



Travel, Meals, and Entertainment Policy

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Responsible Office: Financial and Accounting Services – Accounts Payable

Policy Purpose and Scope

Purpose

The purpose of this policy is to provide guidance to University employees, students (for non-scholarship travel—for more information on the different types of student disbursements, please refer to the Student Disbursement Policy), and others who are traveling, entertaining, or incurring meal expenses on behalf of the University when University funds are used.

Additionally, this policy is designed to assist the University’s compliance with Federal and State laws and regulations applicable to it. This Policy is also intended to ensure consistent and fair treatment between departments throughout the University and the uniform reporting of financial data.

This policy provides information to employees about reimbursable expenses; defines conditions under which Wake Forest University (“WFU” or “the University”) will pay or reimburse for necessary and reasonable expenses incurred for travel, entertainment and other business expenses; and describes circumstances under which certain University paid or reimbursed expenses will be treated as taxable income to the recipient.

Scope

All staff, faculty, and students who travel, entertain, or expend funds for business related expenses are subject to this Policy. Travelers who are not staff, faculty, or students, but who are official guests of the University (in that their travel or other business expenses are paid directly by WFU or reimbursed by WFU) are similarly subject to the guidelines described in this Policy, in accordance with Federal and State government regulations.

Individual University departments may implement more restrictive policies and procedures, which the department should monitor and enforce.

Sponsored projects, such as National Science Foundation or National Institutes of Health Grants, may have additional requirements. The applicable award document and OMB Circular A-21 should be referred to prior to contacting the Grant Accounting Manager, campus phone 5187, in Financial and Accounting Services (FAS) for specific project guidelines.

Responsibilities and Guidance

Primary Guidance

The primary guidance for this policy is the Internal Revenue Code along with industry standards for best practices.

Other guidance for this policy comes from North Carolina Sales and Use Tax Regulations.

For sponsored projects, guidance within award documents as well as federal policies, such as OMB Circular A-21 Cost Principles for Educational Institutions, 2 CFR, Part 220, NSF Award & Administration Guide, and NIH Grants Policy Statement must be adhered to.

Responsible University Office or Officer

Associate Director, Accounts Payable x5183
Accounts Payable Representative x5833

Who Is Governed By This Policy

All staff, faculty, students and outside party travelers who travel for or on behalf of the University.

Who Should Know This Policy

All staff, faculty, and students.

Exclusions & Special Situations

None

Highlights of Revisions, by Date

November 2003, August 1996

Policy Text

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Overview

The University will pay for reasonable, appropriately documented, and properly authorized travel, meal, and entertainment expenses within the guidelines of this Policy. In general, the cost of travel accommodations, entertainment, and other related business expenses should be governed by what is reasonable and appropriate to the business purpose. Reimbursable business expenses should be incurred at the lowest cost consistent with good business practices, while still maintaining a sense of comfort for the person incurring the expense.

This Travel, Meals and Entertainment Policy is intended to meet the Internal Revenue Code (IRC) definition of an “Accountable Plan”. Reimbursements from the University for ordinary and necessary business expenses (that would otherwise qualify as deductible expenses if paid by an employee) under such an “accountable plan” will not be reported by the University to the IRS as taxable income to the recipient.

Under “accountable plan” rules, employee advances and reimbursements must meet the following rules:

- Employees, students, or outside parties must pay or incur business expenses while performing services as a University employee; the expenses must not be ones that would have otherwise been paid by the employee;
- All expenses must be substantiated to the University within a reasonable period of time.
- All amounts in excess of substantiated expenses (unused money from advances) must be returned to the University within a reasonable period of time.

If appropriate documentation for allowable expenses is not submitted to clear an advance, submitted for reimbursement, or submitted through the procurement card process, and/or any excess advance monies are not returned within sixty (60) days of date the expense was incurred or within thirty (30) days from date of return, these amounts will be included in taxable income or deducted from the paycheck of the employee who received an advance for such expenses. Similarly, if WFU pays for an expense which is later determined not to meet the accountable plan requirements, the amount will be added to the employee’s taxable income on Form W-2.

The threshold consideration for reimbursements by the University of an expense is whether the expense constitutes a deductible business expense.

Ordinary and necessary business related expenses for:

- Travel;
- Entertainment;
- Gifts, or
- Transportation

may be deductible under the Internal Revenue Code and regulations. An ordinary expense is one that is common and accepted in one's trade or business. A necessary expense is one that is helpful and appropriate; it does not have to be required to be considered "necessary". This Policy covers each of the above types of business expenses, and details the requirements for establishing a valid business expense eligible for reimbursement by WFU. Generally, individuals requesting business expense reimbursements under this Policy must provide documentation to the University, including original detailed records that establish the time, place, amount, and business purpose of the expense.

Responsibilities

The following outlines the responsibilities of various parties under this Policy:

Traveler/Employee

The individual submitting a Travel and Entertainment Form or Expenditure Voucher will:

- Verify that all expenses requested to be paid or reimbursed by the University are valid and conform to this Policy. Requests lacking required documentation and/or business purpose will be questioned and may not be reimbursed.
- Attest that expenses submitted for reimbursement have not been previously paid through a prior submitted expense report, cash advance, University procurement card or by any outside agency or other third party.
- Submit all forms related to travel to Accounts Payable within 60 days of date incurred or 30 days from completion of trip, whichever is later.
- Remain accountable for ensuring that all expenses are incurred, and all requests for payment or reimbursement of such expenses are submitted, in accordance with this Policy even though the employee may delegate responsibility for a form's preparation to another person.

Authorizer/Approver

Individuals authorized to approve the business expenditures of others will be responsible for administering this Policy. Approvers must:

- Attest that the purpose of the expense is valid and directly related to University business.
- Request further documentation or explanation of expenses that appear to be excessive or unusual. Explanation of such expenditures will be included on the Travel and Entertainment Form or Expenditure Voucher.

- Submit the approved Travel and Entertainment Form or Expenditure Voucher to Accounts Payable on a timely basis.
- Understand that while Accounts Payable may review the Travel and Entertainment Form or Expenditure Voucher, the primary responsibility for the determination of the appropriateness of expenditures rests with the individual seeking reimbursement and the individual responsible for approval and authorization.

Financial and Accounting Services/Accounts Payable

The Accounts Payable unit within Financial and Accounting Services (FAS) is responsible for reviewing the Travel and Entertainment Form or Expenditure Voucher prior to processing a reimbursement request to verify that expenses are reasonable and meet the following criteria:

- Information on the Travel and Entertainment Form or Expenditure Voucher is supported by accompanying documentation, which is both complete and in accordance with this Policy.
- Expenses conform to requirements imposed by the Internal Revenue Service or, as applicable, sponsoring agencies.
- Expenses have been reviewed and approved by the appropriate Authorizer/Approver.
- Expenses have been reviewed for compliance with other applicable University Policies.

Internal Audit

University Internal Audit personnel routinely examine invoices, Travel and Entertainment Forms and Expenditure Voucher Forms to monitor compliance with University Policies and regulatory agencies.

Authorized Approvals

The Authorizer/Approver's full signature is required on each Travel and Entertainment Form or Expenditure Voucher Form submitted for reimbursement of an expense under this Policy. Initials or the approver's signature by another individual is not sufficient. Only those individuals with budget responsibility or those to whom such responsibility has been delegated and documented on a Departmental Authorization Form may approve expenditures and reimbursements under this Policy. No individual may approve his or her own expenditures; the individual's immediate supervisor or other designated person must approve the expenditure or reimbursement (provided they have approval authority). University authorization approval levels can be found at http://www.wfu.edu/fas/ap/authorization_and_approval_levels.pdf for the authorization approval levels as set forth by the President.

General approvals- Authority and responsibility for approval and control of official travel and entertainment rests with the person ultimately responsible for the department to which the expense will be charged. All expenses whether reimbursed, invoiced, or charged to the University Procurement Card must be authorized in accordance with University guidelines.

Grant approvals- If an individual knows that expenses are to be paid from a grant issued to the individual or his or her department, the individual must also check with the person responsible for administering the grant funds to verify that these expenditures are allowable under the respective grant guidelines. Grant reimbursements must also be approved by the Grant

Accounting Manager in Financial and Accounting Services. The grant may place restrictions on travel and entertainment expenses that differ from those of the University. If the individual is not in compliance with grant restrictions, he or she will not be reimbursed from those funds.

International travel approvals- An International Travel Information Form must be completed, approved, and sent to International Studies prior to making any financial commitments for University funded travel. All Policy provisions related to domestic travel apply with the additional requirement of a completed and approved International Travel Information Form. The sponsoring department, grant or Office of International Studies may have additional restrictions and guidance. More information concerning international travel can be found at <http://www.wfu.edu/cis/>.

University Procurement Card Program

A procurement card (Corporate MasterCard) program is available to eligible persons in connection with University business expenses, including travel related expenses. The program involves issuance of a University owned credit card in the name of the eligible person, to be used in the incurring of business expenses on behalf of the University.

Those who wish to apply for participation in the Procurement Card system, review the manual, or see dates of training opportunities, should visit www.wfu.edu/purchasing/mbna.html. Participation in the procurement card program is optional; expenses eligible for reimbursement may be incurred using other means, subject to provisions of this Policy.

Introduction to Reimbursable or Payable Travel, Meal, and Entertainment Expenditures

Generally, expenses incurred on behalf of the University should be substantiated by receipts. A receipt is defined as an article that shows vendor name, address, items purchased, and date.

In addition to a receipt, a “bona-fide” business purpose is required if not evident by the documentation. In general, documentation of a “bona-fide” business purpose will include: *who* participated in the incurring of the expense and the relationship of those who participated; *what* the expense was for; *where* the expense was incurred; *when* the expense was incurred; and *why* the expense benefited the University. For more details concerning business purpose, refer to [Schedule C](#).

Note: If a travel, meal, or entertainment expense benefits another individual outside the University, the other person’s presence must have a “bona-fide” business purpose. The other individual’s contribution of incidental services, such as typing notes or assisting in entertaining customers will not be a sufficient business purpose.

While traveling on University business, the University will not require receipts for travel related expenses totaling \$50.00 or less, excluding lodging. Travel is defined as an employee or student traveling on University business that is away from the normal work location (i.e., Winston-Salem for the Reynolda campus and Charlotte for the Charlotte campus).

Note: The individual may seek reimbursement for only the actual amount spent (this is not a per diem).

For a summary of travel-related business expenses eligible for reimbursement, direct payment by the University, or acceptable University Procurement Card transactions, refer to [Schedule B](#) and for adequate supporting documentation guidelines refer to [Schedule A](#).

Air Travel

WFU does not maintain a centralized travel service; therefore, travelers are expected to book their own flights. The University will reimburse for coach airfare only, unless another class is less expensive at the time of booking. Travelers are encouraged to book airfare at least 14 days prior to their travel date in an effort to reduce costs.

WFU reimburses the cost of coach airfare for domestic travel, including Hawaii and Alaska. If international travel is required, WFU will reimburse the cost of business class airfare.

If coach airfare is unavailable for domestic flights, including Hawaii and Alaska, WFU will reimburse business class, but the traveler must provide documentation of unavailability. Documentation of unavailability should be a screen print of a website, such as, www.cheaptickets.com or www.kayak.com that states no flights are available in coach. The screen print should include the dates, times, and beginning and destination cities. A screenshot of one particular flight showing no availability is insufficient, since airlines provide several options. If the traveler wishes to purchase airfare in business or first class, the traveler must provide documentation of the cost of the same flight in coach at the time of booking; reimbursement will be at the coach rate. This documentation must be submitted with the Travel and Entertainment Form to Accounts Payable, or if charged on the University Procurement Card, a receipt showing reimbursement by the traveler must be provided with the statement documentation provided to Accounts Payable. If documentation verifying the coach price is not submitted, Accounts Payable may determine an appropriate amount based on rates of similar flights available when reviewing the documentation, or may not provide a reimbursement.

Online receipts documentation for airline electronic tickets (e-tickets) – Required documentation to support an E-ticket transaction is an itinerary reflecting airline, flight numbers, departure/arrival dates and times, and receipt listing total flight cost, payment method (e.g., Visa*****1234), and evidence of full payment.

Fly America Act- Under provisions of 49 U.S.C §40118, U.S. flag air carriers must be used for air travel paid for by federal funds to the extent such carriers are available. For more information and applicable exceptions, contact the Office of Research and Sponsored Programs at campus phone 5888.

Frequent Flyer Awards- WFU will not reimburse for tickets purchased with frequent flyer miles. Frequent flyer memberships should not influence travelers in making their flight decisions.

Airport Airline Club/Lounge Memberships- Dues/memberships are generally not reimbursed or provided by WFU. Exceptions must be approved by the President or his designee.

Lost Baggage- The airlines are responsible for compensating owners of lost baggage. WFU will not reimburse travelers for personal items lost while traveling on business. The traveler must take all reasonable precautions to protect any personal property while traveling.

Baggage Fees- WFU will reimburse the cost of transporting two bags while traveling on University related business. In addition, WFU will reimburse excess baggage fees if the traveler is traveling with heavy or bulky materials or equipment necessary for business. Traveling for extended periods of time may also require excess baggage charges and will be reimbursed by WFU. Documentation and approval are requirements for the reimbursement.

Cancellations and Change Fees- In the event that a trip involving non-reimbursable tickets is canceled or changed, the University will cover only the cancellation or change fee provided there is adequate business justification documented on the Travel and Entertainment Form for the change, or failure to complete the travel. Usually the ticket, if canceled in time, can be reused within one year of the original ticket date. These tickets may not be used for personal travel and it is the responsibility of the department to track unused tickets.

Automobile Rental

Automobile rentals may be used when justified as economical and a business necessity. Reimbursable auto rental costs include daily rental fees, fuel charges (actual fuel purchased not miles driven), tolls and rental company fees for miles used. When traveling in groups, sharing of cars is encouraged to reduce costs.

WFU has discount rental car arrangements with the Avis, National, Hertz, and Budget. Contact Purchasing at campus phone 5138 for the most recent discount code, prior to entering into your rental car agreement.

The use of mid-size, 4-door vehicles or smaller is encouraged.

Online receipts documentation for rental cars- Documenting rental cars with only online receipts requires a receipt/itinerary from the online travel service reflecting cost, payment method (e.g., Visa*****1234), and evidence of full payment. This is typically an issue when the car is rented using an online travel website rather than directly with the rental agency.

Note: See the [Travel Insurance Section](#) for additional guidance.

Other Means of Transportation

Personal Automobiles- WFU will reimburse a traveler for business use of a personal vehicle when it is less expensive than renting a car, taking a taxi, using alternative transportation, or when it saves time. WFU reimburses for business miles driven at a University established rate per mile. WFU reserves the right to establish a rate for the reimbursement of business miles that may differ from, but at no time exceed, the rate allowable by the IRS. The IRS rate is designed to cover the cost of gas, oil, maintenance, insurance, and depreciation. The University may reimburse for the cost of gas (with proper receipts when mileage is not claimed) not to exceed the cost of available round-trip economy or discounted airfare. Travelers are expected to maintain the appropriate insurance on their vehicles when they are to be used for University business travel.

The University will not reimburse employees for commuting expenses between home and work. Winston-Salem is deemed to be the work place (tax home) of all WFU employees for commuting purposes.

When the total driving distance of a trip is 400 miles or more and a traveler chooses to use his personal automobile, when economy class airfare is less expensive, the amount reimbursable to the traveler will not exceed the cost of the airfare. Proper documentation of the total cost of the airfare alternative at time of booking is necessary before reimbursement will be made. If documentation is not provided that supports the most economical means of travel, Accounts Payable will determine an appropriate amount based on rates available at the time of processing the voucher.

Tolls and Airport Parking Fees- WFU will reimburse for these fees.

Ground Transportation while Traveling- WFU will reimburse for the most economical mode of transportation. Limousine or sedan service is not a preferred method of transportation and is only reimbursable when it is the most economical ground transportation, evidenced by supporting documentation, or when approved by the President. Supporting documentation includes, but is not limited to, a receipt for expenditures totaling more than \$50.00 that shows the name of the company, location of the company, date, and price of the transportation. Any expenditure totaling \$50.00 or less must be submitted to Accounts Payable at the actual cost of the transportation.

Lodging

WFU will pay actual and reasonable costs of lodging, as supported by the detailed hotel bill, for each day that lodging away from home is required for University business purposes. Travelers should choose good quality but reasonably priced hotels or motels whenever possible. However, when attending a conference, travelers may stay at the conference hotel even if it is not the most economical.

Choosing deluxe accommodations (i.e. suites) is not allowed unless the business purpose requires such, or the accommodation is used by more than one employee. A description of the business activity that necessitates rental of deluxe accommodations must be included on the Travel and Entertainment Form.

Charges for personal items, such as movies, babysitting, recreational fees and in-room mini-bar charges, including alcohol and snacks, are not reimbursable and should be paid for separately with the traveler's personal funds. Mini-bar charges for snacks and beverages in lieu of meals will be reimbursed.

Online receipts documentation for lodging- Documenting lodging with only online receipts (as opposed to a receipt directly from the hotel) requires a receipt/itinerary from the online travel service reflecting cost, payment method (e.g., Visa*****1234), and evidence of full payment. This is typically an issue when the lodging is booked via an online travel website other than directly with the hotel.

Hotel Frequent Guest Program- Many hotels have frequent guest programs that reward travelers with free or discounted accommodations in exchange for a specified number of paid room nights at the hotel. WFU will reimburse travelers only for the actual amount paid for accommodations.

Membership Dues for Frequent Guest Programs- Membership dues for joining these frequent guest programs are not reimbursable.

Lodging in Private Residence- While in travel status, WFU will provide a per diem of \$40.00 when the employee stays in a private residence with friends or family.

Meals While Traveling on University Business

Meal expenses discussed in this section include meals while traveling away from the University while in attendance at a conference, presentation, or other business related event that requires travel.

Meals while traveling domestically- Meals are reimbursable to the extent of actual reimbursable expenses. Meals may not be lavish or extravagant (but an expense will not be considered lavish or extravagant if it is reasonable under the facts and circumstances).

Meals while traveling internationally- For procedures surrounding meals while traveling internationally, please refer to the [International Travel](#) section of this Policy.

Documentation Requirements for Meals- Employees traveling on University business and having expenses (whether paid directly by the University, seeking reimbursement, or charging on the University Procurement Card) will not have to submit receipts for meals totaling \$50.00 or less. However, the documentation submitted to Accounts Payable should include: name(s) of person(s) attending the meal, the relationship of those individuals to the University, cost, date, place, and business purpose. Even though a receipt is not required, the documentation stated above is still required.

Note: When an employee is seeking reimbursement for meals the actual amount spent for the meals is to be reimbursed. This is not a per diem. Refer to the [Introduction to Reimbursement or Payable Travel, Meal, and Entertainment Expenditures](#) section for additional information.

While the University does not require receipts for travel expenses of \$50.00 or less while traveling, guidelines for reasonable expense amounts are \$10.00-15.00 for breakfast, \$15.00-\$18.00 for lunch, and \$25.00-\$40.00 for dinner. WFU reimburses for only one breakfast, one lunch, and one dinner per day.

If the actual amount spent for the meal while traveling is in excess of \$50.00, acceptable documentation for submission to Accounts Payable includes both a summary receipt and a detailed receipt, showing the name of the payee, date, and detail of items purchased. A summary receipt or credit card charge slip only is not sufficient documentation of such expenses. If a detailed receipt is not available, please note this on the receipt prior to submission to Accounts Payable.

Alcoholic Beverages- Reimbursement from grant funds for the cost of alcoholic beverages is not permitted on federally sponsored projects. Alcohol can be served during departmental outings, parties or occasional social events.

Meals- Local Constituting a Business Expense or Business Entertainment

Meal expenses discussed in this section include local meals incurred as a business expense or as a local entertainment.

Local Meals Constituting Business Entertainment- Documentation to substantiate the expenditure for a meal must include: names of attendees, their relationship to the University, cost, date, place, and business purpose. Detailed and summary receipts are required regardless of amount for local meals and entertainment.

Meals with University Employees Only- The University understands that on rare occasions or circumstances meals between University employees will occur; however, the meal should encompass a legitimate business purpose. In rare cases, a working lunch between University employees may need to happen because of schedules or other conflicts, when confidentiality needs to be maintained, when a meeting continues through a regular meal time, or when honoring an employee through reward or recognition.

If confidentiality or privacy must be maintained, the following documentation requirements must be maintained.

1. Information consisting of vendor name, invoice date, invoice number, complete business purpose, and invoice amount.
2. The documentation must be maintained by department for seven (7) years.

Detailed and summary receipts are required regardless of amount for local meals and entertainment. A detailed receipt is one showing the name of the payee, date, and detail of items purchased. A summary receipt or credit card charge slip only is not sufficient documentation of such expenses.

International Travel

Any faculty member, staff, or student traveling overseas for Wake Forest University is required to complete international travel forms and submit them to the Center for International Studies prior to incurring any cost for such travel. This includes studying or teaching abroad; international research, conferences, site visits, service trips (including those in which faculty/staff voluntarily accompany students receiving university funding), and any other international travel that directly pertains to WFU and/or which is paid for by WFU. Information regarding the forms can be found at http://www.wfu.edu/cis/intl_travel_forms.

Meals- To simplify the process of reimbursement, the foreign traveler may request a standard per diem meal rate for the trip rather than providing detailed meal receipts. The foreign per diem rates can be found at <http://aoprals.state.gov/> and clicking on foreign per diem rates by location. If a meal per diem is used, then the traveler must not use a University Procurement Card for meal expenses. WFU will reimburse for either actual expenses or a per diem, but not both for the same trip. Per diem amounts are paid in U.S. dollars.

Lodging- WFU requires actual receipts for lodging; therefore, the lodging per diem rates do not apply.

Family Travel/Discretionary Funds- Except to the extent that a “bona-fide” business purpose for each such family member’s presence is documented, travel and entertainment expenditures where funds are expended by Wake Forest University for family members while traveling abroad are taxable to the employee.

Conversions of foreign currency- Fluctuating exchange rates make reimbursement for foreign travel somewhat complex. Hotel and dining bills paid with a credit card will be charged in the foreign country's currency and the credit card company will convert the bill to US dollars. To ensure accurate and fair reimbursement, a copy of the credit card bill in US dollars should be submitted with the request for reimbursement, in addition to the original charge slip in the foreign currency. If payment is in cash, a receipt showing the amount spent and items purchased must accompany the Travel and Entertainment Form. These amounts should be converted to US dollars by using one of the following websites: www.exchangerate.com or www.ex.com/ucc.

Family Travel and Entertainment Expenses

In general, any expenses attributable to an employee's family member(s) will not be reimbursed by WFU on a tax-free basis. However, in certain cases, a spouse or family member's attendance at a local professional function, involvement in fundraising activity, or other activity constitutes a University related activity, and the cost of such activity may be considered a "bona-fide" business expense. The University may pay for the properly documented and authorized expenses of the family member in such cases. Approval by a Vice President or Dean is required for all family expenses. In order to assist in determining the potential taxability of family travel, employees must complete a Request for Family or Guest Travel Form (www.wfu.edu/fas) and submit it to Accounts Payable prior to any family or guest travel. The form will be reviewed by employees in Financial and Accounting Services to determine if any of the known or estimated spouse or family member travel expenses are taxable to the employee and reportable on Form W-2. If the travel is determined to be taxable, the department may choose to "gross-up" the payment (i.e., pay the employee an amount sufficient to both reimburse for the expense and to pay the applicable income tax attributable to the inclusion of such expense reimbursement as additional income). However, the gross-up will be charged to the department expending the funds for travel.

When an employee's spouse or family member's attendance at a nonlocal professional function or meeting serves a legitimate business purpose, their travel expenses can be reimbursed on the same basis as the employee's, without any tax implications. A detailed itinerary should be submitted outlining the following: who, what, where, when, and why for the spouse's or family member's activities for the duration of the trip. The spouse or family member's activities need to demonstrate a business purpose for the duration of the travel or activity that is not merely incidental. Any activity performed on behalf of the University should be documented and submitted with the Travel and Entertainment Form.

If the spouse or family member's activities do not demonstrate such a business purpose, the cost of the travel or activity will be included in the employee's taxable income if reimbursed by the University.

Family members traveling with Employees on international trips- For guidance concerning family travel while on international trips; please see the [International Travel Section](#).

Entertainment

All business entertainment expenses submitted for reimbursement must be processed on a Travel and Entertainment Form. Business entertainment expenses are deductible under the IRC (and

therefore, reimbursable by the University) if they are both ordinary and necessary, and are either “directly related to” or “associated with” the active conduct of business. A “bona-fide” business purpose is required for this type of expenditure. See section titled [Introduction to Reimbursement or Payable Travel, Meal, and Entertainment Expenditures](#) or [Schedule C](#) for details on what constitutes a “bona-fide” business purpose.

For entertainment expenses to be considered “directly related” to the active conduct of business, the following must be shown:

- The main purpose of the combined business and entertainment was the active conduct of business;
- The employee did engage in business during the entertainment period; and
- The employee had more than a general expectation of getting specific business benefit from the entertainment.

For entertainment expenses to be considered “associated with” the active conduct of business, the following must be shown:

- The entertainment is associated with the active conduct of business; and
- The entertainment occurred directly before or after a substantial business discussion.

Entertainment in an Employee’s Home- Entertaining in a home is an allowable expenditure if the expenses are considered “directly related to” or “associated with” business. This includes entertainment that is considered for “goodwill”. Documentation for submission to Accounts Payable must include, but is not limited to, names of the guests, their business affiliation, the business purpose of the entertainment, and the nature of any business discussions.

Departmental Events and Outings- These events should foster a sense of community and are permissible if infrequent in nature and properly substantiated by original detailed receipts and a documented “bona-fide” business purpose. Substantially all members of the department should attend. The Department Supervisor or their designee should be present.

Tips and Gratuities

Tips and gratuities are reimbursable for normal services associated with business travel, such as food services, taxicabs, bellman, services in connection with entertainment events, etc. Reimbursable tips for meals should be included on the original summary receipt that accompanies the detailed receipt for proper documentation. As a general rule, travelers should not tip more than 20% of the bill. Tips should be reasonable and any unusual amounts must be explained.

The University should pay for any type of services directly, even tips given to service providers (e.g., servers at University events or chartered bus drivers) at University sponsored events, whether held at the University or off-site. Employees should not tip and seek reimbursement.

Telephone and Communication Charges While Traveling

Business or Personal Telephone Charges- WFU will reimburse for reasonable and necessary telephone charges for conducting business. WFU will reimburse, on a tax free basis, for one

personal telephone call of reasonable duration each day of business travel. The IRS requires documentation of the business purpose of all reimbursed telephone calls. To be reimbursed, travelers seeking reimbursement should provide the following:

- The detailed hotel bill showing the itemization of the calls or the original detailed telephone bill or detailed internet bill along with proof of payment.
- Name and title of the person called.
- Business discussion or business purpose of the call.

Speakers, Lecturers, and Other University Guests' Performing Services Travel Expenses

Travelers who are official guests of the University, and incur travel expenses that will be reimbursed by WFU, must also abide by the provisions of this Policy. Travel expenses must be substantiated with original detailed receipts. Any travel expenses not substantiated by original detailed receipts will be reported on a 1099-MISC if the \$600 threshold for such reporting is met.

Prior to payment for travel or service, the department must have the guest complete a W-9 Form (or W-8BEN for foreign nationals) and submit it to Accounts Payable with the Travel and Entertainment Form for reimbursement.

Employee Recruitment Expenses

Travel expenses incurred in connection with prospective University employee interviews and recruitment are reimbursable when properly authorized. All expenses related to the prospective employee are considered job-hunting expenses to the prospective employee and can be reimbursed tax free with original detailed receipts. Departments can pay third party service vendors directly (hotel, airline, car rental agency, etc.) on behalf of the interviewee without tax consequences. Expenses paid or reimbursed by the University for the spouse, dependent, or other individual accompanying the prospective employee may be taxable to the prospective employee. Requirements or limitations in specific contracts or grants may be applicable to interview travel.

Once an offer of employment has been accepted, additional travel expenses incurred by the newly hired employee and family are considered "moving expenses" and have separate rules governing their taxability. Incentives negotiated during the recruitment process may not be considered "qualified moving expenses"; therefore, they may be reportable and taxable whether directly reimbursed to the employee or paid to a third party.

Expenses Payable by Other Organizations

When a trip or other business expense combines two or more purposes and the person incurring the expense is eligible for expense reimbursement from more than one source, the cost of the expense should be equitably distributed among all sponsors. The person incurring the expense is responsible for seeking reimbursement for expenses payable by institutions or entities other than WFU.

Non-Reimbursable Items

Items that may not be reimbursed with federal grant funds according to OMB A-21 Circular Section J, and other miscellaneous non-reimbursable items are listed on [Schedule E](#).

Travel Insurance

The following is a brief description of the insurance the University carries to cover employees while on University travel. Full time employees on University business are automatically covered by life/accidental dismemberment insurance in the amount of \$200,000. Questions relating to coverage of non-employees or whether certain travel qualifies as University travel for insurance purposes should be directed to the Insurance Analyst, campus phone 4197, in Financial and Accounting Services before arranging the trip.

- **Personal Automobiles**
Travelers who use a personal automobile that is not insured for collision damage should be aware that they will not be reimbursed by the University for such damage. If a traveler on University business is involved in an accident that causes bodily injury or property damage to a third party, the traveler's insurance will apply. When necessary, University insurance will supplement the traveler's. Inquires and notification of loss should be directed to the FAS Insurance Analyst, campus phone 4197.
- **Rented Automobiles**
When traveling in the United States on University business, it will not be necessary for the traveler to purchase extra coverage when renting a vehicle. Wake Forest provides blanket liability and collision insurance with Hartford Insurance Company, Policy #22UENA23031. When renting a vehicle overseas, the University requires the traveler to purchase physical damage coverage from the rental agency.

Travel Advances

Generally, WFU does not allow travel advances. The University prefers the use of the University Procurement Card or issuance of an invoice; therefore, cash advances will be granted in the rare occasion when a University Procurement Card or invoice cannot be used. If the expenses cannot be paid by invoice, personal credit card, or University Procurement Card (i.e., taxis, tolls, tips, meals in certain situations), an employee may complete a Travel Advance Form. If a faculty/staff advisor accompanies students on University related travel, the advance must be in the faculty/staff advisor's name.

The Travel Advance Form must be submitted to Accounts Payable with all appropriate approvals. There is a five (5) business day processing time for advances.

Upon return from the trip, actual receipts must be submitted to Accounts Payable within 60 days of date incurred or 30 days from completion of the trip, whichever is later. Failure to account for a travel advance within this time frame may result in a payroll deduction or charges directly applied to a student's account.

Contacts

Direct any questions about this Policy to your Authorized Approver, or one of the following:

Subject	Contact	Telephone	E-mail
Policy Clarification	Accounts Payable	(336) 758-5833 (336) 758-5183	merediba@wfu.edu beltonam@wfu.edu
Reimbursements	Accounts Payable	(336) 758-5833	merediba@wfu.edu
Procurement Card-Administration	Purchasing	(336) 758-5561	hendriep@wfu.edu
Procurement Card-Auditing by Cardholder First Name:	Accounts Payable		
A-C		(336) 758-4641	fryegm@wfu.edu
D-L		(336) 758-3834	maseysa@wfu.edu
M-N		(336) 758-5833	merediba@wfu.edu
O-Z		(336) 758-1981	downina@wfu.edu
Grant Compliance	Financial Accounting & Reporting	(336) 758-5187	hellmann@wfu.edu
Sponsored Projects Agreements & Subcontracts	Office of Research and Sponsored Programs	(336) 758-4910	messerlj@wfu.edu

Cross References to Related Policies

Gift, Prizes, Donations and Awards Policy
University Procurement Card Manual
International Studies Webpage for International Travel Procedures

Web Address

www.wfu.edu/fas/policies

Appendix

Schedule A—Travel, Entertainment and Business Expense Supporting Documentation Guideline
Schedule B—Travel Expenses that May be Reimbursable when Traveling Away from WFU on Business
Schedule C—Business Purpose Guidelines (From IRS Publication 463)
Schedule D—Frequently Asked Questions
Schedule E—Non-Reimbursable Items

SCHEDULE A

Travel, Meals, and Entertainment Expense Supporting Documentation

The following outlines proper supporting documentation for common travel expenses:

Category of Expense	Acceptable Documentation
Meals	<p>Local Meals for Entertainment- Original detailed and summary restaurant receipts (provide attendee names, relationship to the University and business purpose of meal).</p> <p>Meals while Traveling- receipts not required if cost is \$50.00 or less, but a “bona-fide” business purpose is required (provide attendee names, relationship to the University, and purpose of meal, date and city).</p>
Entertainment	<p>Original detailed invoice and proof of payment.</p> <p>Documentation must include date, time, attendee names, relationship to the University, and business purpose of entertainment.</p> <p>Note: Entertainment expenses must be “directly related to” or “associated with” the active conduct of business.</p>
Airfare	<p>Airline ticket receipt showing itinerary, amount of airfare, and proof of payment.</p> <p>If a business class or first class ticket is purchased, in addition to the itinerary, a traveler must provide documentation showing price of coach airfare at the time of booking. Please use same times and dates if available. Travelers must submit this documentation with their Procurement Card Statement or Travel and Entertainment Form.</p>
Conference/Registration Fees	<p>Agenda, receipt showing price, and proof of payment.</p>
Lodging	<p>Itemized hotel bill and charge card receipt if balance on bill does not total zero.</p> <p>If using the University Procurement Card an express check out receipt can be submitted, as long as, details of the charges are shown.</p>
Telephone/cell phone	<p>Documentation for reimbursement of actual telephone calls made must include the following documentation:</p> <ul style="list-style-type: none"> • The detailed hotel bill showing the itemization of the calls or the original detailed telephone bill or detailed internet bill along with proof of payment. • Name and title of the person called • Business discussion or business purpose of the call

Taxi, parking, tolls, or other transportation	Receipt or invoice and proof of payment if expense is in excess of \$50.00.
Auto Rental	Car rental agreement and proof of payment.
Mileage	Document beginning and ending destinations, as well as miles driven on page -2- of the Travel and Entertainment Voucher.
Gas	Use only if purchased amount of gas is less than the calculated reimbursement for miles driven. Exception: When purchasing gas for a rental or University owned vehicle, account for gas purchased in the Gas column on the Travel and Entertainment Form.
Other(specify)	A detailed business purpose must be entered on page -2- of the Travel and Entertainment Voucher under the "Explanation of All Business Meal and Entertainment Expenses". A detailed receipt is required for reimbursement purposes. Exception: Tips given to service personnel (e.g. bellman and luggage handlers) do not require a detailed receipt, but must be reasonable in amount.

SCHEDULE B

Travel Expenses that May be Reimbursable or Charged to the University Procurement Card when Traveling Away from WFU on Business

IF you have expenses for....	THEN you may be reimbursed by WFU for the cost of.....
Transportation	Travel by airplane, train, bus or car between WFU and your business destination. If you were provided with a ticket or you are riding free as a result of a frequent traveler or similar your cost is zero; therefore, not reimbursable.
Taxi, commuter bus, and airport limousine	Fares for these and other types of transportation that take you between: <ul style="list-style-type: none"> • The airport or station and your hotel, and • The hotel and work location of your customers or clients, your business meeting place, or your temporary work location.
Baggage and shipping	Sending baggage and sample or display material between your regular and temporary work locations.
Car	Operating and maintaining your car when traveling away from home on business. You can deduct actual expenses or the standard mileage rate; you can deduct only the business-use portion of the expenses.
Lodging and meals	Lodging and meals include amounts spent for hotel, food, beverages, taxes and related tips. A detailed receipt for lodging is required documentation.
Cleaning	Dry cleaning and laundry when business travel is more than seven (7) days.
Telephone	Business calls while on your business trip. This includes business communication by fax machine or other communication devices.
Tips	Tips you pay for any expenses in this chart
Other	Other similar ordinary and necessary expenses related to your business travel.

SCHEDULE C

Business Purpose Guidelines

(From IRS Publication 463)

If you have expenses for....	Then you must keep records that show details of the following elements...			
	Amount	Time	Place or Description	Business Purpose and Business Relationship
Travel	Cost of each separate expense for travel, lodging, and meals. Incidental expenses may be totaled in reasonable categories such as taxis, fees and tips, etc.	Dates you left and returned for each trip and number of days spent on business.	Destination or area of your travel (name of city, town, or other designation).	<p>Purpose: Business purpose for the expense or the business benefit gained or expected to be gained.</p> <p>Relationship: N/A</p>
Entertainment	Cost of each separate expense. Incidental expenses such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment	Name and address or location of place of entertainment. Type of entertainment if not otherwise apparent.	<p>Purpose: Business purpose for the expense or the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion, and the identities of the persons who took part in both the business discussion and the entertainment activity.</p> <p>Relationship: Occupations or other information (such as names, titles or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also establish that you or your employee was present if the entertainment was a business meal.</p>
Gifts	Cost of the gift.	Date of the gift.	Description of the gift.	<p>Relationship: Occupations or other information (such as names, titles or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also establish that you or your employee was present if the entertainment was a business meal.</p>
Transportation	Cost of each separate expense.	Date of the expense.	Your business destination	<p>Purpose: Business purpose for the expense.</p> <p>Relationship: N/A</p>

Frequently Asked Questions

1. Do the travel, entertainment and business expense requirements differ between the voucher process and procurement card process?
 - The only difference between the processes is that the University Procurement Card does not require proof of payment.
2. If I have an e-ticket or Online receipt for airfare, what documentation is required?
 - See Schedule A.
3. What if I want to drive on a business trip instead of flying, can I do this?
 - Yes, if the trip is in excess of 400 miles, WFU will reimburse the amount of the most economical means of transportation (mileage vs. coach airfare). Documentation supporting cost of flight must be submitted with the Travel and Entertainment Form.
4. Can I submit an express checkout ticket from a hotel?
 - Yes, if the receipt shows the name, location, detailed charges and method of payment if a University Procurement Card was used. Personal credit card charges must have proof of payment, so a copy of a credit card statement may be required.
5. If I book my hotel accommodations in advance, online, what documentation do I need to submit to Accounts Payable?
 - See Schedule A.
6. If I'm traveling on University business, can I stay with friends or relatives versus a hotel?
 - Yes, the University will provide a per diem of \$40.00 when the employee stays in a private residence with family or friends.
7. If I'm traveling on University business, can I lease or sublease tenant space?
 - Yes. WFU must pay the landlord directly. A W-9 form must be completed by the landlord prior to payment. Employees will not be reimbursed for payments made by them to the landlord.
8. What type of documentation do I need for meal expenses?
 - See Schedule A.
9. When are meals between University employees permissible?
 - When the meeting duration requires continuation during a regular meal time (meetings of more than 2 hours) and the meal an incidental part of the agenda or the business purpose could not be satisfied during normal business hours.
10. Are massages, manicures, and pedicures an allowable expense if given as staff appreciation?
 - No, they are personal and taxable.
11. Are baby shower or wedding gifts reimbursable?
 - Not on a tax free basis.
12. Will WFU allow expenses pertaining to spouse/family to attend a WFU sponsored event, conference or seminar, or any other business travel related event?
 - No, unless documentation demonstrates that the majority of the family member's duties over the duration of the trip are actual business activities.

13. Can I use a per diem for international travel?

- Yes, a per diem is allowed for international travel for meals and incidentals only. The traveler must choose between the actual expense method or per diem method for the duration of the trip. If the per diem is chosen, then the traveler must not use a University Procurement Card for meal expenses.

SCHEDULE E

Non-Reimbursable Items

Non-Reimbursable Items for Federal Grants

Certain items may not be reimbursed with federal grant funds according to OMB A-21 Circular, Section J. These items include:

- Alcoholic beverages
- Entertainment costs
- Goods or services for personal use
- First class accommodations on commercial airlines
- Passports and Visa expediting fees

Miscellaneous Non-Reimbursable Items

Incidentals, such as personal recreation, movies, snacks, or any other expenditure that are not directly related to, or necessary for, the performance of the travel assignment will not be reimbursed. This includes personal travel while on University business and travel expenses for family members. The following is a list to be used as a guide and is not an all inclusive list of miscellaneous non-reimbursable items.

- Air phone usage (unless documented with an appropriate business purpose)
- Annual fees for personal credit cards
- ATM fees, unless associated with foreign currency exchange
- Babysitting services
- Barber and hairdresser fees
- Clothing or toiletry items
- Contributions to public officials or candidates to public office
- Credit card (personal) delinquency fees or finance charges
- Doctor's bills, prescriptions, and other medical services
- Exercise facility fees
- Expenses related to vacation or personal days taken before, during or after a business trip
- Golf fees (unless associated with business entertainment)
- Frequent flyer award ticket fees
- Insurance- domestic car rental, optional travel or baggage insurance
- Kennel costs
- Laundry services, when travel is 7 business days or less
- Valet services
- Loss of theft of personal funds or property
- Luggage and briefcases
- Magazines, books, newspapers, or other personal reading materials
- Medicine
- Membership dues, including airline club dues and country club dues unless authorized by the appropriate authority and required for business use
- Movies
- Mini-bar charges for alcoholic beverages, food, and non-alcoholic drinks(unless in lieu of a meal)
- Personal automobile service or repairs

- Personal entertainment, including sports events
- Pet or house sitting fees
- Recreation
- Satellite radio and other automobile subscriptions (XM radio, ON-Star, etc.)
- Saunas, massages, manicures and pedicures
- Shoe shines
- Shower gifts, engagement gifts, birthday gifts, and congratulations on personal related achievement whether in the form of a gift or meal
- Souvenirs or personal gifts
- Traffic fines, court costs, or parking violations
- Transportation from home to office or office to home
- Upgrades for air, hotel, or rental car or unused room reservations not properly cancelled
- U.S. Travelers' check fees