

California State University

TRAVEL POLICY

May 21, 2009

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OVERVIEW

Introduction

This policy articulates the California State University (CSU)'s minimum requirements related to official University business travel. The intent of this policy is to ensure that University funds allocated towards official business travel are appropriately used, properly authorized, supported by a business purpose, substantiated by applicable receipts, correctly processed for payment and in compliance with federal and state requirements.

No set of policies can contemplate every possible scenario that may arise. Additional expenditure constraints may be imposed at a University level, or by way of a project/grant. These constraints are to be monitored through internal controls applied at the University level. Where the provisions of this policy are in conflict with the collective bargaining agreements pursuant to HEERA, the collective bargaining agreements shall take precedence.

It is expected that University employees will act in an ethical and responsible manner, regardless of whether a particular rule or policy statement addresses a specific situation.

Official University Business Travel / Authorization to Travel

Travel related expenses necessary to conduct official University business are subject to this policy. Users may be held accountable for their conduct under any applicable University or campus policies, procedures, collective bargaining agreements, and/or applicable provisions of the California Education Code.

It is the responsibility of those traveling on official University business to ensure they have authorization to travel. Authorization to travel must be obtained from appropriate administrators within the employee's organization as determined by the organization's identified delegation of authority in accordance with Executive Order 688. Employees should review specific procedures with their management.

Those Subject to This Policy

This policy applies to all employees, students and others traveling on official University business.

It is the responsibility of each individual who spends funds related to official University business travel and for each administrator and approving authority who approves use of funds related to official business travel to be aware of and follow this policy. The University assumes no financial responsibility for expenditures incurred by individuals who fail to adhere to these policies and procedures.

Exceptions to This Policy

Any exceptions to this policy must be approved by the appropriate University administrator, namely, the president or his/her designee.

RESPONSIBILITY OF THOSE INVOLVED IN TRAVEL PROCESS

Traveler Responsibility

Those traveling on official University business must familiarize themselves with and adhere to the travel policy, and ensure they have authorization to travel prior to embarking on the trip.

When submitting a travel claim (including travel claims submitted on behalf of an individual), the individual due reimbursement is:

- responsible for submitting timely travel claims no more than 30 days from the return of the trip (at the end of a fiscal year, travel expenses claimed for July 1 and beyond must be submitted in a separate travel expense claim from those claimed for June 30 or earlier);
- required to specify the business purpose of the trip and show the inclusive dates of each trip;
- certifying he/she had received authorization to travel;
- certifying he/she traveled on official business;
- certifying he/she submitted the accurate amount due;
- certifying he/she has not and will not seek reimbursement for a duplicate claim or from any other source;
- responsible for returning to the University within 30 days, any reimbursement or payment issued by the University which subsequently results in a refund.
-

Approving Authority Responsibility

The approving authority is the University employee who has been granted authority, by way of the University delegation of authority process, to approve the use of funds. The approving authority designated to approve

travel claims ensures all expenses are reasonable in terms of price, purpose, and necessity. Travel expenses not directly related to official University business are not reimbursable.

The approving authority is responsible for:

- ensuring expenses charged to his/her accounts are supported by sufficient funds and ensuring appropriateness of use of funds;
- ensuring expenses requested are reasonable, necessary and supported by a business purpose or justification, as appropriate;
- reviewing and approving the business purpose and ensuring the request is in compliance with any applicable sponsored project/grant requirements;
- approving/denying payment of the travel claim in a timely manner.
-

Travel Reimbursement Office

A University designated travel reimbursement office will perform the following functions:

- Reviewing/auditing for compliance with policy;
- verifying appropriate approver;
- ensuring appropriate documentation is submitted;
- processing reimbursements and payments.

TRAVEL RELATED EXPENSES

Transportation

- AIR TRAVEL: The University will support the cost of economy-class (coach), commercial airfare for official University travel. Use of advance purchase or other discounted economy-class fares are recommended, whenever ticketing restrictions are reasonable.

The University will pay the cost of one checked bag. Any additional cost of bags is to be borne by the traveler, unless a justification is submitted explaining why the traveler paid for extra luggage (such as computer, presentation handouts, tradeshow exhibits etc.) and can demonstrate that the additional cost was solely for the benefit of the CSU.

Individuals arranging student air travel must refer to Executive Order 590, Student Air Travel, for additional requirements.

- PRIVATELY OWNED VEHICLES: A privately owned motor vehicle may be used for University business when it is the most appropriate transportation mode. Motorcycle use for University business is prohibited.

- Travelers will be reimbursed for use of a privately owned vehicle at the prevailing allowable rate per mile. The allowable rate shall be the current Internal Revenue Service Rate, as defined at <http://www.gsa.gov/portal/gsa/eq>. Those requesting reimbursement are certifying the miles requested for reimbursement are accurate. Reimbursement will be made for travel between the traveler's normal work location and travel destination, except for travel on a scheduled day off where mileage will be calculated from the traveler's residence. Travelers will not be reimbursed for travel between their personal residence and normal work location unless they are called back for overtime work necessitating more than one trip to the normal work location on a scheduled work day. Normal work location is the place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments. The employee's department determines what constitutes an individual employee's work location for the purpose of this policy.

School Site Teacher Candidate Supervisors are reimbursed for mileage to and from a school site for teacher candidate supervision. The mileage amount may be claimed from the employee's normal work location. Travel between school sites will be reimbursed at actual mileage. Due to the unique nature of the CalStateTEACH program, specific implementation guidelines for the CalStateTEACH travel reimbursement policy will apply.

Travelers will not be reimbursed for any depreciation, lease payments, maintenance and repairs, gasoline (including gasoline taxes), oil, insurance, or vehicle registration fees. Travelers are responsible for carrying and maintaining liability insurance if using a private vehicle. Refer to Section 5.0 for insurance requirements.

- **RENTAL VEHICLES:** The University will reimburse travelers for the cost of renting an approved vehicle and associated gasoline charges. When renting a vehicle for business, University travelers should use one of the CSU's preferred vendors when available. Reimbursement will be made at the lowest negotiated preferred vendor rate for the CSU. Any other rental car charges above the standard CSU rate require a business justification. Refer to Section 5.0 for information on insurance coverage.
- **RAIL:** The University will support the cost of economy-class rail for official University travel.

- OTHER TRANSPORTATION: Taxi, shuttle, bus, ferry or other transportation is permitted when necessary for the conduct of business.

Accommodations

- HOTEL/MOTEL: Travelers are expected to secure lodging at a hotel/motel when traveling on business. Travelers will be reimbursed for lodging expenses when traveling 25 or more miles (one way) from the employee's normal work location or home, whichever is closer.

Meals and Incidentals

- MEALS WHILE TRAVELING: Travelers will receive a fixed amount (per diem) for meals and incidentals, based on the location of the travel destination (domestic or foreign). Prevailing rates can be found at www.calstate.edu/FinancialServices/. These rates are based on the IRS rates in effect on the date of travel.
 - For trips lasting more than one day, the meal allowance covers up to three daily meals, including all gratuities associated with the meal. The first and last day of travel will be reimbursed at 75% of the prevailing per diem rate for any meals claimed.
 - No per diem for meals or incidentals will be paid for travel of less than 12 hours.
 - For travel of more than 12 hours, but less than 24 hours, no per diem meals or incidentals amount will be paid. If lodging is approved and a receipt for lodging is submitted, then 75% of the prevailing per diem meals and incidentals rate will be paid.
 - Per diem is not taxable as income as long as the duration of the trip exceeds 24 hours. If the 75% per diem rate is paid for travel of less than 24 hours, but the trip involved lodging, the 75% per diem rate is *not* taxable. However, if an exception to policy is made by the approving authority for paying per diem for meals and incidentals for travel of less than 24 hours where no lodging was necessary, the 75% per diem *is reportable and taxable*. It must be included in box 1 of the W-2 form. See Section 4.0 for international travel tax implications.
 - Any meals provided or paid for by a third party will not be subject to employee reimbursement. Any meals or entertainment provided by vendors are subject to annual reporting on Form 700 if they exceed the guidelines determined under that policy.
- MEALS AT CONFERENCES: Full per diem for meals will not be paid when attending a conference which includes meals. Under such circumstances, the per diem meal rate paid will exclude the applicable per diem amount for the meal. It is the traveler's responsibility to deduct the meal per diem amounts already paid for by the University

as part of a conference fee. In the event the traveler must forego the provided meal for health or business reasons, an explanation for the purchase must accompany the claim. Supporting documentation may be requested and required.

- **INCIDENTALS:** Incidentals of \$3 per day are included in the daily per diem rate for meals and incidentals. This amount covers fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others in ships, and hotel servants in foreign countries; transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and the mailing cost associated with filing travel expense claims and payment of employer-sponsored charge card billings.

Other Expenses

Travel related expenses incurred by a traveler may be reimbursed if considered by the administrator and/or approving authority to be reasonable and customary travel charges. This section identifies a non-exhaustive list of miscellaneous reimbursable and non-reimbursable expenses that are not addressed elsewhere in this policy.

- **TIPS:** Tips and gratuities, within reason and over and above tips reimbursed as part of the per diem (see Section 3.3), are reimbursable if incurred while traveling on official University business. The University will reimburse reasonable and customary gratuities for items such as shuttle driver tips. Meal tips are reimbursed as part of the meal per diem; taxi tips are reimbursed as part of the taxi expense; valet tips are reimbursed as part of the parking fee.
- **TRIP CANCELLATION/CHANGE FEES:** If a trip must be cancelled or changed, the traveler must make every effort to cancel/change any travel reservations. Fees incurred as a result of cancelling/changing a trip will be covered if the cancellation/change was work related or due to unforeseen circumstances out of the control of the traveler. A business justification must be submitted and approved by the approving authority.
- **PERSONAL TRAVEL COMBINED WITH UNIVERSITY BUSINESS TRAVEL:** Any altering of business-related travel for personal convenience is permitted as long as there is no additional cost to the State or loss of productivity. Generally, there are two types of altering of business-related travel for personal convenience:
 1. utilizing a different method of transportation; and
 2. extending travel for personal reasons.

When a different method of transportation is used for personal convenience, such as driving instead of flying, the CSU will pay the lesser cost of the two methods. If the alternate method is used and

requires additional time, the staff member must use his/her own personal time.

When travel on state business is extended for personal reasons, the CSU will only reimburse the staff member for expenses during the time he/she would have been required to travel were the trip not extended for personal reasons.

- **OTHER REIMBURSABLE EXPENSES:** Parking fees, toll charges, internet and travel booking fees are reimbursed if necessary and incurred while traveling on official University business.
- **OTHER NON REIMBURSABLE EXPENSES:** This section identifies various expenses not addressed elsewhere in this policy that are not permitted using University funds. This list is not exhaustive and is only meant to provide examples of expenses that will not be reimbursed by the University, such as: personal domestic ATM/credit card fees, fines/citations, clothing and accessories, commuting expenses, frequent traveler program participation/fast track (CLEAR)/club membership fees, luggage (lost luggage may be covered, see section 5.6), personal entertainment, personal care, dependent/pet care. Exceptions for expenditures that are typically non-reimbursable, and arise because of special or unusual circumstances, must be authorized or approved and documented by the appropriate approving authority.

INTERNATIONAL BUSINESS TRAVEL

Business Expenses

Certain business expenses related to international travel will be reimbursed if incurred as a result of traveling on official University business. Those traveling abroad should acquire appropriate travel insurance (see section 5.5).

- **VISAS AND PASSPORTS:** If required for official University business, costs associated with obtaining or renewing visas and passports required for entry into certain countries are reimbursable.
- **IMMUNIZATIONS:** If required for official University business, costs associated with obtaining or maintaining immunizations required for entry into certain countries are reimbursable.
- **FOREIGN CURRENCY CONVERSION FEES AND RATES:** Foreign currency fees are reimbursable when an expense is incurred in a foreign currency and needs to be converted into US dollars. Documentation to support the conversion rate used needs to be submitted. A conversion website available to the public can be used, such as www.xe.com. Conversion rates should be calculated for the date the expense was incurred.

- ATM TRANSACTION CHARGES OUTSIDE THE UNITED STATES: ATM transaction fees incurred while traveling abroad will be reimbursed if the transaction was necessary to conduct University business.

Taxability of International Travel with Personal Use

International travel frequently consists of both business and personal components. According to the IRS, there is a taxability issue if BOTH of the following conditions are met:

1. The total period of the trip is longer than one week, *and*
2. At least 25% of the trip is personal

In the event that both conditions are met, a portion of the common business expenses that are reimbursed to the traveler, including airfare, is taxable to the traveler. This requirement applies to travel outside the 50 United States and the District of Columbia.

For the purposes of calculating the percentage of business and personal time when a travel day consists of both business and personal time, the day would be classified as a business day. For purposes of this policy, sabbaticals are treated as business. For more information, review the following examples:

EXAMPLES OF INTERNATIONAL TRAVEL COMBINING BUSINESS AND PERSONAL EXPENSES:

- TRIP WITH A TAXABLE ELEMENT: An employee travels to London for 10 days, of which 7 days are business related and 3 days are personal; 70% of the trip is business and 30% is personal. The traveler is reimbursed for airfare and 7 days of meals and lodging. The other 3 days of meals and lodging are considered personal and are not reimbursed. Since the trip was longer than one week and at least 25% personal, the employee must be taxed on 30% of the airfare, which is considered personal use under IRS regulations.
- TRIP WITH NO TAXABLE ELEMENT: An employee travels to London for 10 days, of which 8 days are business related and 2 days are personal; 80% of the trip is business and 20% is personal. The traveler is reimbursed for airfare and 8 days of meals and lodging. The other 2 days of meals and lodging are considered personal and are not reimbursed. The cost of airfare, even though it is reimbursed to the traveler, is not taxable since the personal component is not equal to or greater than 25% of the trip.

INSURANCE, PERSONAL PROPERTY OR BAGGAGE LOSS, EMERGENCIES

Workers Compensation

Employees injured during the course and scope of their employment while on authorized travel status are covered by the CSU Workers Compensation Insurance program.

Private Vehicles

Travelers on CSU business are responsible for following all state and federal laws with regard to use of a private vehicle and must maintain legally required levels of liability insurance. The reimbursable mileage rate includes the cost for maintaining liability insurance at the minimum amount prescribed by law and collision insurance sufficient to cover the reasonable value of the vehicle, less a standard deductible. When a privately owned vehicle operated by an employee is damaged by collision or receives other accidental damage, reasonable reimbursement for repair shall be allowed under the following conditions:

1. the damage occurred while the vehicle was being used on official state business with the authorization of the employing University;
2. the vehicle was damaged through no fault of the employee;
3. the amount claimed is an actual loss to the employee, which is not recoverable either directly from or through the insurance coverage of any of the parties involved in the accident;
4. the amount of the loss claimed does not result from a decision of an employee not to maintain collision coverage;
5. the claim is processed in accordance with prescribed procedures.

Privately Owned Aircraft, Boats, Motorcycles

Traveler must obtain prior approval and is required to provide evidence of personal liability insurance if using privately owned aircraft or boats for the purpose of conducting CSU business. Motorcycle use is not allowed.

Rental Vehicles

Every effort should be made to use one of the rental car companies under contract with the University when renting a vehicle for the purpose of conducting CSU business, as the negotiated rental rate includes Liability Damage Waiver/Collision Damage Waiver and additional liability insurance, which is considered “primary” in the case of an accident. A current list of rental car contracts can be found at:

<http://www.travel.dgs.ca.gov/TravelerGuide/default.htm>.

If for justifiable reasons a non-contracted rental agency must be used, it is recommended that the renter purchase the daily insurance available through the rental agency. In this case, reimbursement of this expense is allowed.

International Travel

For International Travel, it is required that employees contact their risk management offices to obtain applicable and appropriate travel insurance including trip cancellation insurance when traveling outside the country. For more information, contact your University Risk Management/Insurance officer. The current risk management policy provides employee accidental coverage.

Personal Property or Baggage Loss

If an employee incurs a loss to personal belongings, the first common carrier is typically responsible for reimbursement of losses, and the employee should file an appropriate claim as instructed by the common carrier. If the common carrier does not provide full reimbursement to the employee for personal effects, then an “equity claim” may be filed with the University Risk Management/Insurance officer. Documentation to substantiate the claim is required. Claims of less than \$1,000 may be settled (if appropriate) at the University level. For claims or settlements greater than \$1,000 a claim may be filed through the VCGCB (Victim’s Compensation and Government Claims Board). The claims form can be found at: <http://www.boc.ca.gov/>

Emergencies

In case of emergencies while on travel status, the traveler should first contact emergency responders at their location. The traveler’s appropriate administrator and University Risk Management/Insurance officer should be informed as soon as possible.

Employees covered by the CSU Group Life insurance plan through Standard Insurance Company are also covered by the MEDEX Travel Assist program (Group #7088) when traveling at least 100 miles from home or in a foreign country. For more information see your University Payroll/Benefits office. Additional information about coverage can be found at: http://www.calstate.edu/Benefits/carrier.materials/2005_Medex_Brochure.pdf.

TRAVEL ADVANCES/CASH AND OUT-OF-POCKET EXPENSES

Employees may be reimbursed for out-of-pocket costs prior to the actual dates of travel by submitting a travel advance claim or claim for reimbursement.

Cash advances should only be allowed for those business situations where a University-issued charge card cannot be used. Cash advances are intended to cover anticipated

expenses associated with a particular trip and will not be issued more than 30 days before the date of departure.

Travel advances, cash, and out-of-pocket expenses must be settled within 30 days after completion of the trip. Settlement is handled through submission of a travel claim showing itemized expenses and associated advances. Claims should include any expenses incurred and reimbursements paid prior to the trip departure date. Users may be held accountable for their conduct under any applicable University or campus policies, procedures, collective bargaining agreements, and/or applicable provisions of the California Education Code.

If a trip is cancelled or postponed any associated advances must be returned immediately.

RECEIPT DEFINITION AND SUBMISSION REQUIREMENTS

Original detailed/itemized receipts must be submitted with a travel claim for any expenditure over \$25. If an original receipt is lost, a duplicate must be obtained in order to process the travel expense claim. In cases where a receipt cannot be obtained, a statement to that effect and the reason for no receipt shall be made on the expense claim, with written approval provided by the administrator/approving authority. In the absence of a satisfactory explanation the amount involved will not be allowed.

APPENDIX A: DEFINITIONS

- **OFFICIAL UNIVERSITY BUSINESS TRAVEL STATUS:** To be considered on Official University Business Travel status, at least one of the following criteria must apply:
 1. a trip is certified by the president or designees to be essential to University operations;
 2. the trip relates directly to University programs including development activities and objectives;
 3. the trip is to a meeting of a professional association or society to deliver a paper, to serve as moderator or group leader, to serve on a panel, or to fulfill obligations as an association or society officer;
or
 4. the trip has as its primary purpose recruitment of faculty or administrative personnel.
- **ADMINISTRATOR:** The University president or University employees who have been re-delegated authority by the president to approve requests for travel.
- **APPROVING AUTHORITY:** The Approving Authority is defined as “a person to whom authority has been delegated in writing to approve expenses in accordance with University policy”.
- **CASH ADVANCES:** Cash (or cash equivalents) given to a traveler in advance of a trip.
- **DELEGATION OF AUTHORITY:** University presidents have been delegated authority and responsibility for effective oversight of all funds held by the University.
- **PER DIEM:** A set daily dollar amount available to eligible travelers to cover the cost of meals and certain incidentals. The amount varies based on the destination of travel. The CSU uses the per diem rate guide published by the General Services Administration, which provides rates for a number of cities.
- **NORMAL WORK LOCATION:** Work Location is defined as “the place where the major portion of an employee’s working time is spent or the place to which the employee returns during working hours upon completion of special assignments”. The employee’s department determines what constitutes an individual employee’s work location for the purpose of this policy.
- **OUT-OF-POCKET EXPENSES:** Expenses that are incurred and paid for by the traveler using cash or other mechanisms with traveler liability (e.g., a credit card in which the traveler is liable).
- **TRAVEL ADVANCES:** Reimbursement of travel related expenses incurred prior to the dates of travel.

- WORK DAY: The work day refers to the hours an employee is scheduled for work on any one calendar day, or may consist of consecutive hours an employee is scheduled to work over two (2) consecutive calendar days when the scheduled hours cross midnight.

APPENDIX B: REFERENCE INFORMATION

Current per diem, mileage rates, travel form, insurance levels and other information pertinent to business travel can be found at:

<https://www.calstate.edu/FinancialServices/codedmemos/>.

Financial Services
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

www.calstate.edu

Date:
July 3, 2008

Code: FS 2009-01

To:
CSU Presidents

Supersedes: HR 2008-10

From:
Colleen Nickles
Assistant Vice Chancellor
Financial Services

Subject:
CSU Policy and Procedures Governing Travel and Relocation Expense Reimbursement

Overview

Audience: Human Resources Directors, Accounting Officers and/or campus designees responsible for administering CSU policy and procedures governing business travel reimbursement.

Action Item: Implement and communicate New Mileage Rates for business travel and moving expenses retroactive to January 1, 2009.

Affected Employee Groups/Units: All CSU employees authorized to travel on official University business.

Summary

The Federal standard mileage rate for business travel has decreased from 58.5 cents per mile to 55.0 cents per mile, effective January 1, 2009. The IRS has made this adjustment in recognition of the recent decline in gasoline prices and the CSU has elected to adopt it.

The Federal standard mileage rate for moving expenses decreased from \$.27 per mile in 2008 to \$.24 per mile, effective January 1, 2009.

Campus designees responsible for administering the CSU travel policy should read the rest of this Financial Services coded memorandum located at <http://www.calstate.edu/sfo/CodedMemos/coded.shtml>

The Internal Procedures Governing Reimbursement for Travel Expenses and Allowances; Rates for Housing and Lodging (Attachment A) have been revised and are effective January 1, 2009. The revision is summarized below:

Travel Procedures (Attachment A)

Standard business mileage reimbursement rate has decreased from 58.5 cents per mile to 55.0 cents per mile, effective January 1, 2009. In recognition of the recent decline in gasoline prices, the IRS has made this adjustment and the CSU has elected to adopt it.

Internal Procedures Governing Reimbursement for Moving and Relocation Expenses (Attachment B)

Standard mileage rate for moving and relocation expenses has decreased from 27.0 cents per mile to 24.0 cents per mile, effective January 1, 2009. In recognition of the recent decline in gasoline prices, the IRS has made this adjustment and the CSU has elected to adopt it.

This policy does not address specific issues related to taxability of reimbursed expenses. Please refer to the SCO Payroll Procedures Manual (PPM) for guidance, and tax reporting instructions, as appropriate.

Questions regarding travel and relocation procedures may be directed to Accounts Payable at (562) 951-4690. This Financial Services memorandum is also available at <http://www.calstate.edu/FinancialServices/codedmemos/>

CN:LR:gs

FS 2009-01

[Attachment A](#) (.pdf)

[Attachment B](#) (.pdf)