

LUTHER COLLEGE

POLICIES AND PROCEDURES

Department:	Financial Services
Subject:	Travel Expenses
Date Issued:	May 7, 2009
Date Revised:	January 16, 2019
Approved By:	Audit Committee (May 7, 2009); Board of Regents (May 15, 2009) President (December 14, 2018; January 16, 2019)

I. Policy

The college will pay for travel expenses that are reasonable and necessary for college business. Such travel expenses must be properly documented and authorized according to the terms of this policy.

II. Purpose

This policy is intended to guide those traveling on behalf of Luther College in order to ensure cost-effective travel that complies with IRS requirements and achieves the objectives of the college.

III. Scope

This policy applies to faculty, staff, students, and others at Luther College who engage in travel for college business purposes.

IV. Procedures and Guidelines

A. General

- Travelers authorized to use a Luther College commercial credit card are required to use it for travel expenditures whenever possible.
 - Using a personal card in lieu of a college commercial card to obtain reward benefits is not permitted.
 - Commercial card expense reporting instructions are included in the [Commercial Credit Card Policy](#).
- Travelers without access to a Luther College commercial credit card or requiring reimbursement for non-card expenses such as mileage should request reimbursement for eligible travel expenses using a [Travel Reimbursement Request](#) form.
 - The travel reimbursement request should include a brief explanation for the business purpose of the trip, travel dates and destinations, and a day-by-day listing of eligible travel expenses.
 - Itemized receipts for all expenditures should be stapled to the travel reimbursement request. Acceptable documentation in order of preference is as follows:
 - An original, itemized receipt
 - Copies of original, itemized receipts

- A printout of an electronic order confirmation
 - A [Missing Receipt Form](#), if a traveler is unable to obtain any of the above examples of documentation.
 - Completed travel reimbursement requests should be approved by the appropriate budget center director(s) and forwarded to the Office for Financial Services for processing.
 - If the traveler is the budget center director of the account funding the travel, then the travel reimbursement request should be signed by the traveler's supervisor.
 - According to IRS guidelines, travel expense reimbursements must be processed within 60 days of the travel or they are subject to taxation. Travel reimbursement requests submitted more than 60 days after they are incurred will be processed through payroll.
- Travelers should avoid paying sales tax wherever possible by using a college commercial card or having charges billed directly to Luther College. Refer to the [Sales Tax Exemption Policy](#) for additional information.
- The travel costs of companions accompanying college travelers are the responsibility of the college travelers unless the companions are representing the college in an official capacity.

B. Meals

- The IRS requires that all costs for meal reimbursement must document who attended, the business purpose of the meal, the cost, the location, and the date. This information should be documented via an original, itemized receipt with any required supplemental information recorded on the accompanying commercial credit card expense report or travel reimbursement request.
- The college will pay for reasonable and documented meal expenses up to \$40 per day. Excess meal expenses for one day may not be carried forward or backward to another day. If excess meal expenses are incurred using a college commercial credit card, reimbursement for the excess should be included with the commercial card expense report.
 - The daily meal limit will increase to \$60 per day for travel in high cost localities, as defined in Section 5.2 of the [annual IRS notice](#).
 - The daily limit should be prorated for partial day travel (commences after 7:00am and/or concludes before 7:00pm) and when meals are provided at no additional cost by hotels and/or conferences/events.
 - The daily limit may be exceeded when necessary when entertaining guests for college business purposes. The excess meal charges require supervisor approval and should be reasonable based on the nature of the business activity.
 - Tipping at the standard rate of 15-20% is acceptable as long as it falls within the daily meal expense limit.
- Meals that are paid for by the college without an accompanying overnight stay are considered to be taxable income by the IRS. The college will not pay for meals without an overnight stay unless one of the following conditions is met:
 - A traveler is in continuous travel status for more than twelve hours.
 - The meal involves entertaining guests for college business purposes.

- The meal is shared with sports teams, music ensembles, or other student groups traveling on official college business.
- The college will not pay for alcohol unless employees are entertaining guests for business purposes and the alcohol expense is approved by the appropriate vice president.
 - Alcohol should never be charged to a federal grant or contract.

C. Air Travel

- Flight arrangements should be made in the most economical way possible given the circumstances.
 - Travelers should purchase tickets at the cheapest available fare class.
 - Reservations should be made at least 30 days in advance whenever possible.
 - Travelers should compare prices from multiple airlines.
 - Travelers are encouraged to minimize costs by considering multiple airports, flights with intermediate stops, different flight times, and different flight dates as long as the savings are greater than any additional costs to the college.
 - Transportation by private plane is not authorized.
- Travelers may participate in frequent flyer programs in order to receive personal benefits from college travel. However, airline selection cannot be influenced by frequent flyer affiliations. The lowest cost air travel option should take precedence. Travelers will not be reimbursed for flights purchased with frequent flyer miles.
- Travelers flying out of the Minneapolis-St. Paul International Airport (MSP) can receive a \$1.00 per day rate reduction by parking at the EZ Air Park offsite lot (2804 Lexington Ave S, Eagan, MN 55121). The lot is open 24 hours per day, 7 days a week, and shuttles run to and from the airport every 5-10 minutes. Travelers can receive the corporate rate discount by showing their Luther College ID card upon checkout.

D. Ground Transportation

- Travelers should use a college vehicle instead of a personal vehicle whenever possible. Refer to the [Fleet Vehicle and Auto Use Policy](#) and the [Vehicle Use Procedure for Fleet and Personal Vehicles](#) for additional information regarding driving for college business purposes.
- Ground transportation should be by the least expensive mode of transportation available. Travelers should evaluate opportunities for hotel shuttles, buses, trains, and other public transit before utilizing taxis or car services.

E. Lodging

- Trips of less than 50 miles one way from the college or the traveler's residence, whichever is closer, do not qualify for an overnight stay unless college business prohibits the traveler from having eight hours at their home to rest.

- Lodging arrangements should be made in the most economical way possible given the circumstances.
 - Reservations should be made in advance whenever possible.
 - Requests should be made for educational or business traveler rates.
 - When discounted lodging arrangements have been negotiated by an event organizer, travelers should still search for lower cost accommodations nearby.
 - The only available room at the time of the reservation may be in a higher rate category. Travelers should double check at check-in to confirm they are receiving the lowest available rate.

- If a cancellation is necessary, the traveler should notify the hotel in advance and obtain a cancellation confirmation number. Except under extenuating circumstances, the college will not reimburse travelers for unused, refundable reservations.

- If a college employee stays with a friend in order to avoid lodging costs for college business travel, a reasonable gift to the host is reimbursable. The gift should be less than the cost of lodging and should not be alcohol, cash, or a gift card (e.g. a meal or flowers).

F. Unallowable Travel Costs

- The college will not pay for the following travel costs:
 - Personal entertainment expenses
 - Lost baggage or replacement baggage costs
 - Hotel room mini-bar, movies, or personal telephone calls
 - Repairs or maintenance of personal vehicles used for college travel
 - Fines for vehicle violations or personal misconduct
 - Laundry service, unless traveling for more than one week
 - Costs of commuting between home and work

V. Confidentiality and Record

All records related to this policy will be maintained by the appropriate offices.