



POLICY STATEMENT

Harvard University reimburses for necessary and reasonable travel expenses incurred conducting University business. Individuals should not benefit financially, or incur financial losses, as a result of traveling on behalf of the University. Reimbursements are made only when requests are in accordance with this policy.

All travel reimbursement requests must:

- be supported by a detailed business purpose and in most cases by original receipts
- be charged to the appropriate general ledger account coding based on the business purpose of the expense
- be approved in the University's Web Voucher Reimbursement application
- be received by University Financial Services (UFS) no later than sixty (60) days after the date of completion of a trip

REASON FOR POLICY

Harvard has an obligation to promptly and consistently reimburse people incurring expenses on its behalf. This policy protects the University's assets, and the assets of those spending on its behalf, by clearly stating acceptable expenses and reimbursement procedures.

Finally, this policy will reasonably ensure that reimbursements comply with IRS accountable-plan rules. Harvard has elected to participate in an accountable plan in part because accountable plans eliminate the need for employees to report reimbursements as income on their tax returns. The IRS outlines accountable-plan rules as follows:

To be an accountable plan, your employer's reimbursement or allowance arrangement must include all of the following rules.

1. Your expenses must have a business connection—that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
2. You must adequately account to your employer for these expenses within a reasonable period of time.
3. You must return any excess reimbursement or allowance within a reasonable period of time.

WHO MUST COMPLY

All Harvard University schools, tubs, local units, Affiliate Institutions, Allied Institutions and University-wide Initiatives. Individuals who must follow this policy are all University employees, University students, and non-employees incurring travel expenses on behalf of the University.

RESPONSIBILITIES

Travelers/Reimbursees: Those travelling on Harvard University business must abide by this policy and the accompanying procedures as well as any related local-unit and/or sponsored regulations.

Web Voucher Reimbursement Approvers: Approvers have primary responsibility for ensuring compliance with this policy. When approving Web Voucher Reimbursement requests, approvers must:

- verify that all expenses have a University business purpose
- verify that all travel expenses were incurred in travel status while on official University business
- verify that all submitted information and supporting documentation is accurate and in accordance with this policy
- verify that all expenses are charged to the appropriate general ledger account(s) based on the business purpose of the expense(s)
- contact tub financial dean's office for instructions if travel expenses exceed the guidelines of this policy or local policies, or if expenses seem excessive



RESPONSIBILITIES, continued

- contact local tub-level sponsored official or Office for Sponsored Programs when necessary, to verify that all expenses meet applicable sponsor guidelines

Tubs: Tub financial deans or equivalent tub financial officers must:

- ensure that local units abide by this policy and the accompanying procedures
- ensure that individuals involved in the process of reimbursing travel expenses are properly trained
- ensure that travelers understand the requirements of this policy
- maintain an appropriate hierarchy for review and approval of University travel and travel-reimbursement requests

At their own discretion, tubs may impose greater but not less control than required by this policy.

University Financial Services (UFS): UFS, within the Office of the Controller, must

- maintain the University's Travel Policy and answer related questions
- audit travel reimbursement requests to ensure that they are compliant with University policy and with IRS and other regulations
- process reimbursements in a timely manner
- properly record and report any taxable reimbursements

Office for Sponsored Programs (OSP): OSP (within the Office of the Vice President for Finance), in conjunction with the Vice Provost for Research, will help determine which travel expenditures are reimbursable under a particular grant or contract, and is available to assist with any questions related to travel on sponsored funds.

Risk Management and Audit Services (RMAS): RMAS, within the Office of the Vice President for Finance, is responsible for performing periodic, random departmental audits, which include reviews of travel, entertainment, and non-travel business expense reimbursements.

RELATED POLICIES

Stewardship Responsibility: <http://vpf-web.harvard.edu/policydocuments/browsebytopic.do>

University-wide Business Expense Policy (includes non-reimbursable expenses): <http://vpf-web.harvard.edu/policydocuments/browsebytopic.do>

Employee Gifts and Celebratory Events: http://vpf-web.harvard.edu/ofs/policies/documents/emplo_gifts_celeb_event.pdf

RELATED DOCUMENTS AND OTHER RESOURCES

IRS, "Reimbursements" page (including description of an IRS accountable plan): http://www.irs.gov/publications/p463/ch06.html#en_US_publink100034110

Car Rental Insurance Guidelines: <http://vpf-web.harvard.edu/ofs/travel/security/carinsgrd.pdf>

Procurement and Reimbursement Systems (aka "Summary Overview"): http://vpf-web.harvard.edu/ofs/policies/documents/procu_reimb_syste.pdf

Documentation Retention Procedures for Common Financial Transactions: <http://vpf-web.harvard.edu/policydocuments/browsebytopic.do>

Electronic Receipt Requirements: <http://vpf-web.harvard.edu/ofs/travel/index.shtml>



RELATED DOCUMENTS AND OTHER RESOURCES, continued

Office of Management and Budget (OMB) Circular A-21, section J-53 Commercial Air Travel:

http://www.whitehouse.gov/omb/circulars_a021_2004/#j

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations:

<http://www.whitehouse.gov/omb/assets/omb/circulars/a133/a133.pdf>

Fly America Act and Open Skies Agreement:

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=24833

PROCEDURES

• **Scope of Procedures, including Table of Contents**

The procedures section of this policy has been developed with the help of University subject-matter experts and is intended to address the most common travel-related situations. The procedures do not, however, address *every* travel-related situation. Travelers, Web Voucher Reimbursement approvers, and local tub financial dean's offices must contact University Financial Services (UFS) or the Office for Sponsored Programs (OSP) as applicable when confronted with a situation not addressed in this document. In the event of questions about an expense's eligibility for reimbursement, a traveler must contact his or her tub financial dean's office or, if using sponsored funds, his or her local tub-level sponsored official or Office for Sponsored Programs prior to making travel reservations, to avoid any personal financial loss. General questions about properly completing travel expense reimbursement requests may be directed to UFS at any point in the reimbursement process.

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- **Travelers Eligible for Reimbursement of Expenses**

Before going on a business trip, it is strongly recommended that the traveler notify the University supervisor responsible for the budget from which the travel expenses will be drawn. All travelers, including Harvard University employees, students,* and non-employees of the University, are eligible to submit reimbursement requests for reasonable and appropriate travel expenses incurred on behalf of the University.

* **Note:** If student travel is related to a fellowship, that travel is **not** considered University business and is therefore not reimbursable by Harvard. Student travel on a fellowship must be processed via Web Voucher through Accounts Payable (**not** via Web Voucher Reimbursement). Tub financial dean's offices should contact University Financial Services for details. More information is available under the "Tax Treatment of Travel Expenses" section of this policy.

- **Training**

Tubs are responsible for training individuals involved in the process of reimbursing travel expenses. Departments should contact their tub financial dean's office with questions about training. University Financial Services (UFS, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>) is available to answer policy-related questions.

- **Reimbursement Approval Hierarchy**

Tubs are responsible for maintaining an appropriate hierarchy for review and approval of University travel and travel-expense reimbursement requests. The hierarchy must be part of an approval process that reasonably ensures separation of duties, the protection of University assets (achieved primarily by ensuring compliance with this policy), and a thorough review of all reimbursement requests. Risk Management and Audit Services (RMAS, at <http://vpf-web.harvard.edu/rmas/>) is available to provide guidance in this area.

- **Substantiation Requirements for Travel Expense Reimbursements**

In order to comply with IRS accountable-plan regulations, travelers must provide the following information when submitting their travel expenses for reimbursement. Any expense that fails to meet IRS accountable-plan rules must be treated as income to the reimbursee.

Detailed Business Purpose. Each Web Voucher Reimbursement request for travel expenses must be supported by a detailed business purpose that includes the following information:

- **who** traveled or attended the event (e.g., all guests who attended a business-related meal)
- **what** type of event or activity was attended or purchase made
- **when** the event or activity took place
- **where** the event or activity took place
- **why** the expense was incurred

All travel expenses charged to federally sponsored projects are governed by the cost principles of the Office of Management and Budget (OMB) Circular A-21, and therefore must pass the following three tests:

- the cost must be allowable under both the provisions of A-21 AND under the terms of a specific award AND
- the cost must be allocable; that is, the expense can be associated to a project with a high degree of accuracy AND
- the cost must be reasonable; that is, the cost reflects what a "prudent person" would pay in a like circumstance



PROCEDURES, continued

In addition to including the required detailed business purpose as outlined above, travelers and preparers must itemize expenses. Preparers should use one of two preferred methods of itemizing travel expenses that appear on a single Web Voucher Reimbursement request; the two preferred methods are described here:

Method 1: Itemizing Travel Expenses Using Web Voucher Reimbursement

When using this method, the Web Voucher Reimbursement preparer can create a line item for each category of incurred expense, using the categories listed below. Not all categories must be used on all requests; that is, a category must appear as a line item only if there are associated expenses from that particular trip. Preparers must group expenses using the following categories:

- air/rail travel
- ground transportation
- lodging
- meals
- other (e.g., miscellaneous fees)

Each category/line item must be given an appropriate description within the Web Voucher Reimbursement request—e.g., “Ground Transportation Expenses”—and assigned appropriate general ledger coding. (See note at the end of this section for information on itemizing individual expenses under \$75.)

Method 2: Itemizing Travel Expenses Using a Universal Expense Form (UEF)

When using this method, the Web Voucher Reimbursement preparer can create one line item for all expenses incurred on the trip, assigning appropriate general ledger coding. A Universal Expense Form (UEF, available at <http://able.harvard.edu/forms/huuef4.pdf>) must be completed and attached to the printed Web Voucher Reimbursement receipt report, and submitted with other required supporting documentation to University Financial Services. (See note immediately below for information on itemizing individual expenses under \$75.)

Note on itemizing multiple expenses under \$75: For auditing purposes, preparers must itemize individual expenses under \$75, either by writing the information on the printed receipt report or on a Universal Expense Form. Expenses under \$75 must be separated using the categories listed in the “Method 1” section, above. Each category must indicate the total dollar amount of individual expenses under \$75 **and** the total number of individual expenses involved. For example, “Total meals expenses under \$75: \$127 for 5 meals” or “BLD expenses under \$75 for three days, total \$80” [Note: “BLD” may be used to indicate “breakfast, lunch and dinner.”]

Original Receipts. Reimbursement requests for individual expenses equal to or greater than \$75 must be accompanied by original receipts. All original hotel receipts (usually called hotel folios) must be submitted regardless of amount. Some departments require receipts for amounts less than \$75 for all travel expenses. However, non-hotel-folio receipts under \$75 must **not** be submitted to University Financial Services; if required by the department or sponsored award, those receipts must be retained locally.

Missing Receipt Affidavits (MRAs). A traveler who loses a receipt required by this policy must submit a completed, signed Missing Receipt Affidavit and proof of payment with his or her Web Voucher Reimbursement receipt report. MRAs must be used as exceptions, not on a regular basis in lieu of original receipts. Missing Receipt Affidavits lacking required information or documentation as outlined on the affidavit itself (available at http://able.harvard.edu/forms/missing_receipt.pdf) will be returned to the authorized signer.

Reimbursee Signature. The traveler/reimbursee must sign all his or her Web Voucher Reimbursement receipt reports or Universal Expense Forms. Traveler/reimbursee signatures are required.



PROCEDURES, continued

- **Timeliness of Reporting Requirements**

In order to comply with IRS accountable-plan rules, completed employee Web Voucher Reimbursement receipt reports must be received by University Financial Services (UFS) no later than sixty (60) days after the date of completion of a trip. Receipt reports received by UFS between sixty-one (61) and ninety (90) days after the date of completion of a trip will be returned to the department; the report may be resubmitted to UFS **only** if circumstances warrant and the report is accompanied by a valid, signed letter of exception from the traveler's financial dean (or designee), **or** a completed and approved Reasonable Exception Request Form (<http://able.harvard.edu/forms/reasonable-exception-request.pdf>).

Receipt reports that do **not** meet the time and exception-letter requirements outlined immediately above, but that are received by University Financial Services no later than 182 days after the completion of a trip, will be considered income to the employee and must be processed through Payroll as additional pay. These payments will be included on Form W-2 (and subject to withholding of employment taxes) or on Form 1042-S (and subject to section 1441 withholding), as applicable. These taxable reimbursements must not be grossed up. This rule applies both to reimbursements made to an individual and to payments made directly to the University's Travel and Entertainment Card provider on behalf of the traveler. When processing direct payments to the Travel and Entertainment Card provider on behalf of the traveler in this situation, a completed Additional Pay Form must be included with the request. A traveler or approver with questions about completing an Additional Pay Form should contact his or her local human resources office.

Web Voucher Reimbursement receipt reports received later than six months (i.e., 183 days or more) after the completion of a trip will **not** be paid.

For more information, see Appendix A of this policy ("60-Day Requirement Quick Reference for Harvard Employees").

Extended Business Trips. Employees traveling for an extended period of time (in excess of 30 consecutive days but less than one year) must submit the following:

- An initial Web Voucher Reimbursement receipt report or Universal Expense Form (<http://able.harvard.edu/forms/huuef4.pdf>) preferably within 90 days but no later than 120 days from the beginning of the trip or the date that the first expense related to the trip was incurred, whichever is earlier.
- Subsequent receipt reports or Universal Expense Forms (<http://able.harvard.edu/forms/huuef4.pdf>) preferably every 90 days but no later than every 120 days thereafter for the duration of the trip.

In the case of an extended business trip, a Reasonable Exception Request Form is not required. The supporting Web Voucher Reimbursement receipt report or Universal Expense Form (<http://able.harvard.edu/forms/huuef4.pdf>) must include the term "Extended Business Trip" at the beginning of the business purpose section. Expenses submitted for reimbursement that exceed 120 days from the date the first expense was incurred will be treated as income to the employee. Expenses submitted for reimbursement that exceed six months (182 days) from the date the first expense was incurred will not be paid.

For more information, see Appendix A of this policy ("60-Day Requirement Quick Reference for Harvard Employees").

Note on reimbursing foreign nationals/nonresident aliens. University Financial Services must review all requests by nonresident aliens for reimbursement of travel expenses **prior to payment**, to ensure that such expenses are reimbursable under IRS guidelines and/or U.S. Department of Homeland Security regulations, and to ensure that the reimbursement is not subject to tax withholding.

- **Converting Foreign Currencies**

All reimbursement requests must be submitted in U.S. dollars. Travelers and Web Voucher Reimbursement preparers must follow the rules below in this section when traveling and when preparing requests that involve foreign currency conversions.



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For current foreign currency conversion rates, visit the Reimbursements and Card Services website, at http://vpf-web.harvard.edu/ofs/travel/rei_mil.shtml.

- Reimbursement receipt reports must be submitted in U.S. dollars with an explanation and translation of the foreign receipts and their conversions
- Travelers and preparers must use the currency rates that were in effect when travel took place; therefore, currency-exchange receipts must be saved and used for converting foreign currencies back to U.S. dollars on the Web Voucher Reimbursement receipt report
- When more than one exchange of the same type of foreign currency is made during the reporting period, a weighted-average exchange rate (i.e., the total of U.S. dollars divided by the total amount of foreign currency) must be used

Travelers should be aware that **using the Harvard Travel & Entertainment Card eliminates the need to calculate foreign currency conversions**—charges made using the Card are automatically converted to U.S. dollars on the billing statements, usually at favorable rates.

- **Preferred Travel Agencies and Vendors**

University Financial Services (UFS) has formed strategic vendor partnerships with certain travel agencies, airlines, hotels, and car rental companies. It is strongly recommended that Harvard travelers book all travel arrangements through the University's preferred providers. To learn more about the value of Harvard's travel agency partners, its exclusive travel discounts, and other related information, visit the Reimbursements and Card Services website, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>.

- **Payment Methods**

A traveler can pay for reasonable travel expenses that satisfy IRS accountable-plan rules by using the payment methods outlined in this section. For a chart describing which University payment method to use in a given situation, visit the Office for Financial Policy (OFP) website's "Browse by Topic" page, at <http://vpf-web.harvard.edu/policydocuments/browsebytopic.do>, and click on "Procurement & Reimbursement Systems."

Travel and Entertainment Card. Harvard's Travel and Entertainment Card is the primary payment method for travel expenses incurred by Harvard employees. Paid employees who take at least three business trips per year and/or incur entertainment expenses of \$5,000 or more per year are strongly encouraged to apply for a Harvard Travel and Entertainment Card. Visit the Reimbursements and Card Services website, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>, for information on the benefits of having a Travel and Entertainment Card and on how to apply.

Upon termination of employment, a Travel and Entertainment Card holder must immediately contact Reimbursement and Card Services (<http://vpf-web.harvard.edu/ofs/travel/index.shtml>) to cancel the card with the card provider. The card holder must also return the card to his or her department administrator and promptly pay any remaining card balances. The local unit is responsible for ensuring that the terminated employee's card is promptly canceled and that all outstanding balances are paid.

Direct Billing using Harvard General Ledger Coding. A Harvard employee may directly bill Harvard departmental general ledger coding for approved airline and Amtrak tickets using Harvard's Web Voucher Reimbursement application. Direct billing is only available for tickets purchased through BCD Travel, a Harvard vendor partner. For more information on direct billing, visit the Reimbursements and Card Services website's "Web Voucher Travel Authorization Form: Step-by-Step Process" page, at http://vpf-web.harvard.edu/ofs/travel/wv_taf.shtml. Individuals with questions about direct billing should contact their tub financial dean's office.



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Personal Funds. While the Harvard Travel and Entertainment Card is the strongly preferred method of payment for travel expenses, those without access to a Travel and Entertainment Card (students, non-employees, and employees who may travel too infrequently to apply for a Travel and Entertainment Card) may use cash or a personal credit card to pay for travel expenses. Note: Prepaid travel expenses (such as airline tickets) purchased with personal funds will not be reimbursed until after the trip or event has taken place.

Cash Advances. The University strongly discourages the use of cash advances due to financial risks and the administrative burden associated with processing and reconciling advances. Cash advances should be used infrequently and must be reasonable and dictated by circumstances, such as for incidental, out-of-pocket expenses like tips, taxis, and meals that cannot be charged to the Travel and Entertainment Card. Daily cash advances for domestic travel should not exceed \$50, and daily cash advances for international travel should not exceed \$75. Cash advances will be issued to University employees only. Cash advances are initially charged to the appropriate balance sheet account. Advances must be settled based on actual expenses. When settling advances, expenses must be recorded in the general ledger using the account coding that funds the travel, including sponsored funds when allocable and allowable.

Cash advances should be settled within fifteen (15) days of the completion of the trip, and failure to account for a cash advance within sixty (60) days will result in withholding of taxes on the advance from the traveler's paycheck. Employees who fail to account for a cash advance will **not** be eligible to obtain future cash advances.

- **Use of Per Diems (only for Harvard employees who incur expenses while traveling, with special rules below for travel on federally funded awards)**

Travelers will be reimbursed for travel expenses based on actual and reasonable costs accompanied by supporting documentation. When requesting reimbursement for individual meal or lodging expenses paid with personal funds and incurred in travel status while on official University business, Harvard University employees may choose reimbursement based on actual expenses **or** may choose a per diem allowance. **Note:** Some departments may **not** allow lodging per diems or may require local pre-approval for lodging per diems. See the "Meals and Entertainment" and "Lodging" sections of this policy for more information.

Travelers on long trips involving layovers or multiple stops in different cities are strongly encouraged to base reimbursement requests on actual meal expenses rather than on per diem meal allowances.

For travel on federally funded awards, OMB Circular A-21 states: Travel costs are the expenses for transportation, lodging, subsistence [i.e., meals], and related items incurred by employees who are in travel status on official business of the institution. Such costs may be charged on an actual cost basis, on a per diem* or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the institution's non-federally sponsored activities.

***Note:** As with travel on non-federally sponsored awards, the traveler's department may not allow lodging per diems or may require local pre-approval for lodging per diems.

- **Air Travel**

It is strongly recommended that Harvard travelers book airline tickets through one of Harvard's preferred airlines or travel agencies. To learn more about the value of Harvard's travel agency partners, its exclusive travel discounts, and other related information, visit the Reimbursements and Card Services website, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>.

Domestic Air Travel. For the purposes of this policy, domestic air travel includes flights within and between any of the 48



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contiguous United States. (For travel involving Alaska, Hawaii, and U.S. territories and possessions see the next sub-section.)

Travelers are expected to book the lowest-priced, non-stop coach-class airfare available when flying inside the contiguous 48 United States. See the chart below in this section for more information.

First-class domestic air travel is **not** allowed. Under extenuating circumstances, such as documented medical reasons, business-class or first-class service may be reimbursable where it is normally prohibited, provided the expense is approved by the traveler's financial dean or designee.

Domestic Air Travel on Federal Funds: To comply with federal travel regulations, Harvard travelers who purchase domestic airfares (excluding Alaska and Hawaii) using federal funds (fund range 100000-199999) are required to travel on an economy or coach-class ticket on U.S. Flag Carriers only. ([Federal Travel Regulations](#).)

Air Travel Involving Canada, Mexico, Alaska, Hawaii, or U.S. Territories or Possessions. When traveling to, from, or within Canada, Mexico, Alaska, Hawaii, or U.S. territories or possessions travelers may book the lowest-priced, non-stop business-class airfare available when a single, non-stop flight is six (6) hours or more if funds are available. See the chart below in this section for more information.

First-class air travel involving these locations is **not** allowed. Under extenuating circumstances, such as documented medical reasons, business-class or first-class service may be reimbursable where it is normally prohibited, provided the expense is approved by the traveler's financial dean or designee.

International Air Travel. When traveling to, from, or between a destination **outside** the United States and its territories and possessions (with the exception of flights involving Canada or Mexico, which are discussed in the sub-section immediately above), travelers may book the lowest-priced, non-stop business-class airfare available if funds are available **and if travel is not on federal funds**. When traveling on federal funds, travelers may book the lowest-priced, non-stop business-class airfare available when a single non-stop flight is more than six (6) hours if funds are available. See the chart below in this section for more information.

First-class international air travel is **not** allowed. Under extenuating circumstances, such as documented medical reasons, business-class or first-class service may be reimbursable where it is normally prohibited, provided the expense is approved by the traveler's financial dean or designee.

International Air Travel on Federal Funds: Harvard travelers who use federal funds (fund range 100000-199999) to purchase international airfares must follow the guidelines of this section **and** must follow the guidelines noted immediately below:

- must fly on U.S. Flag Carriers when departing from the U.S. and where available abroad, even though less costly foreign flag carriers are available, unless other circumstances described in the [Harvard University Federal Awards Travel Reimbursement Exception Form](#) apply
- for international air travel completed completely outside the U.S., foreign carriers may be used only when no U.S. Flag Carriers provide service in the area of travel or when use of foreign carriers is a matter of necessity as defined by the U.S. General Services Administration's [Federal Travel Regulation Part 301-10](#)



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	<u>Domestic Air Travel</u> inside the contiguous 48 United States	<u>Air Travel Involving</u> <u>Canada, Mexico, Alaska,</u> <u>Hawaii, or U.S. Territories</u> <u>and Possessions</u> when flying to, from, or within these locations	<u>International Air Travel</u> with destination and/or origin outside the United States and its territories and possessions (<u>excluding</u> <u>flights involving Canada or</u> <u>Mexico</u>)
Duration of single non-stop flight is six (6) hours or less	Lowest-priced non-stop coach-class airfare only	Lowest-priced non-stop coach-class airfare only	Lowest-priced non-stop coach-class airfare <u>OR</u> lowest-priced non-stop business-class airfare <u>if airfare is not charged to federal funds*</u>
Duration of single non-stop flight is more than six (6) hours	Lowest-priced non-stop coach-class airfare only	Lowest-priced non-stop coach-class airfare <u>OR</u> lowest-priced non-stop business-class airfare	Lowest-priced non-stop coach-class airfare <u>OR</u> lowest-priced non-stop business-class airfare

Note: First-class airfare is **not** a reimbursable expense.

***Federal Funds Note:** When any single non-stop flight is six (6) hours or less, a traveler using federal funds **must** book the lowest-priced non-stop coach-class airfare available.

Ticket Upgrades. Fees resulting from a seat upgrade within coach class (e.g., a standard coach-class seat upgraded to a “premium” coach-class seat) are reimbursable up to \$75 per flight. If a trip qualifies for business-class airfare, travelers who purchase upgradeable coach-class tickets may be reimbursed for upgrades to business class.

Travelers may use personal, frequent-flyer-program miles to upgrade tickets provided there is no additional cost to the University. All free upgrades must be noted on the expense-reimbursement report to avoid confusion when auditing.

Baggage Fees and Lost or Damaged Baggage. Airlines often charge fees for checking baggage. Employees will be reimbursed for such fees when they are reasonable and necessary. The University will **not** reimburse travelers for personal items lost or damaged while traveling on business, nor will the University replace lost or damaged personal items. The traveler must address any such claims to the responsible airline.

Ticket Cancellation Fees, Change Fees, and Unused Tickets. If, for any valid reason such as a business-trip cancellation or a medical emergency, a paid airline ticket is **not** used by a traveler, the traveler must contact the relevant travel agency **or** airline (depending on who issued the ticket) as soon as possible. The traveler must inquire about obtaining a refund or, if the ticket is non-refundable, applying the cost of the unused ticket to a future ticket. (In such cases, a change fee will likely apply to the future ticket.)

Travelers are expected to obtain the maximum value possible from an unused ticket. In most cases, the original ticket will have to be returned to the issuer to obtain a refund. Any ultimate cancellation fees or change fees will be reimbursed provided there is a bona fide business reason for the change or cancellation of the ticket. However, change or cancellation fees may be charged to sponsored funds only with appropriate prior approval from an authorized approver at the tub level. A traveler with questions about obtaining sponsored approval should contact his or her local tub-level sponsored official or the Office for Sponsored Programs.

Airline Frequent Flyer Programs. Harvard will not reimburse travelers for tickets purchased with frequent-flyer miles. Providing monetary compensation to an employee in exchange for a free ticket is considered additional income. Harvard will, however, reimburse fees associated with issuing a frequent-flyer ticket, such as taxes and agency or airlines services fees. Frequent-flyer memberships should not influence travelers to select a flight that is not the lowest priced flight



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available. (See “Ticket Upgrades,” above, for more information.)

Airport Airline Club Memberships. Dues for membership in an airline club are **not** reimbursable expenses.

Travel on Charter Aircraft. Due to safety concerns, the University does not recommend flying on chartered aircraft. A traveler considering a chartered flight must contact his or her local tub financial dean’s office prior to booking.

Use of a Private Aircraft. A traveler may fly on private aircraft only under exceptional circumstances and only with the **prior approval** of his or her financial dean (or designee), administrative dean (or designee), or Vice President of the department. Information on insurance requirements is available on the Risk Management and Audit Services Insurance Department website, at, <http://vpf-web.harvard.edu/rmas/insurance.html>.

- **Rental Cars**

A traveler may rent a car if driving to a destination is more cost-effective or convenient than flying or taking a train, or if driving is necessary to transport large or bulky materials. Travelers arriving by other means may rent a car **at** their destination if doing so is less expensive than other local transportation modes such as taxis or airport shuttles.

Preferred Rental Car Providers. Employees who rent a car on Harvard business should where possible choose a University preferred rental car provider. Travelers should make reservations directly with one of Harvard’s preferred rental car agencies or through one of Harvard’s preferred travel agencies, using the appropriate Harvard corporate account numbers to receive negotiated rates and insurance coverage. Harvard’s rental car corporate account numbers, rates, and preferred agencies can be found on the Harvard Reimbursements and Card Services website, under “Exclusive Travel Discounts – Preferred Rental Car,” at http://vpf-web.harvard.edu/ofs/travel/security/exc_car.shtml.

Rental Car Insurance Coverage: To ensure that all drivers traveling on University business are covered by the required insurance, and to ensure that those drivers only elect insurance options that are considered reimbursable by the University, travelers must refer to the “Car Rental Insurance Guidelines” document (at <http://vpf-web.harvard.edu/ofs/travel/security/carinsgrd.pdf>) prior to making a reservation. An abbreviated version of that document appears in the chart immediately below. The chart below is updated from time to time, however in the event of any discrepancy between it and the original document (<http://vpf-web.harvard.edu/ofs/travel/security/carinsgrd.pdf>), the original document shall prevail.

	Domestic Trips within Contiguous 48 United States		International Trips including Alaska and Hawaii	
	LDW/CDW*	SLI*	LDW/CDW*	SLI*
Benefits-eligible employee renting a car for University business	Decline	Purchase: \$250k per occurrence**	Purchase	Purchase: \$250k per occurrence
Anyone who is not a benefits-eligible employee renting a car for University business	Purchase	Purchase: \$250k per occurrence	Purchase	Purchase: \$250k per occurrence

*** Insurance Coverage Definitions:**

LDW/CDW: Loss Damage Waiver/Collision Damage Waiver (usually covers damage or theft of your rental car)

SLI: Supplemental Liability Insurance (protects authorized drivers against bodily injury)

**** Note:** A benefits-eligible employee renting a car for University business from Enterprise may decline SLI provided he or she uses Harvard’s corporate account number for Enterprise.

Important note on Personal Accident Insurance (PAI): Personal Accident Insurance typically covers medical expenses,



PROCEDURES, continued

loss of or damage to personal property, and accidental death. Drivers should consider electing PAI when renting a car on University business, but PAI must be paid for using personal funds and is **not** a reimbursable expense.

Insurance for Personal Use of a Rental Car. Personal use of a rental car during a business trip is not covered under University insurance in most cases. When using a rental car the day before, the day after, and during the business trip, University insurance coverage is provided and is considered reimbursable. A traveler who chooses to extend a business trip for personal reasons either before or after business is conducted must purchase insurance coverage for those days. This coverage is **not** reimbursable by the University.

Eligible Car Classes. Travelers must rent the most economical vehicle consistent with business needs and travel circumstances (usually a compact or mid-size), and must not exceed a full-size vehicle. Often Harvard's preferred rental car agencies will provide a free upgrade to travelers; travelers should note any free upgrades on their reimbursement requests to assist auditors.

Minimum Driving Age. All drivers must meet the rental company's minimum-age requirement (typically 21, though sometimes older). To ensure that they meet the requirement, travelers must ask the selected preferred vendor for details when making reservations.

Cancellations. Travelers are responsible for canceling rental-car reservations when necessary by contacting the agency involved. When making cancellations, travelers must request and record a cancellation number in case of any billing disputes.

Accidents. Should a rental car accident occur while on University business, the traveler must submit a written accident report as soon as possible to the following entities:

- Rental car company
- Local authorities, as required
- University Insurance Office, at 496-8830

For more information, visit Risk Management and Audit Services Insurance Department website, at <http://vpf-web.harvard.edu/rmas/insurance.html>.

Rental Car Club Memberships. Membership fees for rental car club programs are not reimbursable.

- **Ground Transportation (non-rental car) including personal cars, taxis and sedan services**

Personal Cars. A traveler may use his or her personal car for University business travel if doing so is less expensive than other means of transportation. The use of a personal car for business will be reimbursed up to the federal government mileage rate. For a link to current government rates, visit the Reimbursements and Card Services website, at http://vpf-web.harvard.edu/ofs/travel/rei_mil.shtml. The University will **not** reimburse travelers for gas expenses in lieu of miles. All requests for mileage reimbursement must include the traveler's itinerary, the dates the mileage expenses were incurred, and the number of business-related miles driven.

When traveling long distance to a business destination where flying would be an option, the mileage-reimbursement amount cannot exceed the lowest airfare. Documentation of the lowest-cost airfare must be submitted with the mileage reimbursement. If the driver requesting mileage reimbursement has carried one or more other University employees involved in the business trip, this information should be documented and submitted with the request.

When traveling from home to the airport on a business trip, a traveler may use a personal car and request mileage reimbursement if all of the following apply:



PROCEDURES, continued

- the traveler normally takes public transportation to work AND
- the traveler works from home for all or part of the work week AND
- the cost of taxi services greatly exceeds the total cost of the mileage, tolls, and parking combined

It is the responsibility of the traveler to carry adequate insurance coverage for his or her own protection and for the protection of any passengers. Travelers will not be reimbursed by the University for collision losses that occur during business usage of a personal car if that car is not insured for collision damage. For more information, visit Risk Management and Audit Services Insurance Department website, at <http://vpf-web.harvard.edu/rmas/insurance.html>.

Commuting expenses, repairs, and ticket and traffic violations are **not** reimbursable.

Taxis and Sedan Services. Travelers are expected to use the most economical mode of transportation to and from air, bus, and rail terminals. Public transportation and shuttle services should be considered. Private sedan or car services are normally more expensive than taxis and should be used only when valid business reasons preclude the use of more economical transportation. The use of private sedan or car services to attend meetings on or around campus is prohibited. Limousine expenses under any circumstances are **not** reimbursable. Visit the Reimbursements and Card Services website, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>, for more information, including a list of preferred sedan-services providers.

- **Rail Travel**

All rail travel is expected to be at the lowest fare that offers reserved seating. For rail travel over six hours, first-class seating is reimbursable. For most international rail travel, reserved seating is only available in first class.

Note on rail receipts: Reimbursement requests for rail-travel expenses \$75 or greater must be supported by an original passenger receipt; a printout of an electronic confirmation does not constitute a receipt.

- **Lodging**

The University will reimburse travelers for lodging expenses when in travel status while on official University business. When requesting reimbursement for lodging expenses incurred while traveling on University business, Harvard University employees may choose reimbursement based on actual expenses **or** may choose a per diem lodging allowance. (**Note:** Some departments may **not** allow lodging per diems or may require local pre-approval for lodging per diems.) A reimbursement request for lodging expenses incurred on a given day must be based on either actual expenses **or** the per diem lodging allowance, not a combination of the two. Only Harvard employees may choose a per diem lodging allowance when applying for reimbursement. For a link to current government per diem rates, visit the Reimbursements and Card Services website, at http://vpf-web.harvard.edu/ofs/travel/rei_mil.shtml. (See the “Use of Per Diems” section, above, for more information).

It is strongly recommended that Harvard travelers book lodging through one of Harvard’s preferred hotels or travel agencies. To learn more about the value of Harvard’s travel agency partners, its exclusive travel discounts, and other related information, visit the Reimbursements and Card Services website, at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>.

Hotels. Travelers are expected to stay in standard, single-occupancy rooms where available; room-upgrade fees are **not** reimbursable. Travelers are responsible for canceling room reservations when necessary; cancellation or “no-show” charges are not reimbursable.

Note on hotel folios/hotel receipts: Reimbursement requests for lodging expenses must be supported by an original hotel



PROCEDURES, continued

folio, regardless of the expense amount. If, in rare circumstances, a hotel folio is not available, a hotel receipt in conjunction with a Missing Receipt Affidavit may be submitted in support of a reimbursement request. See the “Substantiation Requirements for Travel Expense Reimbursements” section of this policy for more information.

In-Room Movies and Similar Charges. The University will **not** reimburse travelers for personal expenses, such as, but not limited to, in-room video rentals, in-room alcoholic beverages, and recreational charges (such as golf fees or exercise-room/health-club fees).

Hotel Frequent Guest Programs. A room purchased with frequent-guest-program credits is **not** a reimbursable expense. Travelers may use personal, hotel-frequent-guest-program credits to upgrade a room provided there is no additional cost to the University. All free upgrades must be noted on the expense-reimbursement report to avoid confusion when auditing. Hotel frequent-guest program fees are **not** reimbursable.

Rental Accommodations. Depending on the length of the business trip, it may be more economical for the traveler to stay in rental accommodations. If this is the case, there must be pre-approval from the traveler’s department or tub financial dean’s office. In approved cases, the landlord of the rental accommodation must be paid via Web Voucher (**not** via Web Voucher Reimbursement) so that the payment can be reported on an IRS Form 1099. Payment for rental accommodations must not be made via a Harvard-issued credit card, directly by the traveler, or by any other method except Web Voucher.

Private Residences. Travelers who stay in a private residence with relatives or friends while traveling on business may be reimbursed for one appreciation gift per visit, not to exceed \$75 (including tax or any other charges). Appreciation gifts must not be charged to sponsored funds.

One-Day Travel. In general, trips of less than 50 miles one way from the traveler’s place of work do **not** qualify for lodging reimbursement.

- **Meals while Traveling**

The Harvard University Travel and Entertainment Card is the preferred method of payment when purchasing meals while traveling. See the “Payment Methods” section of this policy for more information.

Individual Meal Expenses while Traveling. Travelers will be reimbursed for reasonable individual meal expenses while on University business. Excessive meal costs that are not substantiated with a business purpose will not be reimbursed. Per IRS regulations, the University does **not** reimburse individual meal expenses for one-day travel. Per diem rates also may **not** be used for one-day travel.

When requesting reimbursement for individual meal expenses incurred while traveling on University business, Harvard University employees may choose reimbursement based on actual expenses **or** may choose a per diem meal allowance. A reimbursement request for meal expenses incurred on a given day must be based on either actual expenses **or** the per diem meal allowance, not a combination of the two. Only Harvard employees may choose a per diem meal allowance when applying for reimbursement. For a link to current government per diem rates, visit the Reimbursements and Card Services website, at http://vpf-web.harvard.edu/ofs/travel/rei_mil.shtml.

For travel on federally funded awards, OMB Circular A-21 states: Travel costs are the expenses for transportation, lodging, subsistence [i.e., meals], and related items incurred by employees who are in travel status on official business of the institution. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the institution’s non-federally sponsored activities.



PROCEDURES, continued

Business Meals with Others while Traveling. Business meals are defined as meals with faculty, staff, students, donors, or other external parties during which specific documented business discussions take place. Travelers must exercise fiscal responsibility when choosing restaurants. High-end establishments must be avoided unless circumstances dictate that such a choice is appropriate, as when conducting University business with a major donor or foreign dignitary. Excessive meal costs that are not substantiated with a business purpose will not be reimbursed.

- **Entertainment**

Local (Cambridge/Boston area) Business Meals. The number of business meals should be limited. Where possible, meetings should be conducted during regular hours of the work day. Business meals must not occur regularly on a daily or several-days-per-week basis except under extraordinary circumstances. The detailed business purpose must include the names of the attendees and their Harvard affiliation in addition to the required business-purpose information outlined in the “Substantiation Requirements for Travel Expense Reimbursements” section of this policy. Per diem meal allowances for non-travel business meals are not allowed. Employees must also follow any local tub policies when incurring local business meal expenses; an individual with questions must contact his or her tub financial dean’s office.

Alcoholic Beverages. Alcohol purchased at business meals should be kept to a minimum, and must be charged to object code 8450 (expenses ineligible for federal reimbursement). These expenses may not be charged to federal funds. Some local policies may have greater restrictions on the purchase of alcohol; travelers with questions must contact their tub financial dean’s office for details.

Entertainment Expenses. In general, entertainment expenses are not reimbursable. However, certain entertainment expenses, such as outings to theaters or cultural events, are reimbursable if the person(s) entertained has a potential or actual business relationship with the University, or if the business discussion will benefit the University. Employees must also follow any local tub policies when incurring entertainment expenses; an individual with questions must contact his or her tub financial dean’s office. Entertainment expenses must be charged to object code 8450. These expenses may not be charged to federal funds.

- **Business Travel Insurance**

The University maintains a business travel insurance policy that provides worldwide coverage for accidental death or dismemberment while an employee is traveling on official University business. Because this coverage has a maximum payout limit per conveyance such as aircraft or car, employees are encouraged to travel in groups of no more than four. Students and other non-employees are not covered by University business travel insurance. The University maintains no insurance for loss or damage to personal property.

For more information on the University’s business travel insurance policy, including information on what to do in the event of a claim, see the Risk Management and Audit Services Insurance Department website, at <http://vpf-web.harvard.edu/rmas/insurance.html>.

Any additional travel insurance purchased is **not** a reimbursable expense.

- **Other Insurance Expenses**

Other travel-related insurance expenses not addressed in this policy, including but not limited to life insurance, flight insurance, baggage insurance, and trip-cancellation insurance, are **not** reimbursable expenses.

- **Emergency Travel Assistance Program (I-SOS)**

The University has contracted with a company called International SOS (I-SOS) to provide 24-hour worldwide emergency



PROCEDURES, continued

medical and evacuation assistance for Harvard employees and students traveling for University-related activities. To learn more about the program prior to traveling, go to the following page on the Risk Management and Audit Services website: <http://vpf-web.harvard.edu/rmas/isos.html>

- **Tax Treatment of Travel Expenses**

Reimbursement Requests. Generally speaking, employee claims received by University Financial Services later than sixty (60) days after completion of a trip will be considered income to the employee. See the “Timeliness of Reporting Requirements” section of this policy for details.

Cash Advances. Cash advances should be settled within fifteen (15) days of the completion of the trip, and failure to account for a cash advance within sixty (60) days will result in withholding of taxes on the advance from the traveler’s paycheck. Employees who fail to account for a cash advance will **not** be eligible to obtain future cash advances.

Cash advances may not be requested in order to pay for airfare, lodging, service payments such as honoraria, conference fees, travel grants, or any other substantial costs.

Club Memberships. Individual club memberships are generally not reimbursable; if an exception is approved, the reimbursement must be treated as taxable income.

Gifts and Awards to Employees. Gifts and awards given by the University may be considered taxable income to the recipients. Gifts must be processed using Web Voucher Reimbursement to ensure proper tax reporting. For more information, please see the “Employee Gifts and Celebratory Events” document (available at http://vpf-web.harvard.edu/ofs/policies/documents/emplo_gifts_celeb_event.pdf).

Spousal/Family Member Travel. Expenses related to an employee’s spouse or other family members are not reimbursable unless there is a bona fide business purpose for their presence on the trip. If there is no bona fide business purpose and the department still wishes to reimburse the family members’ business expenses, those expenses must be processed as additional pay to the Harvard employee.

- **Bona Fide Business Purpose for Spousal/Family Member Travel.** When an employee spouse/family member who attends a function has a significant role in the business proceedings, or is involved in fund-raising activities, this constitutes a business purpose under IRS regulations. In such cases, the University will reimburse the business traveler for the spouse’s (or other family member’s) non-personal expenses directly resulting from travel on University business.
- **Non-Bona Fide Business Purpose for Spousal/Family Member Travel.** The IRS has ruled that when a spouse attends a meeting or conference as a companion and has no significant role or performs only incidental duties of a social, clerical, or medical nature, then the attendance does not constitute a business purpose.

For more information, see Appendix B of this policy (“Spousal and Family Travel: Bona Fide vs. Non-Bona Fide Business Purpose”).

Student Travel, Fellowships. If student travel is related to a fellowship then that travel is not considered University business. A fellowship is any amount paid or allowed to, or for the benefit of, an individual in the pursuit of study or research. A fellowship may take the form of payments to the recipient, such as stipend payments or reimbursements for supplies or non-University travel expenses. These expenses must be processed via Web Voucher through the University’s Accounts Payable system, and not processed via Web Voucher Reimbursement. The recipients are not employees performing services and therefore cannot satisfy the business-purpose requirement under an accountable plan, as defined by the IRS.



PROCEDURES, continued

Employee Recruitment. Reimbursements for authorized travel expenses such as airfare, hotel, and meals incurred during the recruitment process are not taxable to the prospective employee. Once an offer has been accepted, travel expenses incurred by the prospective employee and family are considered taxable. Requirements or limitations in specific sponsored contracts and grants may be applicable to recruitment travel.

Moving Expenses. Reimbursement for the relocation of newly recruited personnel is authorized at the department level, and should be approved by the department's financial dean, vice president, or department head. The University is required to report all moving reimbursements to the IRS. Visit the Strategic Procurement website, at <http://vpf-web.harvard.edu/ofs/procurement/index.shtml>, for a list of preferred moving services/personal relocation vendor partners. For more information, visit the "Moving, Recruiting and Related Expenses for Harvard Employees" page of the Office of the Controller website, at http://vpf-web.harvard.edu/ofs/tax_services/emp_mov.shtml.

State Sales Tax Exemptions. Harvard University is exempt from Massachusetts state sales tax and from a number of other states' sales tax as well. Copies of the University's tax-exempt certificates can be obtained from the Strategic Procurement website, at <http://vpf-web.harvard.edu/ofs/procurement/>.

- **Combining Personal with Business Travel**

Per IRS regulations, traveling expenses to and from a destination are reimbursable only if the trip is related primarily to business. (The following link provides more information on the IRS regulation: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=c74c44025d91b66da99a5f821771effd&rgn=div8&view=text&node=26:2.0.1.1.1.0.8.251&idno=26>.) If a trip that combines both personal-travel days and business-travel days is deemed primarily *personal* by the approver, then the University will not reimburse for airfare, car rental expenses, or rail fare. In such cases, the University will reimburse the traveler for lodging and meal expenses incurred on business days.

For more information, see Appendix C of this policy ("Determining the Primary Purpose of a Trip: Business vs. Personal").

- **Sabbatical Lodging**

Sabbatical lodging expenses are reimbursed only if the faculty member incurs two sets of living expenses simultaneously. A faculty member may be reimbursed for additional lodging expenses incurred at the sabbatical location, less any income received by the faculty member for renting out his or her primary residence, provided there is a stated business purpose for the additional lodging expenses.

- **Sponsored Project Travel**

Domestic and foreign travel charged to sponsored projects should follow the guidelines set forth by this policy, unless federal regulations or the funding agency imposes greater restrictions. The terms of a particular grant or contract should be referred to for specific guidance on allowable expenditures.

All travel expenses charged to federally sponsored projects are governed by the cost principles of the Office of Management and Budget (OMB) Circular A-21, and therefore must pass the following three tests:

- the cost must be allowable under both the provisions of A-21 AND under the terms of a specific award AND
- the cost must be allocable; that is, the expense can be associated to a project with a high degree of accuracy AND
- the cost must be reasonable; that is, the cost reflects what a "prudent person" would pay in a like circumstance

The authority for determining which travel expenditures are reimbursable under a particular grant or contract resides with the Office for Sponsored Programs (OSP).



PROCEDURES, continued

- **Fundraising and Development Travel**

The University recognizes the unique nature of certain travel, entertainment, and non-travel business expenses incurred for fundraising and development activities. If these activities necessitate a deviation from stated policies, the individual must attach a brief explanation to the completed Receipt Report or the Universal Expense Form. A letter from a Financial Dean is not required, except in the case of first-class air travel. The business purpose must indicate that the expenses are directly related to development activity.

- **Miscellaneous Travel Expenses**

Telephone Calls. Travelers will be reimbursed for phone calls that are reasonable and necessary for conducting University business. With department approval, business travelers will also be reimbursed for personal telephone calls that allow the traveler to stay in reasonable contact with his or her family.

Travelers are expected to use the most economical means of making phone calls while traveling on business. In some cases, including especially international business travel, the most economical means of making calls may entail renting a cell phone from University Information Services (http://www.uis.harvard.edu/departamental_telecom/). A traveler should contact his or her tub financial dean's office with related questions prior to travel.

Reimbursement requests with telephone-call expenses must be accompanied by a hotel bill showing itemized call information or by an original, itemized phone bill.

Expenses for calls made from airplane phones ("airphones") are not reimbursable except in emergencies or extenuating circumstances.

Internet Connections at Hotels. Travelers will be reimbursed hotel internet-connection charges that are reasonable and necessary for conducting University business.

Passports and Visas. Expenses related to visas and/or passports required for business travel are reimbursable. The University will not reimburse a traveler for the cost of an existing valid passport purchased for reasons unrelated to the University business trip in question.

Inoculations. Expenses related to inoculations required for business travel are reimbursable.

Laundry. Laundry expenses for business trips of four (4) days or less are not reimbursable. Reasonable laundry expenses for business trips of five (5) days or more are reimbursable, provided the Web Voucher Reimbursement request has a proper detailed business purpose noting the duration of the trip. (See the "Substantiation Requirements for Travel Expense Reimbursements" section of this policy for more information on detailed business purposes.)

FORMS

Missing Receipt Affidavit, or "MRA" (click "Forms"): <http://vpf-web.harvard.edu/ofs/travel/index.shtml>

Short-Term Operating Advance Form: <http://able.harvard.edu/forms/stoa.pdf>

Long-Term Operating Advance Authorization Form: <http://able.harvard.edu/forms/longterm-operating-advance.pdf>

Web Voucher Travel Authorization Form Step-by-Step Process: <http://vpf-web.harvard.edu/ofs/travel/pdf/WVTAFsteps.pdf>



FORMS, continued

Universal Expense Form: <http://able.harvard.edu/forms/huuef4.pdf>

Universal Expense Form (writable PDF version): <http://able.harvard.edu/forms/huuef4-writable.pdf>

Reasonable Exception Request Form: <http://able.harvard.edu/forms/reasonable-exception-request.pdf>

Harvard University Federal Awards Travel Reimbursement Exception Form: http://vpf-web.harvard.edu/osp/docs/FEDERAL_AWARDS_TRAVEL_REIMBURSEMENT_EXCEPTION_FORM_draft_2.doc

CONTACTS AND SUBJECT MATTER EXPERTS

Local tub financial dean's offices.

Reimbursements and Card Services Office, within University Financial Services: <http://vpf-web.harvard.edu/ofs/travel/index.shtml>, or 495-7760.

Office for Sponsored Programs: <http://vpf-web.harvard.edu/osr/>, or 495-5501.

Risk Management & Audit Services: <http://vpf-web.harvard.edu/rmas/index.html>, 495-3642.

Insurance Office, within Risk Management & Audit Services: <http://vpf-web.harvard.edu/rmas/insurance.html>, or 495-3642.

Strategic Procurement, within University Financial Services: <http://vpf-web.harvard.edu/ofs/procurement/index.shtml>, or 495-4441.

Key subject matter experts who provided input in the development of this policy were the Financial Managers Forum and managers throughout Financial Administration.

DEFINITIONS

Accountable plan: An IRS term for a plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business purpose, substantiate expenses, and return any amount in excess of substantiated expenses to the employer.

Authorized approver: Authorized approvers are assigned at the tub level, and have primary responsibility for ensuring compliance with this policy. Authorized approvers must verify that expenses meet the criteria of this policy. The authorized approver must have authorization over the account(s) being charged when approving reimbursement requests, cannot be the individual seeking reimbursement, and should not be asked to approve the travel, entertainment, or non-travel business expenditures for an individual to whom he or she reports.

Business meals: Meals taken with students, colleagues, or donors during which specific business discussions take place. Employees will be reimbursed based on reasonable actual costs as determined by the authorized approver.

Corporate card: See "Travel and Entertainment Card."

Entertainment expenses: Entertainment expenses include outings to theaters or other cultural events when a business discussion takes place during, immediately before, or immediately after the event.



DEFINITIONS, continued

Hotel folio: A term used in the hotel industry to describe a list of room charges for a guest (synonymous with invoice or bill).

Incidentals: An IRS term for minor expenses included in the per diem rate for "meals and incidentals." Incidental expenses include tips, mailing expenses, etc.

Individual meals: Meal expenses of travelers on a business trip. Can be reimbursed according to actual and reasonable costs, or on a per diem basis based on IRS rates.

Miscellaneous expenses: Expenses for ground transportation (e.g., taxis, airport shuttle services, public transportation) and other various non-personal expenses.

Official travel: Travel on official University business from one's home or normal place of employment to another destination, including University facilities outside the Boston metropolitan area. Official travel does not include commuting to and from work.

Per diem: Reimbursement rates established by the federal government for travel inside and outside the United States.

Personal expenses: Expenses for personal items such as clothing, luggage, toiletries, newspapers, magazines, or movies.

Purchasing Card (PCard): A University-liability credit card issued by the University to employees, for payment of high-volume, **non**-travel-related and **non**-entertainment-related business purchases.

Receipt report: For the purposes of this policy, a printable electronic record of an individual's travel expenses incurred while on University business. Information appearing on receipt reports is entered and approved in the University's Web Voucher Reimbursement financial application. Receipt reports from approved requests are printed, signed, and submitted to University Financial Services, along with other required documentation such as original receipts, for audit and eventual release of reimbursement to the traveler.

Reimbursee: For the purposes of this policy, an individual traveler who applies for reimbursement of business-related expenses incurred while traveling on University business.

Travel and Entertainment Card: An individual-liability credit card issued by the University to employees for payment of business-related travel and entertainment expenses. Formerly known as the corporate card.

Traveler: A Harvard employee, student, or non-employee who incurs business-related expenses while traveling on behalf of the University.

APPENDICES

Appendix A – 60-Day Requirement Quick Reference for Harvard Employees

Appendix B – Spousal and Family Travel: Bona Fide vs. Non-Bona Fide Business Purpose

Appendix C – Determining the Primary Purpose of a Trip: Business vs. Personal



Appendix A
60-Day Requirement Quick Reference for Harvard Employees

Reimbursements to Harvard employees for **travel-related** expenses:

If Request is Received by Reimbursements and Card Services Office . . .	The Policy is . . .	You Should Note That . . .
Prior to trip (prepayment of air, hotel, or conference fees in advance of a trip)	Okay to reimburse only if purchased using the JPMC T&E Card	Not reimbursable if purchased using a personal credit card or personal funds. Cannot be reimbursed until after the trip is complete.
Up to 60 days after the trip end date	Okay to reimburse	This is in Harvard’s policy and in accordance with the IRS Accountable Plan.
61 to 90 days after the trip end date	Process as Additional Pay	Okay to process as a reimbursement with financial dean (or designee) approval. Exceptions must be infrequent and reasonable.
91 to 182 days after the trip end date	Process as Additional Pay	No exceptions. Additional pay cannot be grossed up. Third-party payments to JPMC will not be accepted by Payroll. The employee should retain receipts.
Beyond 183 days after the trip end date	CANNOT BE PAID OR REIMBURSED WITH UNIVERSITY FUNDS	The employee should retain receipts.

Reimbursements to Harvard employees who are traveling on an **extended business** trip (> 30 consecutive days):

If Request is Received by Reimbursements and Card Services Office . . .	The Policy is . . .	You Should Note That . . .
Up to 120 days from the date the first expense was incurred	Okay to reimburse	This is in Harvard’s policy and in accordance with the IRS Accountable Plan. Business purpose should include “extended business trip.”
121 to 182 days from the date the first expense was incurred	Process as Additional Pay	No exceptions. Additional pay cannot be grossed up. Third-party payments to JPMC will not be accepted by Payroll. The employee should retain receipts.
Beyond 183 days from the date the first expense was incurred	CANNOT BE PAID OR REIMBURSED WITH UNIVERSITY FUNDS	The employee should retain receipts.

Appendix B
Spousal and Family Travel: Bona Fide vs. Non-Bona Fide Business Purpose

A spouse who attends a function is considered to have a business purpose if he or she has a significant role in the proceedings or makes an important contribution to the success of an event. Generally, protocol or tradition dictates when the participation of a high-level official's spouse is required at official University functions, such as alumni gatherings, fund-raising, or ceremonial activities, certain athletic events, and community events.

The following grid is provided to help determine if spousal/family travel is taxable or non-taxable:

Expenses more likely to be taxable when:	Expenses more likely “bona fide” (non-taxable) when:
No formal request for family member to attend event(s)	Formal or official correspondence requests spouse or other family members of Harvard employees to make the trip or attend event(s)
Family members are not required to attend meetings, given assignments in advance, or make presentation at the event(s)	Spouses or other family members are required to attend meetings, given assignments in advance, or make presentation at the event(s)
Family member performs only “helpful” services, such as social, medical assistance, etc.	Family member performs “necessary” services by acting as a representative of the University in a substantial manner
Only Harvard employees and family member attend event(s)	Non-Harvard individuals (alumni, donors, recruits, etc.) attend event(s)
Family members participate in substantial tourist activities	Family members do not participate in tourist activities

Appendix C
Determining the Primary Purpose of a Trip: Business vs. Personal

When determining if a trip is related primarily to business or to personal activities, consideration must be given to the amount of trip time devoted to personal activities and to business activities, and to whether any personal activities result in additional costs to the University.

The following grid gives examples to help travelers and approvers determine if a trip is related primarily to business or to personal activities:

Trip more likely to be considered primarily <u>personal</u> when:	Trip more likely to be considered primarily <u>business</u> when:
An individual travels to celebrate holidays with her family. During the two-week visit, she has two meetings with colleagues to discuss research.	An individual attends a conference from Wednesday through Friday, and he extends his stay through Sunday.
An individual participates in a family wedding ceremony over the weekend. On Monday, he presents a lecture at a university in the city where the wedding was held.	An individual presents a two-week lecture series, and she extends her stay for an additional three weeks to collaborate with colleagues on research work.
An individual plans a three-week vacation in Italy. Upon completion of the vacation, she plans a two-day visit, partially funded by her grant, to a research center located in Paris.	An individual attends a procurement-consortium meeting from Monday through Wednesday, and he schedules a tour of the sponsoring vendor's facilities for the following Tuesday.