

**SOUTHERN METHODIST UNIVERSITY  
POLICIES AND PROCEDURES**

**BUSINESS AND FINANCE**

**POLICY NUMBER 3.7**

**REVISED AS OF JUNE 20, 2015**

**TRAVEL AND ENTERTAINMENT POLICY**

**A. PURPOSE**

It is the policy of the University to pay for reasonable and necessary costs for approved local, non-local domestic and international University business travel for employees and students, and reasonable, legitimate entertainment expenses incurred for approved business purposes.

This policy applies to all faculty, staff, students and others who incur expenses while engaged in University business travel or entertainment. Travel reimbursements for independent contractors and other non-SMU employees must also comply with this policy.

The policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary and in compliance with IRS accountable plan rules and regulations along with other government agency regulations. Where donor restrictions, or sponsor, agency or other regulations are more restrictive than prescribed in this policy, the more restrictive terms will apply.

Detailed travel procedures are included in SMU's Travel & Entertainment Procedure Manual which is located on the Office of Budget and Finance website.

**B. APPROVAL**

All University travel requires written pre-approval by the individual with budgetary authority over funds being utilized or official designee. Approvers may require submission of a budget prior to approving the travel request. Travelers must submit a travel request for pre-approval through Concur prior to making travel arrangements in order to provide travel information for the University's travel insurance and risk purposes

Travel expenses incurred by the traveler without the required pre-approval may not be reimbursed. Travel expenses incurred by the traveler and booked to the traveler's University credit card for unapproved travel are subject to being

recovered from the traveler by payroll deduction. All pre-travel and post-travel approvals will be made by the individual with budgetary authority over funds being utilized or official designee. No traveler can approve his/her own travel. Failure to meet these requirements may result in the University withholding permission to travel and/or reimbursement of travel expenses.

Students and employees planning to travel internationally for any University sponsored purpose must comply with this travel policy and with the travel requirements outlined on the SMU Office of Risk Management website. Departments sponsoring international travel are responsible for reviewing the U.S. State Department's Warning System for information on the countries of destination prior to the commencement of travel. Travel to countries on the State Department's warning list is prohibited unless approved by both the Provost or Vice President of the traveler's area and the Vice President for Business and Finance.

Written pre-approval is not necessary for local travel if only mileage and incidental travel costs will be incurred and the travel does not involve an overnight stay.

### **C. ONLINE TRAVEL AND EXPENSE SYSTEM**

The use of Concur, which supports travel booking, ticketing, direct payment processing, and expense reimbursement, is required for all university business travel. Consideration should be given to minimizing travel costs by maximizing flexibility in travel plans to allow for alternate airlines, schedules and times, which can lessen travel costs.

All air, lodging and car rental reservations must be booked through Concur or the SMU approved travel management company agent. For routine travel reservations, online booking through Concur is the required method for booking travel arrangements.

International and complex travel reservations may be booked with the SMU approved travel management company agent. Complex is defined as having more than one destination or more than one airline involved

If emergency or en route changes to travel plans are necessary, the traveler should contact the SMU approved travel management company agent. Making reservations or changes to travel plans through the appropriate channels maximizes the safety and security of SMU's travelers.

When a trip is cancelled after the reservation has been made, it is the employee's responsibility to cancel the flight, hotel and rental car through Concur or by contacting the SMU approved travel management company.

**D. TRAVEL ADVANCES AND PAYMENT**

Expenses not directly billed to SMU will be paid by the traveler and will be reimbursed after the completion of travel. Travelers may request a University issued credit card which can be used for travel, entertainment, and other approved business expenses.

Travel advances are allowed for group and/or international travel. Individual travelers may request a travel advance during the pre-approval process and must provide pre-travel justification. Travel advances are limited to \$75 per day unless the trip extends beyond 30 days, or unless the traveler submits an expense estimate for the trip demonstrating the need for the additional funds.

**E. AIRFARE**

All reservations for University business travel must be made using Concur at the lowest available coach fares for both domestic and international flights. With sufficient budget and approval of the appropriate budget authority, business class airfare may be booked for flights with actual flight time of 6 hours or more. Otherwise, the cost of upgrades is considered a personal expense and will not be reimbursed.

Reservations should be made early, since the lowest fares are usually available with 21 and 14-day advance purchases and ensures the most convenient and cost effective fares. Federally funded travel may be subject to additional restrictions which are included in the "Grants and Contracts" section below.

Group travel arrangements must be made through the SMU approved travel management company.

**F. LODGING**

University travelers should use Concur to book lodging accommodations in order to take advantage of negotiated rates and corporate discounts. Exceptions will be made for conference bookings and bookings where there are other savings not available through the online booking system. The class of lodging must be reasonable and appropriate for the business purpose and location and for a traveler representing a not-for-profit organization. Reimbursement will be made for actual costs consistent with this policy or the daily per diem allowance as stated in the "Per Diem" section within this policy

**G. GROUND TRANSPORTATION**

Travelers should use discretion when choosing ground transportation availing themselves of the most practical and economic option available. Vehicles can be rented by travelers only when taxicabs, airport buses, airport limos or personal vehicles are unavailable, more costly or impractical, or when business needs require the rental. Vehicle selection should be appropriate to the traveler's business needs and should be booked through Concur.

#### Rental Cars

Rental car reservations should be booked using the company's preferred provider through Concur. The University maintains a Comprehensive Automobile Liability Insurance Policy to cover bodily injury and property damage liabilities arising out of the use of rented vehicles being driven on behalf of SMU. Therefore, employees traveling on University-related business must decline any insurance coverage offered by the rental car company except in foreign countries where travelers must always accept additional rental car insurance. The University will not reimburse the costs of collision damage insurance unnecessarily acquired from rental companies. When renting a vehicle, the traveler must not accept the fuel option and are required to refuel rental cars per each rental locations' refill requirements prior to returning the car in order to minimize costs.

#### Personal Vehicles

Authorized travelers may use their own personal vehicles for local and non-local business travel. The University will reimburse documented business mileage at the rate approved by the Internal Revenue Service. The University accepts no responsibility for collision damage to a vehicle owned and operated by an employee while driving on University business. This becomes the sole responsibility of the employee and the employee's insurance carrier in the event of an accident.

#### Other Ground Transportation

Car fares, taxicab fares, and bus fares to and from railway, bus, and airport terminals, to and from business facilities and hotels, and for local business needs are reimbursable expenses. If bus or rail travel is used, the traveler must select coach class.

#### Parking & Tolls

Reasonable parking charges and tolls associated with business travel will be reimbursed.

### **H. MEALS & ENTERTAINMENT**

While traveling on University business, expenses for meals are reimbursable on the basis of actual, reasonable expenses incurred or by the traveler electing to receive a per diem. Per diem rates will be determined by travel destinations and will be linked to General Services Administration (GSA) per diem tables in Concur.

Approvers have authority to set trip budgets below published per diem rates. Travelers who use University issued credit cards to pay for meals while traveling are not eligible to elect per diem.

Business meals and entertainment events may be reimbursed from University funds if there is a documented business purpose for the event. All entertainment expenses must be properly documented in Concur in order to be submitted for approval and reimbursement.

Business meals that are not part of university travel and which include only SMU employees must have a documented business purpose or will be considered a personal expense and not eligible for reimbursement.

#### **I. PER DIEM ALLOWANCE**

The University reimburses travelers for actual costs incurred for University travel unless per diem is elected. If per diem is approved, it must be used to determine reimbursement for the entire trip, not select days. Per diem allowances can be for either lodging or meals and incidentals or for both but they cannot exceed the allowance set by the GSA for a particular city or foreign country or the budget allocated for the travel by the department or school. GSA maximums do not apply to actual costs if actuals are elected for meals and lodging or both unless specified in terms and conditions of an award from a sponsoring organization/agency funding the travel.

Travelers who elect per diem must provide a detailed hotel receipt for lodging.

#### **J. ALCOHOL**

Alcohol purchases are not eligible for reimbursement unless there is a documented SMU business or entertainment purpose.

#### **K. DOCUMENTATION AND SETTLEMENT OF ACCOUNTS**

All documentation and expense reporting for travel and entertainment expenses will take place within Concur. Receipts are required for all expenditures greater than or equal to \$25, except when per diem has been authorized for the traveler. When a receipt is required, it must be itemized. Receipts will be electronically stored in the system; travelers do not need to retain original copies.

All travel, entertainment and other expense reports should be submitted for approval no more than 30 days after the completion of travel or when the expenses occurred.

Failure to comply in a timely manner or failure to adhere to any other tenet of this policy may result in the loss of University credit card privileges, taxation of reimbursement, loss of reimbursement, or other disciplinary action.

## **L. GRANT & CONTRACT (SPONSORED PROJECT) TRAVEL AND BUSINESS EXPENSE**

Travel costs charged to grants and contracts must follow the regulations of the sponsoring entity and the terms and conditions of the individual awards. Restrictions may include the need for prior approval from the sponsor, use of U.S. flag carriers, limits on the total amount that can be charged for travel and compulsory use of government per diem allowances for lodging and/or meals. The traveler should check with the specific agreement or contact the Office of Research Administration and Technology Management or Grant and Contract Accounting well in advance of departure to determine if any additional restrictions are applicable. Travel policies of federal and non-federal sponsors vary.

In addition to meeting all other University policy requirements, the following conditions apply to travel charged to sponsored projects:

Business Purpose. The business purpose section of Concur should clearly identify the relationship of the travel to the purpose of the award. When a trip involves multiple purposes, the basis for allocating the charges to the sponsored project must be stated.

Fly America Act and Open Skies Agreements. Use of U.S. flag carriers is required for all international travel charged to a federal award unless certain exceptions are met. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference. See SMU's Travel & Entertainment Procedure Manual for exceptions, documentation and timing requirements.

Advance Approval Required. Grants from some federal agencies and most federal contracts require that all international travel, even if included in the award, be approved from 45 to 90 days in advance by the sponsor's administrative officer. Some non-federal entities require approval in advance of all travel whether domestic or international. Travelers should consult with the Office of Research Administration and Technology Management for details on obtaining approval.

Penalties and Fees. In certain limited situations, penalties or cancellation fees for airline, hotel, and car rentals may be reimbursable under a federally-

sponsored award.

Alcohol and Entertainment Expenses. Expenses for alcoholic beverages and entertainment expenses cannot be charged to a federal grant or contract and must be coded as an unallowable expense. Such expenses are only allowable on non-federal programs when the event and/or use of alcohol have been specifically approved in advance by the sponsor.

**M. RISK OF NON-COMPLIANCE**

Violation of this policy, including misuse of a University issued corporate credit card, may result in the loss of University credit card privileges, taxation or loss of reimbursement, disciplinary action including termination or legal action.