



Policy and Procedures: Travel and Business Expense Policy

Effective Date: 10/01/2012, 01/24/19 edited Regional Campus mileage section

Purpose:

Azusa Pacific University (APU) Travel and Business Expense Policy serves as the procedure for exercising good stewardship and also aids in identifying travel and business related expenses. This procedure also helps employees obtain prompt reimbursement for their out-of-pocket travel and business expenses. All expenses incurred on an APU corporate credit card are included in this policy.

Policy:

APU follows the Internal Revenue Service “accountable plan rules” in providing non-taxable reimbursements to its employees. See Internal Revenue Service Publications 463 and 535 for further guidance. Expenses must be submitted within 60 days to be reimbursed.

UNIVERSITY, SUPERVISOR, AND EMPLOYEE’S RESPONSIBILITY

The University

Upon submission of a complete Expense Reimbursement Form, the University is responsible to process and make payment to employees on their next pay date as follows:

Semi-monthly Paydays (Salaried, Non-Exempt Salaried, and Contracted Employees): To receive payment on the 15th of the month paycheck the expense reimbursement form must be received by the 5th of the month or to receive payment on the last day of the month paycheck the expense reimbursement form must be received by the 20th of the month. Incomplete reimbursement forms will be returned to the traveler for proper documentation before reimbursement of expenses.

Bi-weekly Paydays (Hourly employees): To receive payment on the next paycheck the expense reimbursement form must be received the Monday prior to the Friday payday as is outlined in the bi-weekly pay schedule provided by the Office of Human Resources and the Payroll department of the Business Office. Incomplete reimbursement forms will be returned to the traveler for proper documentation before reimbursement of expenses.

The University is responsible to pay the monthly bill of all corporate card expenses incurred by the employees.

The Supervisor

The supervisor is responsible to pre-approve any travel or business expenses with the employee, provide policies and discuss any monetary or business practices prior to the employee incurring the expense. Supervisors approving the Expense Reimbursement Form are responsible to assure the accuracy of the report, the validity of the expenses, and the compliance with all aspects of these policies and procedures. The supervisor is also responsible to document their review and approval with their original signature or via the on-line tool for credit card expenses. While an assistant may help with the review of the forms, they may not sign on behalf of a supervisor or sign the name of the supervisor.

Supervisors are responsible for approving their employee's corporate credit card monthly statements by the 10th of each month using the Wells Fargo Commercial Card Expense Reporting tool provided on-line. Any employee's statements that are not approved will have their card privileges revoked until such approval is received. Habitual delays or non-use of the on-line tool will result in permanent loss of this privilege of holding a university credit card.

The Employee

The employee is responsible to obtain the approval of their supervisor prior to travel. A Professional travel policy for Faculty is found in the Faculty Handbook Section 6.7. All expenses incurred and advances received remain the employee's responsibility until the submission of a valid and complete Expense Reimbursement Form, including the original signature of the employee's supervisor. An employee may not approve her or his own travel and business expenses. **Please submit Expense Reimbursement Forms within 60 days of expense.** Employees are personally liable for cash advances that are unaccounted for, lost or stolen. See page 10 for further guidance.

Employee's with a university credit card are required to submit their statement with all descriptions and general ledger account codes by the 6th of each month for the prior month's expenses using the Wells Fargo Commercial Credit Card Expense Reporting tool on-line. It is also the employee's responsibility to be sure their supervisor has approved their statement by the 10th of the month for the prior month's expenses. Any employee's statements that are not approved will have their card privileges revoked until such approval is received. Habitual delays or non-use of the on-line tool will result in permanent loss of this privilege of holding a university credit card.

Further guidance is provided to each employee and supervisor on the Wells Fargo Commercial Credit Card tools in the "Wells Fargo Bank WellsOne Commercial Card Program Policy and Procedures Manual upon receipt of their card and privilege.

REIMBURSEMENT FOR EXPENSES FOR THOSE WHO ARE NOT UNIVERSITY EMPLOYEES

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

REIMBURSEMENT FOR CONTRACT/GRANT EXPENDITURES

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

REIMBURSEMENT and CREDIT CARD SUBSTANTIATION PROCEDURE

Reimbursement for out of pocket expenses: The APU Travel/Expense Report (“Expense Reimbursement Form”) is located within the Business Office website at www.apu.edu/businessoffice/forms.

When original receipts are required, requests for reimbursement or payment on a credit card must include at least one of these types of supporting documents:

- Original merchant receipt (photos are accepted), invoice, or packing slip (hotel folios, passenger receipts and rental car contracts are required), – if not then,
- Original credit card receipt(s), with itemization – if not then,
- Confirmation email or web acknowledgement – if not then,
- Missing Original Receipts Form

Information required on receipts and supporting documentation:

- Date of purchase
- Vendor name and address
- Itemized description of good or services
- Price in US dollars

Expense Reimbursement Form must include:

- The original signature of the employee submitting the report,
- The original signature of the supervisor approving the report, and
- Description of the business purpose and a list of attendees for meals
- **Note:** To safeguard University assets, please do not include cash with your Expense Reimbursement Form. Any funds remaining from a cash advance should be deposited promptly with a University cashier and the receipt attached to the Expense Reimbursement Form. For your convenience, University cashiers are located on East Campus, in the Business Office at Foothill Community Church and in the Graduate Center at Admin West. Please do not leave any cash in University offices, even if secured in a locked area.
- **See Travel Advances section on page 10 for further guidance.**

Credit card reconciliation requirements: Each cardholder is required to attend training on the reconciliation tool for monthly credit card transactions. Cardholders must review and submit completed transactions with descriptions, GL account coding, and their substantiation (receipts—see above) by the 6th of each month. Approvers are required to approve each of their cardholder’s statements monthly by the 10th of the month. The Business Office will contact you for a full training on the use of the on-line tool for monthly reporting of expenses.

TRAVEL ARRANGEMENTS AND RESERVATIONS

Travel Agency

- At the present time, the University does not have a designated or preferred travel company. Employees may contact an agency of their choice for all commercial, domestic, and international flights, including airline/rail tickets, rental cars, and hotels.
- The use of internet travel booking sites is allowed, but employees must use their University credit card for purchases, or pay out-of-pocket and submit for reimbursement using the University's expense reimbursement plan. The University also expects that the traveler is aware of all restrictions, penalties, and possible additional fees that are attached to certain internet travel deals. It is expected that the traveler will use good judgment in booking flights so as to not incur additional expenses. However, the University will reimburse reasonable change fees, or penalty fees for non-refundable tickets when trips are cancelled or for earlier flight times.

Airline Travel

- All employees are expected to fly coach class at the most appropriate and economical flight option available. The University expects that no more than one stop be made on a trip and travel times occur at reasonable times of the day. Reservations should be made as far enough in advance to obtain an economical fare. Business or First Class tickets require approval by the President or Provost prior to purchasing the tickets.
- All awards gained by employees through airline incentive programs are the property of the employee. Responsible stewardship requires us to choose the most economical flight option for the University rather than attaining mileage incentives as the primary incentive.
- Additional life, baggage or trip delay insurance, if desired, are the responsibility of the employee. APU does not reimburse the cost of this additional insurance coverage.
- Checked Baggage fees are covered and excess weight/baggage fees are covered when a traveler is required to carry equipment, books, etc. that cause normal weight limits to be exceeded.
- Baggage handling gratuities of up to two dollars per bag is considered reasonable and may be included for reimbursement.

Automobile Insurance Information

- No employee is authorized to use a privately owned vehicle on University business unless such vehicle is covered by public liability and personal injury insurance meeting minimum California state requirements. The employee is personally liable. The University does not provide property damage or liability insurance coverage and accepts no responsibility for accidents and injuries for employee travel in privately owned vehicles.
- The University will not reimburse or pay for the Collision Damage Waiver commonly offered by rental companies, except for rentals in foreign countries. If Personal Accident Insurance is elected on rentals, it is at the traveler's personal expense.

- While traveling, APU covers the loss or damage to any required personal equipment such as a laptop/notebook/tablet (including APU owned) when approved by the supervisor prior to the trip.
- All other personal items are not covered if damaged or stolen from the rental car and APU does not reimburse for the cost of insurance coverage for personal items. Claims should be made to the traveler's homeowners/renters' insurance.

Automobile – Business Use of Personal Car when Traveling Overnight

- Use of an appropriately insured privately owned vehicle is authorized when commercial service is not available, impracticable, or more expensive. The cost of this option vs. commercial airline travel should be discussed with the supervisor before arrangements are confirmed.
- Use of a traveler's automobile will be reimbursed at the current Internal Revenue Service mileage rate. This mileage rate covers depreciation, maintenance, repairs, gasoline, oil, insurance and vehicle registration fees. The University will automatically implement any changes in the IRS reimbursement schedule.
- Reimbursement for two or more persons traveling in the same automobile shall be limited to the mileage reimbursement paid to the driver.

Automobile – Business Use of Personal Car when traveling to APU Regional Campuses

The standard mileage distance to/from APU regional campuses is calculated based upon the distance from your residence to the regional campus less the mileage from your residence to your home base. Your home-base is your contracted campus (ex. Azusa, High Desert, Inland Empire, Los Angeles, Monrovia, Murrieta, Orange, or San Diego).

- Principle – We reimburse employees when they have been asked by a supervisor to incur additional mileage above and beyond their standard work commute. In cases where an employee is asked to travel to another location for a work-related assignment, we pay the difference from their typical commute.
- Clarification –
 - A faculty member is sometimes hired with a joint appointment between two campuses, in order to ensure a full-time position. When they travel to fulfill assignments (teaching or required face-to-face meetings), we are to use the primary campus assignment in calculating trip mileage.
 - While a typical workday takes an employee from their home to their primary work site and back home, related assignments (teaching or meetings at another campus, etc.) can sometimes require a different travel pattern with eligibility for reimbursement.
- Examples –
 - If a faculty member has a joint appointment with home bases in both Inland Empire and Azusa and lives in Fontana, attending meetings or teaching in either location is not a reimbursable expense as this is part of their regular commute.
 - If an employee's home base is Azusa, she/he lives in Corona, and has a meeting at the Murrieta Regional Campus, the reimbursed mileage is

calculated based on the difference between their usual commute and their added assignment

- Corona to Azusa is 60 miles roundtrip so this is their routine commute.
- If they drive to Murrieta and back from their home, the trip is 67 miles round trip so they are eligible for 67 minus 60 miles (or 7 miles) mileage reimbursement.
- If they drive from home to work in Azusa and then to Murrieta and home, that day's mileage is calculated as Corona (residence) to Azusa (30 miles) to Murrieta (63.5 miles) to Corona (30 miles) for 123.5 miles. Their reimbursable mileage is the difference from their usual commute (required trip minus usual commute from home to work) or 123.5 minus 60 miles (or 63.5 miles).
- Thus, the calculation is based on this formula: **Total business trip mileage** minus **Standard commute = Mileage to be reimbursed.**

Automobile – Use of personal vehicle for local business

- Employees who have been required to use their personal vehicle to perform job duties will be reimbursed mileage. Each trip must be itemized on the Expense Reimbursement Form. If the driving is too frequent for tracking, such as driving from campus to campus in Azusa, the Budget Manager may request an auto allowance by contacting the Office of Human Resources as this is considered a taxable stipend to the employee.
- It is solely at the Budget Manager's discretion if an automobile rental would be better suited for certain trips such as a required meeting at another university location.

Automobile - Rental

- Car rental service may be utilized only when other ground transportation is not practical.
- Drivers must carry the proper license in accordance with the vehicle class and the number of passengers transported. Contact the University's Risk Manager if you have further questions.
- The least costly compact, standard, or midsize vehicle available and rental arrangement are to be used, taking into consideration the number of passengers, luggage, equipment, etc.
- Gasoline charges on a rental car will be reimbursed with submission of an original receipt and the rental agreement. Rental cars should be returned to the rental agency with a full tank of gas to avoid expensive refueling charges.
- Please include your entire rental agreement when submitting your expense report. Credit card receipts are not sufficient for reimbursement.
- When signing rental agreements please sign "APU" by your name.

Other Transportation Costs

- Taxi service, where appropriate, will be reimbursed if properly substantiated by original receipt.
- When travel calls for an extended time out of town, such that the cost of long term parking at an airport is greater than an airport shuttle, it is expected shuttle service will be utilized.
- Airport and hotel shuttles often provide a cost effective alternative to taxis or rental cars and should be utilized whenever possible.
- Private limousine service will not be reimbursed, except when the cost of shared service is less than the cost of a taxi or shuttle.
- Parking costs will be reimbursed if properly substantiated by receipts.
- Long-term/remote site parking should be utilized if a personal car is used to travel to an airport.
- Bridge and turnpike tolls will be reimbursed if properly substantiated by receipts or documentation listing the amount and location of the toll paid.
- Reimbursement for two or more persons traveling in the same automobile shall be limited to the mileage reimbursement paid to the driver.

Lodging

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

Meals while Traveling

- Employees traveling overnight will be reimbursed for actual meal costs when properly substantiated by an original receipt, business purpose, and a list of attendees. Each employee is expected to exemplify good stewardship in this area and not incur lavish or extravagant expenses.
- Meal allowances are not granted when meals are covered by conference or registration fees, or any other instance in which the employee does not pay for the meal.
- While the University will provide up to three meals per day, discretionary snacks and specialty drinks/coffees are the responsibility of the employee.

- Tips should be included in meal costs and limited to 20% or as automatically included by the dining venue.
- When more than one employee is present at a business meal, the most senior level employee must pay and expense the bill, with the exception for those traveling with the President.
- Meals included on hotel bills must have proper substantiation as is included above.
- Actual expenses substantiated by the original receipts are required for reimbursements. The University does not have a per diem rate.
- In the event a check is “split” and an original receipt is unable to be obtained, please provide written documentation including cost of meal, tax, tip, business purpose and individuals included.
- Expenses incurred for alcoholic beverages will not be reimbursed.

Spouse and Dependent Travel

- Spouse and dependent travel must be approved by the Office of the President or Board of Trustees.

International Travel

- The University “International Travel Policy” is located within the Office of the General Counsel’s web page at www.apu.edu/generalcounsel/policies.
- Passport and visa charges are reimbursable by the University when required for university related international travel.
- The university will reimburse medical requirements for University-related international travel. Many vaccinations are provided in APU’s Health Services Center. The Employee assumes responsibility for researching and obtaining the appropriate vaccinations needed for international travel.

Other Business-Related Expenses

For the most part, these are not travel-related, but are extraordinary expenses incurred in the performance of an employee's responsibilities.

Meals and Entertainment

- Non-employees: Entertainment is defined as meals, snacks, beverages and entertainment deemed to be in the best interest of the University, e.g., local visit by an external candidate for a position within the University, special guest of the university. Authority to incur entertainment expense must be approved by the dean, vice president, vice provost or provost, and documented by receipts and records indicating name(s) of guest(s) and justification for the expenditure.
- Employees: Meals or beverages provided by the university for business lunches between departments must be incurred by an authorized manager. Employee relations expenses must only be incurred by a manager or senior manager for subordinates.
- Staff retreats funded by the University must include a business purpose and require approval of the applicable dean, vice president, vice provost or provost.

- “Feast funds” for professors providing meals for students are available on a limited basis upon request from the Provost. See policy located in the Faculty Handbook located in the community folders within Google Docs.

Flowers/Gifts/Recognition

- The Office of Human Resources and the Office of the President, Provost or Advancement will handle any flowers for employees and donors of the University in the case of death, serious illness or additions to family. Any other flowers or “in lieu of” donations from individuals or departments should be coordinated with the appropriate dean, vice president, vice provost or provost through their discretionary fund or should be handled personally.
- Recognition and length of service gifts are coordinated through the Office of Human Resources. Any exceptions shall be approved and funded by the appropriate dean, vice president, vice provost or provost with their discretionary funds.
- Birthday, wedding, Christmas, anniversary, shower and special day gifts (e.g. Administrative Assistant’s Day, Boss’ Day) are a personal expense and will not be reimbursed by the University.

Professional Association Membership Dues and Subscriptions

- The University will pay for individual memberships to professional organizations only when the University requires such membership and the individual’s supervisor approves it.
- Whenever feasible, memberships and subscriptions should be in the names of University offices, rather than in the names of individual employees.
- Faculty are permitted individual memberships as authorized through the Office of the Provost. Please see the Faculty Handbook, Section 6.6, for the related policy and procedure.

Moving Expenses

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

NON-REIMBURSABLE EXPENSES

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

- Subordinates providing meals or entertainment for their supervisors
- Fines for parking or traffic violations
- Childcare, babysitting, fees to board pets, pet or house sitting
- Repair or insurance of personal automobiles
- Theft, loss or damage of money, personal luggage and effects
- Membership dues in private or social clubs and organizations
- Membership in automobile or airline clubs
- Charitable/memorial donations of any type, including contributions to mission trips
- Personal expenses, e.g., barber, shoe shines, laundry, manicure/pedicure, spa treatments, movies ordered in hotel rooms and other entertainment expense, clothing

- Passenger insurance, e.g., flight or baggage insurance
- Gifts, birthday cakes, or other school/church/mission trip fundraisers, cards or flowers, including plants, fruit baskets, floral arrangements or other items of condolences or congratulations
- House or automobile cleaning/washing
- Annual fees/memberships on credit cards
- Annual membership fees to price clubs such as Costco, Sam's Club, etc.
- Alcoholic beverages

Exceptions may be permitted with written approval of the President. The above list of non-reimbursable items is not considered to be all inclusive. We appreciate your good judgment and stewardship.

CREDIT CARDS

Upon request of the dean, vice president, vice provost or provost and with specific authorization of the Executive Director of Finance or their designee, University credit cards may be issued to University employees with a continuing need for significant expense advancements or reimbursements. Significant need is identified as employees who regularly travel (twice per month) or incur over \$500 per month in University related expenses as part of their job responsibilities.

Exceptions based on identified need may be granted on a case-by-case basis.

The application is located at <http://www.apu.edu/businessoffice/forms/> listed under Accounts Payable as "Wells Fargo Application."

No personal expenses may be charged to a University credit card. Using the card for personal charges could be considered misappropriation of APU funds and could result in corrective action, up to and including termination of employment.

Employee's with a university credit card are required to submit their statement with all descriptions and general ledger account codes by the 6th of each month for the prior month's expenses using the Wells Fargo Commercial Credit Card Expense Reporting tool on-line. It is also the employee's responsibility to be sure their supervisor has approved their statement by the 10th of the month for the prior month's expenses. Habitual delays or non-use of the on-line tool will result in permanent loss of the privilege of holding a university credit card.

Further guidance is provided to each employee and supervisor on the Wells Fargo Commercial Credit Card tools in the "Wells Fargo Bank WellsOne Commercial Card Program Policy and Procedures Manual upon receipt of their card and privilege.

Supervisors are responsible for approving their employee's corporate credit card monthly statements by the 10th of each month using the Wells Fargo Commercial Card Expense Reporting tool provided on-line. Any employee's statements that are not approved will have their card privileges revoked until such approval is received.

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

TRAVEL ADVANCES

- Travel advances may be requested for those employees who do not qualify for a corporate credit card and with their supervisor/budget manager approval. Please request these advances two weeks in advance of the trip from the Accounts Payable office using the "Request for Cash Advance" form located on the Business Office web page at www.apu.edu/businessoffice/forms.
- Travel advances are issued to cover out-of-pocket business travel and reimbursement expenses expected to be incurred by employees in the conduct of University business. These monies should not be used for payment to individuals for services, prizes, or awards.
- Habitual delays in the proper clearance of advances could result in corrective action, up to and including termination of employment.
- If traveling overseas, please obtain documentation of the exchange rate at the time any funds are exchanged in order to ensure appropriate reimbursement.
- All funds advanced must be properly accounted for or returned within 30 days after the completion of the trip or event. If substantiation of expenses is not provided or if funds are not returned within the 30 day period, such funds will be deducted from the employee's paycheck(s). Each employee will be required to sign a "Statement of Custodial Responsibility for Cash Advance Funds" prior to the release of the advance, which includes an authorization document to deduct funds either not accounted for or not returned from the employee's paycheck(s).
- Advances will only be given to employees of the University.
- The Cash Advance Policy and Statement of Custodial Responsibility for Cash Advance Funds form is available for review in the Business Office.

PROCEDURES

While the employee and the supervisor charged with reviewing the Expense Reimbursement Form are primarily accountable for the integrity and stewardship of expense reporting under these policies and procedures, the Business Office is charged with the responsibility of reporting and reconciling employee expense transactions in accordance with University and IRS guidelines. Accordingly, they may at times request clarification and additional documentation. We appreciate your cooperation with our Accounts Payable department as they strive to carry out their responsibilities with excellence.