

Expense Reimbursement

General Policy
Scope
Travel Arrangements
Travel and Entertainment Expenses
Transportation Expenses
Taxi, Local Bus, and Limousine Fares
Auto Rental Fees
Personal Automobile Mileage Allowance
Parking and Toll Charges
Gratuities
Laundry and Dry Cleaning Services
Baggage Handling
Passport and VISA Charges
Professional Association Membership Dues and Subscriptions
Flowers and Other Gifts for Employees
Expense Advances
Credit Cards and Memberships
Personal Credit Cards
Substantiation of Expenses
Finance Review and Follow-up
University-sponsored Events
Approval of Exceptions

General Policy

CLU employees will be reimbursed for reasonable and appropriately documented expenses incurred on authorized University business. All such expenditures must generally be approved in advance by the appropriate supervisor before submitting the necessary forms and accompanying documentation to the Business Office.

All expenses incurred and any advances received by an employee are the personal liability of the employee until she or he has complied with these policies.

Scope

This policy is intended to cover foreign and domestic travel as well as other business expenses incurred on behalf of the University regardless of the source of funds. However, terms of contracts or grants, departmental guidelines, etc., will take precedence if they are more restrictive.

Travel Arrangements

The University's exclusive travel agency is responsible for offering the lowest applicable rates for air, auto, and hotel charges. Their use is required for commercial transportation, except where impracticable, and then only with prior approval from the appropriate senior administrator.

The travel agency will provide ticket delivery service for all domestic and international flights, regardless of origin, and assist with passport and visa requirements.

Travel and Entertainment Expenses

Travel expenses are reimbursable only when the specific trip is authorized in advance by the appropriate supervisor. Vacation or other leave taken in conjunction with reimbursable travel must be requested and approved prior to departure.

Local business travel, parking, meals and entertainment, on or off campus, are considered proper University expenses only if they are related to the conduct of University business and only if they are authorized by the supervisor. Reimbursement for expenses is not provided when University colleagues dine together within a 25-mile radius of the campus.

The University will reimburse the reasonable cost of meals of the employee and business guests while the employee is traveling away from campus overnight. Unless directly related to the business purpose of the meal, the cost of meals for family or social friends accompanying the employee is personal expenses of the employee.

Transportation Expenses

Employees are expected to travel by the most direct route using the most economical and reasonable mode of travel available. If an employee travels on official business by an indirect route, reimbursement will be based on charges as would have been incurred by traveling the most direct route. Additional time required for such indirect travel will be charged to vacation or leave without pay in accordance with policies regarding such absence.

Travelers belonging to frequent flyer programs may not refuse a better fare on one airline in order to book frequent flyer miles on another. Reservations are to be made on as timely a basis as necessary to secure reduced fares. The traveler must review tickets for accuracy at the time of delivery and become aware of cancellation penalties.

Taxi, Local Bus, and Limousine Fares

Employees are expected to use the most economical source of local transportation available to meet their needs. All commercial vehicle rentals and fares should be booked through the University travel agency whenever feasible.

Auto Rental Fees

Car rental service may be used only when other ground transportation is not practicable or cost of public transportation (or taxi cabs) is greater than the rental charges.

The least costly available vehicle (economy or compact car) and rental arrangement (discount rental) are to be used, taking into consideration the number of passengers, luggage or equipment, etc. Travelers should request an educational institution rate. When a more costly rental is employed, reimbursement may be limited to the amount of the less expensive rental.

NOTE: Extra Insurance: 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. The vehicle should be rented in the name of the University rather than in the name of the individual; otherwise, the driver's automobile insurance becomes the primary carrier and the University is the secondary insurer. At the current time, collision damage waiver coverage is automatically provided when CLU's corporate American Express cards are used.

Personal Automobile Mileage Allowance

Use of a privately owned vehicle is authorized when commercial service is not available, impracticable in the circumstances, or more expensive. Except when authorized for the reasons stated above, total private automobile mileage expense is limited to the lesser of coach air transportation costs for the same destination or actual business mileage driven multiplied by the mileage reimbursement rate.

The current mileage reimbursement rate may be obtained by contacting Accounts Payable. Any changes in the IRS reimbursement schedule will be automatically implemented by the University either June 1 or January 1, whichever date comes first, after the new IRS mileage rate goes into effect.

No employee is authorized to use a privately owned vehicle on University business unless such vehicle is covered by public liability and personal injury insurance meeting minimum California state requirements. The University does not provide property damage or liability insurance coverage and accepts no responsibility for accidents and injuries for employee travel in privately owned vehicles.

Parking and Toll Charges

Necessary parking and toll charges incurred on University business are reimbursable in addition to mileage allowances and other transportation expenses.

Gratuities

Gratuities on meals and lodging should not exceed 15 percent of the base transaction.

Laundry and Dry Cleaning Services

The University will reimburse reasonable laundry, dry cleaning, and pressing service costs only when an employee is traveling in excess of four days without returning to the employee's home.

Baggage Handling

The University will reimburse reasonable and necessary baggage handling charges, but excess baggage charges will be reimbursed only when carrying University equipment.

Passport and VISA Charges

Passport and VISA charges are payable by the University only when required for University-related international travel.

Professional Association Membership Dues and Subscriptions

California Lutheran University will pay for individual memberships to professional organizations only when such membership is approved by the University. Whenever feasible, memberships and subscriptions should be in names of the University offices rather than in the names of the individual employees.

Memberships and subscriptions should be paid through Accounts Payable, when possible, and not reimbursed in expense reports. Any such expenditure must be approved by a supervisor at least one step above the person most directly benefiting from the membership or subscription.

Flowers and Other Gifts for Employees

Only pre-authorized expenses for flowers and gifts will be reimbursed by the University. Responsibility and coordination of sending flowers and gifts charged to the University budget will be handled through the President's Office.

Expense Advances

Expense advances are issued as a convenience to the employee, who is responsible to clear advances promptly.

Advances may be authorized when:

- the reimbursable expenses are expected to exceed \$100;
- the advance is approved by the departmental budget manager; and
- the employee has no advances past due for reconciliation.

Credit Cards and Memberships

Upon request of the appropriate departmental budget manager and specific authorization of the treasurer or controller or his or her designee, University credit cards may be issued to the University officials with continuing need for significant expense advancements or reimbursements. Only one University credit card per employee may be issued. Exceptions based on identified need may be granted on a case-by-case basis by the treasurer or controller and the appropriate senior administrator.

No personal expenses may be charged to a University credit card. Charges to a University credit card are treated as an employee expense advance.

All credit cards are University property and must be returned to the Business Office upon request prior to termination of employment. In limited circumstances approved by the President's Office, senior administrators and development representatives may obtain memberships or charge accounts for the conduct of University business at approved vendors. In such cases, periodic billings must be signed by the authorized employee and forwarded for approval to the appropriate supervisor. Required supporting documentation is necessary for both University and IRS purposes.

Personal Credit Cards

An employee eligible for a University credit card may elect to use his or her own credit card and seek reimbursement for University business expenses and the annual fee (not to exceed \$25) in lieu of issuance of a University card.

Substantiation of Expenses

Business expenses must be properly substantiated for reimbursement and to comply with IRS rules (original documents generally required). The report must contain the following information:

- When - date of entertainment or travel;
- Where - name of place;
- Who - names of persons entertained and their titles or occupations;
- What - statement that the occasion was business related;
- Why - business reason or business benefit derived or expected; and
- Amount - receipt is needed if amount is \$25 or greater for all travel and lodging expenses.

Before expenses will be reimbursed or advances liquidated, employees must submit an approved Employee Expense Report Form with supporting documentation. Failure to provide this information within 60 days may subject the expenses to taxation on the employee's income tax return, or denial of reimbursement by the University. Expense reimbursements will not be made after 180 days.

Finance Review and Follow-up

Accounts Payable is responsible for the reporting and reconciling of employee expense transactions. However, the employee and the signing budget manager are primarily accountable for integrity of expense reporting.

University-sponsored Events

Certain administrators, including academic deans, may be reimbursed for attending University-sponsored events when a bona fide University business purpose is clearly demonstrated and is the primary motivation for attending an event. Reimbursement is generally limited to events directly benefiting the University, such as development, recruitment and board matters. (Meals for the employee's spouse are also reimbursable when a bona fide business purpose is present.) Preapproval must be obtained from the appropriate area vice president or supervisor.

Approval of Exceptions

The non-reimbursable items noted in the above policy may be reimbursed to individuals on a very limited exception basis when deemed necessary for the benefit of the University. All exceptions must have specific written approval of the President.