

ST. BONAVENTURE UNIVERSITY

TRAVEL, MEAL and ENTERTAINMENT POLICY

Adopted:
May 3, 2016**

**This policy was approved on a one year basis and will need to be reviewed and returned to Cabinet prior to May 3, 2017

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INTRODUCTION

St. Bonaventure University recognizes the importance of efficient, economical, safe and reliable arrangements for those who travel on university-sponsored activities. The following policies were created with those characteristics in mind. The resources conserved by careful management of travel allow more employees to benefit from travel opportunities and ultimately, save the university money.

The Faculty Status and Welfare Handbook travel guidelines still apply.

I. PREPARING FOR A UNIVERSITY-RELATED TRIP

Ideally, reservations for domestic airfare, lodging and car rental should be made at least 21 days before departure. Advance planning helps to maximize savings opportunities and ensure availability of cars and rooms. The method of travel you choose should reflect the greatest advantage to the university in terms of time management, productivity, cost and safety.

II. TRAVEL AND ENTERTAINMENT CARD

All SBU employees who need to travel on a regular basis for University Business are strongly encouraged to apply for a T&E (Travel and Entertainment) Card. This card is a personal liability card and should be used for SBU business travel related expenses only. The card should not be used for general purchases unrelated to travel. Employees are required to adhere to the guidelines in this policy related to allowable travel expenditures and expense reporting in order to maintain card privileges.

Additional guidelines and restrictions may be added by individual divisions or departments.

III. TRAINING

Employees will be required to receive training using the Concur (travel management software) expense reporting tool prior to traveling. Concur is the method used to request all travel and entertainment reimbursement and submit all travel and entertainment expense reports. Please contact the Purchasing Card Program Administrator to schedule a training session.

IV. ALLOWABLE BUSINESS AND PROHIBITED PERSONAL TRAVEL EXPENSES

Allowable Travel Expenses for Business Trips	Prohibited Personal Travel Related Expenses <i>The following expenses are considered personal and will not be reimbursed.</i>
Lodging.	Movie rentals and other employee entertainment.
Meals during travel status and meals for entertainment (a guest/client of the University).	Excessive personal telephone calls.
All methods of transportation, including miscellaneous costs such as tolls and parking.	Expense of sickness on route.
Baggage transportation costs, as well as the costs of transporting display materials.	Spouse, significant other or family lodging and expenses.
Transportation between an airport or station and hotel, from one place of business to another, and from the place where meal and lodging are obtained to a temporary work assignment.	Meals during non-overnight travel (see meals for entertainment section).
Tips incidental to the foregoing expenses (maximum 20% for meals).	Fines for parking or traffic violations.
Other appropriate expenses pre-approved by SBU.	Theft, loss or damage of personal luggage and effects. Employees should work directly with the airline to recover damages.
	Personal travel expense, e.g., personal entertainment/gifts, costs for business clothing, haircuts, reading material, toiletries and medicine.
	Laundry (unless away from home for more than five days).
	Passenger insurance, e.g., flight insurance.
	Additional insurance on rental cars.
	Alcoholic beverages (unless entertaining a guest of the University). If you choose to have alcoholic beverages please ask to have them put on a separate receipt.
	All non-business/personal expenses should be paid for separately.
	First or Business Class Airfare

V. LODGING

As a first priority travelers should utilize the hotels listed on my.sbu.edu that offer a discount to SBU employees. Additionally, many brand name hotels offer reasonable prices and comfortable rooms that often include a continental breakfast in the price. Be sure to consider hidden costs like parking fees.

If an individual is attending a convention or conference, use of the convention or conference hotel is appropriate.

Reimbursement is for a hotel's standard room and does not allow for upgrades.

VI. MEALS DURING TRAVEL STATUS

Meals are permissible while in travel status. The IRS defines travel as "away from home overnight." Home in this sense is your place of work, not your residence, and while overnight does not literally mean 24 hours, the time period is defined as "substantially longer than an ordinary day's work and you need to get sleep or rest to meet the demands of your work while away from your tax home" (IRS Publication 463). Meals are permissible based upon original itemized receipts. Meals are not permissible when they are covered by a conference, registration fees, or hotel. If an employee is away from home overnight and requires rest, the University will permit the actual cost of meals.

For alcohol with meals please refer to the ALLOWABLE BUSINESS AND PROHIBITED TRAVEL EXPENSES section.

For meals related to entertainment see MEALS and ENTERTAINMENT section in the appendix.

VII. PER DIEM

Per diems, a daily allowance for meals, while traveling is not allowed except for any faculty who travel to the Buffalo Center (see BUFFALO CENTER FACULTY TRAVEL section).

VIII. AIR TRAVEL

Air travel will only be used when it is more economical than ground transportation or will result in a substantial savings of productive time. Air travel is limited to coach fare. Whenever possible, book early to take advantage of early bird and more economical rates.

IX. CAR RENTAL AND MILEAGE REIMBURSEMENT

University travelers should reserve a university vehicle or rental car whenever it is more cost effective to do so. It is typically more economical to rent a vehicle for 200 miles or more round trip. Vendor discounts are available and should be used whenever possible (vendor discounts are listed on my.sbu.edu in addition to a mileage calculator to assist you when deciding to drive or rent).

When using a personal vehicle the employee may only receive mileage reimbursement up to 500 miles round trip. Fuel and any vehicle expenses are calculated as part of the SBU mileage reimbursement rate up to a maximum of 500 miles round trip. Employees reimbursed for mileage may not also request reimbursement of fuel costs.

The University generally adopts the IRS approved standard mileage rates. These are typically released by the IRS effective January 1st of each year and are adjusted by the IRS when there are extreme fluctuations of vehicle costs. SBU generally updates our rates on June 1st if there is an increase to the rate to coincide with the University's fiscal year. Should the IRS lowers the rate SBU would lower the rate the same effective date to avoid taxable income to the employee.

Employees should not purchase additional car rental insurance under any circumstance while traveling on university business.

If the vehicle rental included days that are considered personal, employees are personally liable for those charges including any additional insurance they purchase. Proper documentation is required.

X. CAMPUS FUEL TANK USAGE

The campus fuel tank, located at the Maintenance building, is limited to only University maintenance, security and designated University vehicles not able to leave campus. All other university vehicles should utilize an off campus gas station.

XI. SBU VAN USAGE

All vans must be returned with a full tank of gas.

XII. BUFFALO CENTER FACULTY TRAVEL

Faculty members who travel from SBU to the Buffalo Center for weekend teaching (must be away from home overnight) are entitled to mileage reimbursement and meals. The mileage reimbursement is capped at 150 miles per weekend (this calculation allows for travel between SBU, hotel, restaurant, Buffalo Center and home). The University covers the cost of the hotel through a direct bill arrangement with preferred hotels in the Hamburg area. The University will reimburse up to a maximum of \$43 for meals per weekend, while in travel status. Payment of per diem for faculty teaching at the Buffalo Center is an exception to the Travel Policy.

Faculty who travel from SBU to the Buffalo Center for a single day of weekend teaching will be reimbursed for mileage but not for hotel or meals. The mileage reimbursement is capped at 120 miles.

Employees contracted to solely teach at the Buffalo Center will not be reimbursed meals or mileage. The IRS considers this commuting which is not a reimbursable business expense.

XIII. TRAVEL TO SBU MAIN CAMPUS

Employees will not be reimbursed for mileage, meals or hotel when traveling from home to the main SBU campus. The IRS considers this commuting which is not a reimbursable business expense.

XIV. TRAVEL EXPENSES FOR NON-UNIVERSITY EMPLOYEES

Travel expenses for non-University employees, such as guest speakers, consultants and prospective employees are subject to the same regulations pertaining to University employees when travel arrangements are made by the University.

XV. QUALIFIED EXPENSES & SUBSTANTIATION

SBU requires original itemized receipts, detailing the items purchased, amount, date and vendor name to be provided with the expense report. Original itemized receipts need to be included with a credit card receipt. Additionally you must substantiate the business purpose of the expenditure and, if entertaining, provide the person(s) name, title and place of employment as required by IRS regulations.

Each business expense must be substantiated with adequate documentation. Adequate documentation means travel expense evidence such as sales receipts and credit card transactions. The traveler should always use proper judgment and should keep in mind whether an expense is in the best financial interest of SBU. Only expenses incurred while traveling on behalf of St. Bonaventure business are considered reimbursable business expenditures.

XVI. MAINTAINING RECEIPTS

The Concur system will maintain a scanned version of receipts.

XVII. MISSING RECEIPTS

When an original receipt has been lost or is otherwise not available from the vendor, a missing receipt affidavit must be completed within the Concur system. Continued occurrences of missing receipts could result in personal liability and or could be considered taxable income to the employee in accordance with Internal Revenue Service regulations (see TAXABLE CONSEQUENCES section).

XVIII. CASH ADVANCES

Cash advances are allowed for travel when it is anticipated that there will be out-of-pocket expenses for which you cannot use a credit card. Most expenses should be charged to the JPMorgan T&E Card. All requests for advances must be approved in accordance with the approval hierarchy as outlined under the EXPENSE REVIEW section of this policy. Any excess cash advance must be returned to the University within one week of the traveler's return (see TAXABLE CONSEQUENCES section). There are two types of advances noted below:

Advances through Concur

Travel advances are available through the University's expense provider, Concur, for estimated out-of-pocket cash expenses. This is the preferred method for advances due to the analytical capabilities for the University and the department to track travel expenses for budget and reporting purposes. The request is submitted to the budget officer for approval and the funds will be deposited in the employee bank account associated with the employee's account with Concur. As out-of-pocket expenses are incurred, an image of the receipt is uploaded to the Concur system toward the advance that was provided. SBU employees must return any and all amounts that exceed expenses substantiated after the trip or the expense is incurred.

Cash Advances

For last minute/emergency trips in which a traveler's out-of-pocket expenses are estimated to be \$200 or more and of the type that would normally not be covered by a credit card, a traveler may obtain a cash travel advance up to a maximum of \$200 in the Business Office. The cash advance request must be completed, approved by the budget officer and submitted to the Business Office. Cash travel advances are highly discouraged. The preferred method is that the trip should be planned in advance and any out-of-pocket expenses should be approved by the budget officer and submitted with sufficient notice prior to the travel date in order to process an ACH payment to the employee bank account in a timely manner.

XIX. EXPENSE REVIEW AND REPORTING GUIDELINES

All travel expenses made on the T&E card will be reported through the Concur expense reporting tool. Expenditures for all university travelers including budget officers must be properly authorized. Proper approval is defined as follows:

Expense Reports Submitted by:

Non-Budget Officer
Faculty Research Grants
Budget Officer
Dean/Director
Executive Officer

President

Must be Approved by:

Budget Officer
Grant Administrator
Dean/Director and/or Executive Officer
Executive Officer
President/Senior Vice President for Finance and
Administration or Controller
Chair, Board of Trustees

XX. TAXABLE CONSEQUENCES

As a condition of providing travel advances to an employee, St. Bonaventure University has an obligation to monitor all travel advances and is required by the Internal Revenue Service to withhold taxes on unsubstantiated travel advances and report the advance as a taxable benefit on the recipient's W-2. As stated above, travel advances are required to be documented within one week of the traveler's return and any unspent funds returned to the Business Office.

Non-compliance with this guideline will require the University to include the advance as gross income in the employee's payroll, withhold the proper employment taxes, and report the advance as taxable income on the employee's W-2, per IRS guidelines. Additionally, should the advance not be documented, the University may refuse further advances to the employee.

By complying with the accountable plan reporting requirements outlined in IRS Publication 463 (Travel, Entertainment, Gift, and Car Expenses,) employees will prevent taxable income arising from advances or expense reimbursements. Failure to comply with these reporting requirements by any employee could jeopardize tax-free reimbursement for all employees if the University is found to be in violation of IRS guidelines.

XXI. TRAVEL EXPENSES OF ACCOMPANYING NON-EMPLOYEES

Travel expenses paid or incurred with respect to a spouse, dependent, or other individual accompanying a SBU employee on business travel are not normally allowed. On occasion an executive officer of the University may authorize, in advance and in writing, payment of such expenses for attendance at certain business events or functions. When the executive officer authorizes payment by the University for an accompanying individual(s), this amount is considered taxable income to the employee and withholding for this additional compensation shall occur as soon as practicable. Please contact the Business Office for the necessary form for this authorization at least two weeks in advance of the travel date.

XXII. CORPORATE TAX EXEMPT STATUS

St. Bonaventure University (SBU) is organized as a tax exempt entity under section 501(c)(3) of the Internal Revenue Code (the "Code"). As required by this section of the Code, SBU must operate so that no part of its net earnings benefits any private individual.

As a tax-exempt organization, it is our policy to not reimburse sales tax. SBU has been granted tax-exempt status in the following states: Connecticut, Florida, Illinois, Indiana, Kentucky, Maine, Massachusetts, Mississippi, Missouri, New Jersey, New York, North Dakota, Rhode Island, Tennessee, Texas, Vermont, and Virginia. Tax exempt forms are available on my.sbu.edu and in the Business Office for each of these states and should be utilized should you plan to travel to that state. We stress that these forms should never be used to avoid paying personal sales tax. They are to be used solely for University related expenses. Even when entertaining guests of the University at local restaurants, you should always inform the restaurant that the meal is for SBU and that we have tax exempt status. Many of the local businesses already have our tax-exempt form on file and will honor your request. If they do not have a current form on file, please advise the Business Office and we will contact them. If an employee purchases an item in the local area and pays sales tax, SBU will not reimburse the sales tax portion of the business expense.

XXIII. EXCEPTIONS

All exceptions to this policy must be approved by the employee's immediate Cabinet member.

APPENDIX

MEALS and ENTERTAINMENT

The following information is provided to assist employees in understanding Internal Revenue Service regulations regarding meals and entertainment expenditures. Use of these guidelines in determining which expenses can be incurred and reimbursed will assist the Business Office in complying with prescribed regulations, and avoid further questioning of information submitted as substantiation.

Internal Revenue Service requirements in this area are complex, and subject to change. They are intended:

- To accommodate long-standing practices in particular industries and the general practice of providing modest levels of tax-free non-cash fringe benefits.
- To establish clear guidelines ensuring uniform treatment of similarly situated employees.
- To limit the ability of employers to provide employees with tax-free non-cash compensation, thereby avoiding further erosion of the income tax and Social Security tax bases.

Local meals for entertainment are allowed only if they are “directly related to or associated with the active conduct of the employee’s business.” Further, the expense must be both ordinary (common and accepted) and necessary (helpful and appropriate). While entertainment generally includes any activity considered to provide entertainment, amusement, or recreation, it can include meeting personal, living, or family needs of individuals, such as providing meals, a hotel suite, or a car to business customers or their families. Meals in this context would include a meal that precedes, includes, or follows a bonafide, substantial, business discussion with a customer or client.

Local meals that do not include a customer or client (e.g., someone with whom the university has a current or potential business relationship) do not serve a substantial business purpose, and are thus not allowed. While you do not have to establish that business income or other business benefit actually resulted from this business meal, you must document that you actively engaged in a discussion, meeting, negotiation, or other transaction to get income or some other specific business benefit.

Local meals provided by an employer are additional compensation (taxable income) to its employees unless the meals are provided on the employer’s premises, and for the convenience of the employer. Premises would generally mean the SBU campus, and convenience of the employer means that there is a substantial non-paying business reason for furnishing the meals (e.g., to enable the employee to work through lunch, or to work overtime). Hence, an employee’s-only meal at an area restaurant is considered taxable income to the employees even if business is discussed, because it fails both tests for exclusion. (IRS Publication 535).

The only exception for employees-only meals is contained in the fringe benefits regulations as a de minimus fringe benefit. To qualify as a reimbursable (or nontaxable) benefit, the activity must be occasional. Occasional is not defined in those regulations, but it hinges on the overall availability of the benefit, and regularity with which an employee receives the benefit. Under this exclusion, a company picnic or Christmas party would not constitute taxable income to the employees. However, regular and/or more frequent gatherings of groups of employees would constitute taxable income if the employer paid for the meal, and hence are not reimbursable.