Travel Reimbursements***

- Approved Travel Authorization.
 - Estimate of all costs on Travel Authorization.
 - Foreign travel, after review by the responsible Vice President.
 - Need traveler's signature and date.
 - Need Approved Authorizer's signature and date.
 - Need budget account code.
 - Need origin/destination.
 - Need departure/arrival times.
 - State specific purpose of travel.
 - Verify appropriate meal and lodging per diem.
 - Office of the Vice President or a VP Designee's approval needed for: overages on State charge codes (limited to 100% over)
 - Original itemized receipt included for:
Hotel _____ **Car** _____ **Registration Fee** _____ **Transportation** _____.
 - Hotel bill indicates more than one person stayed in the room. If the room was shared, state with whom and the University-related purpose. Ensure hotel bill does not include non-allowable charges (movies, alcohol, etc.).
 - The traveler has claimed refueling charges (rental vehicles should be refueled before returning to rental agency). Provide justification or University charge code.
 - Reason for phone calls, internet charges or faxes.
 - Receipt required for public transportation over \$25.00.
 - Other _____
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