



TRAVEL & ENTERTAINMENT POLICIES

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2351 - TRAVEL AND ENTERTAINMENT POLICY - OVERVIEW

Resp. Office: Purchasing Services
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PURPOSE

To provide a policy overview for the purchase and payment/reimbursement of travel and entertainment on behalf of the University.

SCOPE

This policy applies to all affiliates (faculty, staff, students and postdocs) and non-affiliates (external parties including guests) traveling or entertaining on behalf of the University and seeking reimbursement or payment for related expenses from the University regardless of the funding source.

GENERAL POLICY

The University, as a charitable organization, has a fiduciary responsibility to ensure its resources are used prudently. This document establishes general policy applicable to the procurement of all travel, entertainment (T&E) and miscellaneous expenses for affiliates and non-affiliates. Expense reimbursements or payments associated with accountable plan activities for affiliates are processed in the Concur TEM system. Reimbursements or payments for travel and entertainment expenses to non-affiliates or non-accountable plan affiliate expenses are processed using the Procurement Disbursement Authorization (PDA) form. Non-accountable plan activities are further explained in Policy #2352.

This series of T&E policies (Policy #2351 through Policy #2370) provide detailed policies regarding travel and entertainment on behalf of the University of Pennsylvania.

2352 – TRAVEL & ENTERTAINMENT POLICY – PROCUREMENT OF TRAVEL, ENTERTAINMENT AND OTHER MISCELLANEOUS GOODS AND SERVICES BY AFFILIATES

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PURPOSE

The purpose of this document is to define the internal control objectives and associated responsibilities for the procurement of travel, entertainment and other miscellaneous goods and services (Reimbursable Procurement) by affiliates.

Reimbursable Procurement is the purchase of goods/services, including travel and entertainment (T&E), by individuals or entities on behalf of the University using non-University fund sources (e.g., cash, personal liability credit cards, personal checks and other entity disbursements) for which reimbursement or University payment is appropriate. Payment for any services performed, awards, honorariums, refunds, etc., are not reimbursable procurement. Payments to establish funds to pay human subjects are not reimbursable procurement. See Section 2300 for policies related to this type of procurement.

Affiliates are defined as employees (faculty and staff), students and postdocs. Employees and students are those individuals who are active in the University's HR/Payroll System and Bursar System, respectively. Postdoc status must be verified through associated school records.

Reimbursable Procurement by Non-Affiliates has additional control requirements, principally related to tax reporting, which are addressed in Section 2353. A Non-Affiliate is any person who is not an employee, student or postdoc (e.g., guests, consultants, independent contractors or corporations), and not on the University's payroll or bursar system.

INTERNAL CONTROL OBJECTIVES

GENERAL

In accordance with decentralized responsibility center management and "Financial Policy #2701- Internal Control Policy" (Policy 2701), the responsibility for and operation of a variety of controls must be integrated into the procurement activities performed in the Schools/Centers.

All procurement of goods and services requires some form of disbursement of University funds. The School/ Center front-end procurement control objectives (e.g., timely and proper procurement authorization, approval and account coding) are the same under all disbursement methods.

There are activities whereby Reimbursable Procurement is the most practical procurement method. However, Reimbursable Procurement generally occurs with limited prior independent authorization/review. This subjects the University to higher risks including:

- 1) Income imputation to employees and associated IRS reporting and withholding requirements;
- 2) Tax reporting and withholding compliance regarding student income;
- 3) Reputation risk associated with audit findings for purchases considered to be fraudulent, extravagant or not having a valid business purpose;
- 4) Higher costs due to sales tax incurred when not purchased directly by the University;
- 5) Weaker controls related to asset ownership; and
- 6) Potential circumvention of the University's procurement policy and preferred procurement methods (purchase order and purchasing card).

The IRS has established rules pertaining to Reimbursable Procurement that require the University to establish and consistently administer policies, procedures and guidelines that constitute what the IRS refers to as an Accountable Plan. This document and all related sections are considered the University's Accountable Plan in accordance with applicable IRS regulations and guidance.

ACCOUNTABLE PLAN ACTIVITIES

- Are performed on behalf of and authorized by the University;
- Principally benefit the University and not the employee/student;
- Enable the University to meet its operating goals and objectives;
- Support the generation of revenues or meeting-related service obligations.

EXAMPLE ACCOUNTABLE PLAN ACTIVITIES INCLUDE:

- Representing the University by participation in conferences, seminars, etc.;
- Instructing at locations other than the normal place of employment;
- Fundraising activities in connection with potential donors; and
- Participation in training programs.

***NON-ACCOUNTABLE PLAN ACTIVITIES* INCLUDE (BUT ARE NOT LIMITED TO):**

- Employees or students performing services outside the scope of their employment (e.g., services typically performed by an outside vendor; for example: photographers and musicians);
- Students participating in study abroad programs or similar programs;
- Employee or student personal travel to the University from their home residence or other locations (i.e., commuting);
- Employees or students participating as subjects in research studies; and
- Expenditures specifically excluded by policy.

When assessing activities, it is important to realize that “connection with Penn” alone does not make it an **Accountable Plan Activity**. The nature of the expense, the activity and the benefit to the University must all be properly evaluated and documented.

T&E on behalf of the University is the primary activity whereby reimbursement is the most practical procurement method, as direct Penn payment is not generally available except in the case of airline or Amtrak service.

There are limited circumstances where business requirements necessitate reimbursement other than “T&E Reimbursement.” To mitigate the control risks noted above, this “Miscellaneous Reimbursement” must be carefully and completely documented to establish and provide evidence of proper authorization/ approval, the business purpose with emphasis on the benefit to and ownership by the University (not the individual), and circumstances that require procurement to be made outside the preferred purchase order or purchasing card methods. An example of a properly documented business explanation follows:

- A University-owned laptop battery had to be replaced while out of town participating in a University business-related activity. (Describe the specific activity and attach copies of brochures, agendas, etc.)

Reimbursement of sales tax paid is permitted when business conditions warranted “Miscellaneous Reimbursement” and it is properly documented and approved.

T&E Reimbursement and “Miscellaneous Reimbursement” in accordance with the University’s Accountable Plan do not have tax reporting requirements and must be processed using the Concur-TEM system.

Purchases made by faculty, staff, students and postdocs using personal funds for “Non-Accountable Plan Activities” are generally not reimbursable. In those situations where such reimbursement is properly authorized (See School/Center Responsibility below), additional review and processing, including potential tax reporting, are required. All reimbursements of this type must be processed using the appropriate Procurement/ Disbursement Authorization Form (PDA-ES) and related process.

“T&E Reimbursement” and “Miscellaneous Reimbursement” must also comply with any applicable third-party sponsoring agency regulations.

Non-compliance with these policies may subject the School/Center and/or the University and the individual to significant financial risks including tax assessments, penalties, interest or loss of project funding.

RESPONSIBILITIES

SCHOOL AND CENTER RESPONSIBILITY

The head of each School or Center (e.g., Provost, Deans and Vice Presidents) has ultimate responsibility for his/her respective organizations to ensure compliance with all of the University’s T&E Reimbursement and “Miscellaneous Reimbursement” policies and procedures including properly completing and documenting reimbursement requests.

Schools, centers or departments may, at their discretion, impose greater controls than required by this policy but never less.

Each School and Center must develop, maintain and adhere to a “Delegation of Procurement Authority” for the preparation and approval of T&E Reimbursement or “Miscellaneous Reimbursement” and related advance requests.

Approval responsibility, as outlined below, is very important, as it gives effectiveness to authority. Approvers are obligated to properly perform the tasks/controls assigned, including ensuring policy understanding and compliance by those seeking reimbursement. This includes denial of a request or a portion thereof, as well as ensuring appropriate supplemental approval is obtained.

DELEGATION OF PROCUREMENT AUTHORITY

- Flows from the person with the highest authority in the organization (School/Center head or delegator) and entrusts others to properly perform the assigned procurement controls;
- Does not relieve the delegator of accountability; and
- Requires delegates to fully understand the scope of the delegated authority, be capable of performing the assigned control functions and be held accountable for any improper utilization of the delegated authority.

Written policies cannot address all situations where reimbursement is appropriate and can be justified and substantiated. In these situations, the business judgment of the delegator or School/Center level Senior Business Administrator designee is necessary, and approvers must obtain and document this additional approval.

All reimbursement requests, regardless of the amount, must be reviewed and approved by designated approvers pursuant to the “Delegation of Procurement Authority.”

PURCHASING SERVICES

Purchasing Services develops and communicates T&E Reimbursement and other “Miscellaneous Reimbursement” policies and procedures, and coordinates the development of centralized training and related training materials to assist Schools and Centers.

Previously approved and properly documented reimbursement requests are processed through the Concur-TEM system. Purchasing Services can assist with School and Center compliance/documentation questions prior to submission of reimbursement requests in the Concur-TEM system but cannot substitute for School/Center approvers. Purchasing Services is not part of the School/Center “Delegation of Procurement Authority” or related Approver Responsibility and cannot approve or audit specific reimbursement requests.

Purchasing Services’ principal control responsibility is to develop and implement post-processing measurement tools to assist Schools/Centers in monitoring their travel and expense management processes and to continually improve compliance, policies and procedures, and/or centralized training.

In accordance with Policy 2701, Purchasing Services will collaborate with the Office of the Comptroller and the Office of Audit, Compliance and Privacy to ensure that the University’s procurement-related internal control responsibilities are effective, efficient and operating as intended.

FACULTY, STAFF, STUDENT AND POSTDOC RESPONSIBILITY

Faculty, staff, students or postdocs (“travelers”) requesting T&E Reimbursement or “Miscellaneous Reimbursement” on behalf of the University should exercise good judgment with respect to the related purchases and spend the University’s funds prudently.

Each traveler requesting reimbursement is responsible for ensuring that the costs are for “Accountable Plan Activities” that have been properly authorized and are supported with required receipts and/or other applicable documentation in compliance with all applicable policies. The submission of the reimbursement request by the traveler using the Concur-TEM system affirms that these responsibilities have been met.

Reimbursement requests should be submitted through the Concur-TEM system within ten (10) days of the end date of the business-related activity or “Miscellaneous Procurement” dates.

APPROVER RESPONSIBILITY

Approvers perform a critical control function for the University. Collectively, approvers ensure that reimbursement requests are properly authorized, documented, appropriately funded, compliant with policy, and are for valid and necessary “Accountable Plan Activities.” Designated approvers also assist faculty, staff, student or postdoc, as necessary, with understanding their individual responsibilities for compliance and the requestor affirmations.

The Concur-TEM system includes three approver roles for T&E Reimbursement and “Miscellaneous Reimbursement.” Reimbursement requests must be reviewed and approved by a minimum of two approvers, and at least one approver must not be subordinate to the requestor. Schools and Centers may add additional requirements or approvers as needed.

The Concur-TEM system reviewer/approver roles and corresponding responsibilities are defined as follows:

DEFAULT REVIEWER

- Reviews all documentation to ensure completeness and compliance with all policies. This includes well-documented descriptions of the business-related activities and the necessity/purpose of the related purchases. Documentation includes any required receipts to verify expenditures/policy compliance and documents such as meeting or conference agendas and brochures to document “Accountable Plan Activities” and properly segregate or exclude any personal expenditures;
- Ensures the costs are charged to the proper funding source;
- Verifies that appropriate supplemental approval has been assigned where required; and
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

COST OBJECT (FUNDING SOURCE) APPROVER

- Reviews all documentation to ensure compliance with all policies and tax requirements;
- Ensures the costs are charged to the proper funding source(s);
- Must have authorization over the funding source(s) being charged;
- Ensures that reimbursements claimed were necessary, reasonable and were incurred while conducting authorized University “Accountable Plan Activities”;

- Verifies that “Accountable Plan Activities” have been appropriately described, **that any personal expenses have been marked as non-reimbursable**, and that supporting documentation is complete and acceptable;
- Verifies that supplemental approval has been correctly assigned where appropriate; and
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

SUPPLEMENTAL APPROVER

- Principal role is to further ensure policy compliance, necessity of the procurement and business purpose;
- Must be at a higher level of organizational responsibility and must be familiar with the “Accountable Plan Activities” to ensure it is authorized for reimbursement;
- Must review and approve all reimbursement requests with an aggregate value equal to or greater than \$500;
- Ensures that supporting documents have been provided and reviewed which clearly document:
 - 1) The “Accountable Plan Activities”;
 - 2) The necessity and reasonableness of the T&E Reimbursement or “Miscellaneous Reimbursement”;
 - 3) Compliance with applicable policies including any and all sponsored program requirements;
 - 4) The exclusion of any personal items or services;
 - 5) Review and approval by the delegator or School/Center level Senior Business Administrator designee in those situations where their business judgment is necessary.

EXECUTIVE-LEVEL RESPONSIBILITY

The Executive Vice President (EVP) – Administration must approve the reimbursement requests of the President. The Office of the President must approve the reimbursement requests of the Provost, Executive Vice President and EVP for the Health System and other direct reports in the President’s Center. The Office of the EVP will approve the reimbursement requests of the Vice Presidents and other direct reports in the EVP Center. The Office of the Provost will approve the reimbursement requests of the Deans, Resource Center Directors and other direct reports in the Provost’s Center.

AUDIT RESPONSIBILITY

Faculty, staff, student and postdoc reimbursements are included in the audit testing performed by the University’s independent accountants in connection with OMB Circular A-133, Audit of Federal Awards.

The Office of Audit, Compliance and Privacy includes reimbursement reviews in connection with School, Center and department audits.

The Office of Audit, Compliance and Privacy will review periodically the reimbursements of the four highest-ranking University executives (President, Provost, Executive Vice President and Executive Vice President for the Health System) and will share its findings with the Chair of the Board and Chair of the Trustee Committee on Audit and Compliance.

The Office of Audit, Compliance and Privacy will review periodically the T&E reimbursements of Vice Presidents, Officers, Deans of the Schools and Directors of the Resource Centers and share their findings with the Executive Vice President – Administration and the Chair of the Trustee Committee on Audit and Compliance.

2353 – TRAVEL & ENTERTAINMENT POLICY - PROCUREMENT OF TRAVEL, ENTERTAINMENT, AND OTHER MISCELLANEOUS GOODS AND SERVICES BY NON-AFFILIATES

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PURPOSE

The purpose of this document is to define the internal control objectives and associated responsibilities including authorization/approval controls for procurement of travel, entertainment and other miscellaneous goods and services (Reimbursable Procurement) by Non-Affiliates.

Reimbursable Procurement is the purchase of goods/services, including travel and entertainment (T&E), by individuals or entities on behalf of the University using non-University fund sources (e.g., cash, personal liability credit cards, personal checks, and other entity disbursements) for which reimbursement or University payment is appropriate. Payment for any services performed, awards, honorariums, refunds, etc., are not reimbursable procurement. Payments to establish funds to pay human subjects are not reimbursable procurement. See Section 2300 for policies related to this type of procurement.

A Non-Affiliate is any individual who is not a University employee (faculty and staff), student or postdoc. Non-affiliates include guests, recruits, consultants, independent contractors, or corporations, and are therefore not in the University payroll or bursar systems.

INTERNAL CONTROL OBJECTIVES

GENERAL

The control objectives and responsibilities for Reimbursable Procurement by Non-Affiliates are the same as those for Reimbursable Procurement by Affiliates (Review Policy 2352 to ensure compliance) except:

- Non-Affiliates are generally not contractually obligated to follow the University's Accountable Plan and are often subject to tax reporting requirements.
- Non-Affiliate disbursements cannot be processed in the Concur-TEM system due to access control and tax reporting limitations.

- The Delegation of Authority and review/approval process is documented on Procurement/Disbursement Authorization Forms (PDA-NA) and the utilization of Transaction Authority Cards (TAC Cards).

As also indicated in Policy 2352, the procurement of goods and services are best controlled using purchase orders and purchasing cards. See Financial Policy Section 2300 – Procurement/Disbursements for more information pertaining to the preferred methods of goods and service procurement other than Reimbursable Procurement.

Services procured from Non-Affiliates often include payment for related expenses including T&E. The University reports all payments for services and related fees to the IRS on Form 1099-MISC. Form 1099 reporting of all payments mitigates University risks/costs associated with employment classification and with receipt/record retention for Non-Affiliates. The collective disbursements of fees and expenses are not considered Reimbursable Procurement but are considered service fees. This applies to independent contractors, corporate entities and individuals, and includes all situations involving payments (e.g., consulting or other service fees, honorariums, stipends, awards, human subject services) in addition to payments for related T&E or other miscellaneous expenses.

There are limited circumstances where it may be necessary to require Non-Affiliates to follow our Accountable Plan Rules and reimburse them accordingly. In these cases it is very important that the Non-Affiliates understand that they are limited, without exception, to reimbursement in accordance with the University’s Accountable Plan Rules. For example, the University’s Accountable Plan precludes reimbursement for alcohol during any traveler meal. It is equally important that the Non-Affiliates understand that they are obligated to substantiate all reimbursable expenditures and provide receipts in accordance with the University’s Accountable Plan. As with Affiliates, strict adherence is required to avoid IRS disallowance of the University’s Accountable Plan. See Policy Section 2351 for more information on the University’s Accountable Plan.

Permitted circumstances whereby Non-Affiliates are required to follow the University’s Accountable Plan are T&E Reimbursement and Miscellaneous Reimbursement to:

- Recruits for employment and/or academic programs including athletic teams;
- Guests involved in “Accountable Plan Activities” (See Policy Section 2351) for which related T&E and other Miscellaneous Procurement is reimbursed and no other service-related payments (fees, honorarium) are made.

RESPONSIBILITIES

SCHOOL AND CENTER RESPONSIBILITY

The head of each School or Center (e.g., Provost, Deans and Vice Presidents) has ultimate responsibility for his/her respective organizations to ensure compliance with all of the University’s T&E Reimbursement and “Miscellaneous Reimbursement” policies and procedures, including properly completing and documenting reimbursement requests.

Each School and Center must develop, maintain and adhere to a “Delegation of Procurement Authority” for the preparation and approval of T&E Reimbursement, “Miscellaneous Reimbursement” and related advance requests. See Policy Section 2352 for a description of “Delegation of Procurement Authority.”

With respect to Non-Affiliates, these control responsibilities are met through the proper assignment of TAC Cards and related authorization/approval. See TAC Card Forms/Documents on the Comptroller's website for further guidance.

Approvers perform a critical control function for the University. Collectively, approvers ensure that reimbursement requests are properly authorized, documented, appropriately funded, compliant with policy and are for valid and necessary "Accountable Plan Activities." Designated approvers should also assist with communications to Non-Affiliates, prior to finalizing the procurement terms and conditions. Effective communication ensures proper understanding of the University's Form 1099 reporting policies or in the limited situations described above, compliance with the University's Accountable Plan requirements.

Written policies cannot address all situations where reimbursement is appropriate and can be justified and substantiated. In these situations, the business judgment of the delegator or School/Center level Senior Business Administrator designee is necessary, and approvers must obtain and document this additional approval.

PURCHASING SERVICES

Purchasing Services develops and communicates T&E Reimbursement and other "Miscellaneous Reimbursement" policies and procedures, and coordinates the development of centralized training and related training materials to assist Schools and Centers.

Previously approved and properly documented Non-Affiliate reimbursement requests are processed through the Accounts Payable system. Purchasing Services can assist with School and Center compliance/documentation questions prior to submission of reimbursement requests, but cannot substitute for School/Center approvers. Purchasing Services is not part of the School/Center "Delegation of Procurement Authority" or related Approver Responsibility and cannot approve or audit reimbursement requests.

Purchasing Services' principal control responsibility is to develop and implement post-processing measurement tools to assist Schools/Centers in monitoring their travel and expense management processes and to continually improve compliance, policies and procedures, and/or centralized training.

In accordance with Policy 2701, Purchasing Services will collaborate with the Office of the Comptroller and the Office of Audit, Compliance and Privacy to ensure that its procurement-related internal control responsibilities are effective, efficient and operating as intended.

AUDIT RESPONSIBILITY

Reimbursable Procurement by Non-Affiliates is included in the audit testing performed by the University's independent accountants in connection with OMB Circular A-133, Audit of Federal Awards.

The Office of Audit, Compliance and Privacy includes reimbursement reviews in connection with School, Center and department audits.

2354 – TRAVEL AND ENTERTAINMENT POLICY – AIR TRAVEL

Resp. Office: Purchasing Services
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PURPOSE

To provide travel guidelines with regard to the procurement of airline tickets when traveling on behalf of the University.

SCOPE

This policy applies to all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to book the lowest and most reasonable airfare through Penn's preferred carriers (when applicable) consistent with their itinerary, the business purpose of their trip and the requirements of the funding source. Travelers should strive to be as flexible as possible and to make their travel plans as early as possible, thus taking advantage of advance purchase fares.

Full responsibilities of faculty, staff, students and postdocs can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

The approver is also responsible to monitor ticket usage to ensure that trips are actually taken and tickets are used.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

The mode of air travel is expected to be the least costly option consistent with the itinerary and particular University business involved. On federally funded projects, compliance with the Fly America Act (http://www.gsa.gov/portal/content/103191?utm_source=OGP&utm_medium=print-radio&utm_term=openskies&utm_campaign=shortcuts) takes precedence over choosing a less expensive foreign carrier.

1. Coach accommodations should be used at all times, and travelers are expected to take advantage of advance purchase rates and the University's negotiated discounts. Upgrades in coach class such as Economy Plus seating are considered a personal expense unless approved in advance by School/Center administration.
2. Business or First Class travel will not be reimbursed or allowed on the airline billing account unless approved by the head of the School or Center (or a designated representative). Business class on sponsored research must also meet the strict guidelines stated under the Fly America Act (Federal Travel Regulations, §Part 301-10) and be documented for audit purposes.
3. Full coach fares that allow upgrade opportunities are unacceptable if a lower fare was available. Upgrades at the expense of the University are not permitted.
4. A traveler may elect to upgrade to Business or First Class if he/she agrees to personally pay the difference in airfare from the least expensive airfare on that particular routing, which may be confirmed by Concur-TEM.
5. Traveler participation in frequent flyer programs must not influence flight selection, which would result in additional costs to the University from the lowest airfare. The University will not reimburse travelers for tickets purchased with frequent flyer miles.
6. Air transportation is restricted to regularly scheduled and certified airlines. Air charter or air taxi services licensed by the U.S. government, aircraft of major corporations or private aircraft may be used when required by the urgency of a situation.
 - a) The number of key personnel who are permitted to travel on the same aircraft should be limited. It is the responsibility of each Dean, Resource Center Director, Vice President or Vice Provost to specify for their School or Center to determine appropriate key personnel, who may or may not travel on the same aircraft.
 - b) An employee electing to travel on a charter or private plane will only be reimbursed for an amount no greater than the lowest commercial airfare on that routing and must provide documentation for the actual cost of the charter or private plane.
 - c) When traveling internationally on federally sponsored projects, a United States flag carrier must be used. For specific federal guidelines on this issue, please refer to the [Fly America Act](#)

(Federal Travel Regulations, § Part 301-10) for details. Any questions regarding foreign travel on federally sponsored projects should be directed to the Office of Research Services.

- 7. When a trip has been cancelled after a non-refundable ticket has been issued, the ticket can be applied to a trip in the future by that traveler on that airline, less a change or cancellation fee. Travelers must apply any unused ticket value toward a business trip in the future, to mitigate any financial loss to the funding source. In most cases the traveler has a year in which that ticket can be applied toward a new ticket.**
- 8. When a trip has been cancelled without any penalty, the ticket must be submitted for refund. If the traveler has already been reimbursed for this prepaid expense, the traveler must return the money to the University once they have received the refund from the airline.**
- 9. The University will not absorb any of the costs associated with the loss of a ticket unless special circumstances are documented in the Concur-TEM system and approved by the head of the School or Center (or their designed representative). Upon discovery of a lost/stolen ticket, the traveler must immediately request and file a lost ticket application with the airline.**

2355 – TRAVEL AND ENTERTAINMENT POLICY – RAIL TRAVEL

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PURPOSE

To provide travel guidelines with regard to the procurement of rail tickets for when traveling on behalf of the University.

SCOPE

This policy applies to the procurement of rail travel by and for all faculty, staff, students and postdocs, traveling on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to book the lowest rail fare consistent with their itinerary and the business purpose of their trip. Travelers should strive to be as flexible as possible and to make their travel plans as early as possible, thus taking advantage of lower fares.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

APPROVER RESPONSIBILITY

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

The approver is also responsible for monitoring ticket usage and for ensuring that travelers are not reimbursed for Amtrak or rail tickets charged to purchasing cards.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

The mode of rail travel is expected to be the least costly option consistent with the itinerary and particular University business involved.

1. Reserved trains on the Northeast Corridor are permitted and should be used for most Amtrak trips. "Coach Class" and "Business Class" (reserved seating) are permitted on these trains.
2. Acela trains are the high-speed trains. Appropriate use of Acela service between Philadelphia, New York and Washington, D.C., is the responsibility of each department, and these trains should be used only when time is of the essence. Business Class seats on Acela trains are the acceptable class of service.
3. Use of First Class service on Amtrak trains is not permitted. Any exception to this policy requires supplemental approval by the head of the School or Center (or a designated representative).
4. If necessary, roomette accommodations may be used for overnight travel, although airline travel is usually faster and less expensive and should be used whenever possible.

2356 – TRAVEL AND ENTERTAINMENT POLICY – LODGING

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PURPOSE

To provide travel guidelines with regard to the procurement of lodging and accommodations when traveling on behalf of the University.

SCOPE

This policy applies to the procurement of lodging by and for all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to seek lodging that is safe, comfortable and reasonably priced. Travelers should take advantage of negotiated rates, conference rates, Web rates, Penn rates or educational rates when seeking hotel accommodations. Information for preferred travel service vendors is available at the following site: <http://cms.business-services.upenn.edu/penntavel/preferred-vendors.html>.

Full responsibilities of faculty, staff, students and postdocs can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

The cost of lodging should be kept at a minimum by requesting standard room accommodations whenever possible. Penn travelers are strongly encouraged to use standard accommodations at reasonably priced mid-market hotels or motels. Requests should be made for Penn discounts, educational discounts or other special rates to obtain the best price. Itemized hotel receipts, along with itemized expense entry in the Concur-TEM expense system, are required for reimbursement. The University generally does not approve accommodations at upscale or luxury hotels (Ritz, Four Seasons, etc.). However, an exception is made when a conference, workshop or other University business is scheduled at a luxury or upscale hotel. When traveling to any of these events, it is considered appropriate to stay at one of the hotels hosting the conference, even if the rate may exceed the guideline.

Legitimate lodging expenses include:

- Single room rate unless traveling with a colleague;
- Business telephone calls (use of Verizon calling cards is encouraged to reduce the cost of long distance calls from hotel rooms) (see Policy #2361);
- Reasonable number of calls to home; and
- Luggage storage and tips for service.

(1) The University will not reimburse travelers for the following expenses:

- In-room video rentals;
- In-room alcoholic beverages;
- Alcoholic beverages not purchased in conjunction with necessary business entertainment;
- Health club or exercise room fees;
- Recreational charges such as golf, tennis and ski lift tickets;
- Laundry and dry cleaning charges (unless traveling for more than five days); and/or
- Costs incurred for failure to cancel hotel reservations unless the head of the School or Center (or a designated representative) approves the expense.

(2) If a traveler elects to stay at a private residence, the traveler may be reimbursed for a small gift or meal extended (in lieu of lodging) as a gesture of appreciation to friends and relatives for their hospitality.

(3) Lodging reimbursement must be requested with actual costs. Per diems may not be used for lodging.

(4) When making reservations for visitors to Penn, departments are encouraged to use Penn's preferred hotels on campus and in Philadelphia.

2357 – TRAVEL AND ENTERTAINMENT POLICY – RENTAL CARS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April 1, 2015
Last Review: April, 2017

PURPOSE

To provide travel guidelines regarding the use of rental cars when traveling on behalf of the University.

SCOPE

This policy applies to the procurement of rental cars by and for all faculty, staff, students and postdocs renting a vehicle on behalf of the University and seeking reimbursement for related expenses from the University, regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to have valid driver's licenses and clean driving records if renting cars on behalf of the University. Penn travelers should rent cars from Penn's preferred rental car companies and use the corporate ID numbers affiliated with those rental car companies in order to obtain the University's negotiated rates and insurance coverage. Information about Penn's preferred rental car vendors can be found at the following site: <http://cms.business-services.upenn.edu/penntravel/preferred-vendors/ground-transportation.html>.

Prior to renting a vehicle for University travel, individuals must take the Penn's *Fundamentals of Driver Safety* course as described in this policy.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

The size of the rental car should be the least expensive model consistent with the number of travelers and the business purpose of the trip.

- 1) Travelers are authorized to use rental cars based on the cost efficiency and availability of other means of transportation.
- 2) Legitimate car rental costs include daily rental fees, local and state taxes, concession fees, mileage fees and drop-off fees. Non-reimbursable costs include, but are not limited to, unnecessary upgrades, car repairs, tickets and fines. Travelers should minimize the associated rental car expenses on behalf of the University such as refueling the car to avoid excessive refueling fees at the time of return.
- 3) Penn employees are expected to decline the loss damage waiver (LDW/CDW) option, supplemental liability coverage, personal accident insurance (PAI) and other additional insurance options when renting a car for business purposes on domestic travel. If Penn drivers are unfamiliar with this policy and accept any of the insurance options listed above, they will not be reimbursed for any of these costs.
 - a) Coverage options such as LDW/CDW (damage to the vehicle) and supplemental liability are included when you use Penn's corporate ID numbers with National, Enterprise, Avis, and Budget.
 - b) Any insurance provided by the rental car company is primary and is supplemented by Penn's insurance coverage. For additional information on insurance coverage and reimbursement guidelines, click here on [Insurance](#).
 - c) All travelers who intend to drive the rental vehicle must be listed on the rental agreement for insurance purposes. The additional driver fees are waived in most locations at National, Enterprise, Avis, and Budget.
 - d) Any additional questions about car rental insurance should be directed to the Office of Risk Management at 215.898.4327. Travelers must notify the Office of Risk Management immediately in the event of an accident.
- 4) Faculty, staff, authorized students, and postdocs must take Penn's *Fundamentals of Driver Safety* course prior to renting cars for business purposes. Individuals can sign up for the course on Knowledge Link. Authorized drivers should contact the Office of Risk Management at 215.898.4327 for more information.

Financial Policy No. 2607 states:

Reimbursement for loss or damage of a rental vehicle will be subject to a departmental deductible of \$250 per occurrence. Any loss or damage sustained by a driver who has not attended the University's Fundamentals of Driver Safety course will be subject to a 100% deductible (i.e., the department will be responsible for the total repair cost).

- 5) Students are not covered under the University's insurance policy unless specifically authorized by a School or Center to rent a car. Students may use the University's corporate ID numbers only when all of the following conditions are met:
 - They are renting a vehicle for a School-sponsored event
 - The rental has been authorized by a School or department

- They are 21 years of age or older
- They have a valid driver's license
- They have a clean driving record
- They have completed Fundamentals of Driver Safety course

If students have met the criteria listed above and are renting a car from National or Enterprise (using the Corp ID#), they are automatically covered for damage to the vehicle. They may decline the supplemental liability (SLI) coverage if all of the following conditions apply:

- The trip is more than 6 hours or more of consecutive driving time
- The number of vehicle occupants is 6 or more
- The destination is to New York, Massachusetts, Florida or California

The University's Travel Administrator reserves the right to determine whether renting a car is necessary for student groups or if other modes of transportation are more appropriate. The University will not authorize or complete any Additional Insured Endorsement forms on behalf of student drivers.

- 6) When traveling internationally on business, a University employee is authorized to accept both the loss damage waiver (LDW/CDW) and additional liability coverage. Any additional questions about international car rental insurance should be directed to the Risk Management office at 215.898.4327.
- 7) In non-business-related travel situations, employees may use the corporate ID numbers with National, Enterprise, Avis, and Budget, but insurance coverage is not provided by either the rental car company or the University.

2358 – TRAVEL AND ENTERTAINMENT POLICY – PERSONAL VEHICLES AND GROUND TRANSPORTATION

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April 1, 2015
Last Review: April, 2017

PURPOSE

To provide travel guidelines regarding the use of personal vehicles and other ground transportation providers for ground travel on behalf of the University.

SCOPE

This policy applies to the use of personal vehicles and procurement of other ground transportation by and for all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

Individuals are reimbursed on a mileage basis when their personal vehicle is used for the business trip. It is the individual's personal responsibility to carry adequate insurance coverage for the personal vehicle to protect his/her vehicle and any passengers. In the event of an accident, the owner or traveler is fully responsible for any damage to the vehicle, and his/her insurance coverage will be primary for any insurance claim.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

Travelers may elect to use their personal cars for business purposes if such use is less expensive than other options, such as rental cars or taxis, or if such use saves time.

1. When driving a personal vehicle, drivers are reimbursed for the actual miles traveled. The mileage reimbursement rate is calculated on a yearly basis by the federal government and covers all transportation and operating costs of the vehicle, including gasoline. See [Mileage](#) for the current mileage reimbursement rate.
2. Additional allowable expenses include turnpike tolls, bridge tolls and reasonable parking fees.
3. A driver will not be reimbursed for parking tickets, fines, moving violations or vehicle towing charges. No reimbursement will be made for vehicle repair costs regardless of whether it results from the traveler's acts or acts of others.
4. Travelers who choose to use their own automobiles on a trip where air travel is more appropriate will be reimbursed an amount not to exceed the lowest logical airfare to the destination.
5. Expenses associated with normal commuting between an employee's home and regular place of business are not reimbursable.
6. The most economical means of transportation, such as shuttle service, should be used to commute to and from airports, train stations or bus terminals whenever possible.
7. The University will pay for local travel costs such as SEPTA tokens for authorized activities but not for commuting purposes.
8. Taxis utilized while traveling on University business are a reimbursable expense.
9. Sedan/limousine car services are authorized expenses for recruiting purposes or visiting dignitaries. Such services are more expensive than taxis and should be used only when a valid business purpose or safety concern precludes the use of more economical modes of transportation.
10. Sedan/limousine car services and taxis are not considered acceptable transportation to New York airports or other regional locations unless the number of people traveling together makes such services the more economical option. Such requests require supplemental approval by the head of the School or Center (or a designated representative).

2359-TRAVEL AND ENTERTAINMENT POLICY - MEALS AND ENTERTAINMENT

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April 1, 2015
Last Review: April, 2017

PURPOSE

This policy provides guidelines with regard to the purchase and reimbursement of meals and entertainment when traveling or entertaining on behalf of the University.

SCOPE

This policy applies to the procurement of meals and entertainment by and for all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of every Penn representative to act in a prudent and reasonable manner when entertaining on behalf of the University. Penn representatives are expected to be familiar with the meal guidelines listed below, to abide by those guidelines and to retain and submit itemized receipts for meals of \$25 or more.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

Reimbursable personal meals are defined as individual meal expenses incurred when traveling on an out-of-town business trip. Consistent with IRS guidance, reimbursable personal meal expenses are those

incurred on business trips requiring an overnight stay. Travelers will be reimbursed for personal meal expenses, provided they are documented and reasonable. Meals should be taken at the most economical restaurant fitting the occasion.

1. Meal reimbursements, as a general rule, should not exceed the applicable federal daily per diem meal rate ([USPerDiemrates](#), [ForeignPerDiemrates](#)). It is acceptable to use the federal meal per diem rate in lieu of claiming actual meal costs. These federal rates drive the per diem rates in the Concur-TEM system. Schools, Centers and departments may restrict the use of per diem meal reimbursements at their discretion.
2. When not using the meal per diem rates, any meal that costs \$25 or more must be supported by original itemized restaurant receipts. Schools, Centers and departments may establish more strict requirements for receipt submission at their discretion.
3. If a meal is provided by a conference as part of the conference fee and a traveler elects to purchase a meal independent of the conference, such meals will be considered a personal expense and will not be reimbursed.
4. Alcoholic beverages consumed while traveling will not be reimbursed unless purchased in conjunction with necessary business entertainment. Alcoholic beverages cannot be reimbursed from federal grants or contracts.

PER DIEM TRAVELER MEAL REIMBURSEMENT

A per diem is an allowance amount determined using the U.S. government tables to cover meals and incidentals while traveling for business purposes. Per diem amounts are published by the General Services Administration (GSA) and are specific to major cities and built into the Concur-TEM system.

1. Reimbursement on a per diem basis for meals is to be used only where permitted by the traveler's School or Center and only on travel that includes an overnight stay. Meal receipts are not required when using a per diem rate, but travelers must be able to demonstrate that the trip or stay did occur.
2. Travelers claiming reimbursement on a per diem basis must use this method for the entire trip.
3. Domestic per diems are set by the U.S. government once a year. Foreign per diems can change on a monthly basis due to currency fluctuations. Foreign per diems for the months traveled are expected to be used.
4. Per diem information is managed within the Concur-TEM system and can also be obtained by:
 - Clicking here for [USPerDiemrates](#)
 - Clicking here for [ForeignPerDiemrates](#)

5. If a traveler is claiming per diem and entertains other travelers on behalf of the University during that trip, he/she may submit that business meal receipt for reimbursement provided the daily per diem amount is reduced.
6. If a meal is provided by a conference or meeting host and the traveler is claiming per diem, a deduction in the per diem amount should be made as well. A meal provided by a common carrier (such as an airline) or a complimentary meal provided by a hotel does not affect the per diem calculation.
7. Domestic and foreign per diems are adjusted for the first and last day of travel. Those per diem calculations are equivalent to 75% of the full daily per diem.
8. For per diem payments to non-U.S. citizens who have been invited to the Penn campus, follow the guidelines under [Policy No. 2362 – Non-Employees, Companies and Non-Resident Aliens](#).
9. Per diem policy only applies to meals. The University does not reimburse lodging on a per diem basis. Actual lodging receipts are required.

BUSINESS MEALS

Business meals are meals with a clearly substantiated business purpose and are directly associated with the active conduct of University business. At a business meal, the business discussion is the primary purpose of the meal. Examples of business meals include meetings with business associates, professional colleagues, students and others at which a bona fide business discussion takes place. Business meals should adhere to the following rules:

1. Business meals or entertainment costs where the business purpose is to conduct local, state or federal lobbying activities must be separately identified and charged to object code 5336.
2. The frequency and number of local business meals should be limited. Acceptable reasons for local business meals include meals with a guest speaker, lecturer or recruits for prospective faculty, staff or students. These meals should be limited in terms of number of attendees and total cost. The cost of these meals should not exceed \$35 per person for lunch or \$80 per person for dinner (including alcohol, taxes and gratuities). Business meals exceeding these limits must be approved by a Supplemental Approver. Schools, Centers and departments establish lower per-person limits at their discretion.

Meals with other Penn colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be considered a personal expense unless the business being conducted is such that it cannot be done in the office. An explanation of the reason as to why the meeting could not take place in the office should be included as part of the business justification in the Concur-TEM reimbursement request.

Repetitive meal expenses. IRS regulations require that any payment made for repetitive expenses for an employee's routine food (e.g., lunches and coffee breaks) are considered taxable income.

3. For those instances where employees, students or postdocs are required to work during normal meal breaks (e.g., lunch hour), meals or refreshments with other Penn colleagues in offices/labs for working meetings are acceptable and considered a reimbursable expense.

4. The number of persons comprising the group involved in the local business meal should be limited to the host, the guest and two or three other Penn colleagues or affiliates. If the party is larger than three or four people, then a less expensive restaurant should be chosen.
5. Any of the following circumstances with other employees are considered reimbursable business meals:
 - When dining with other employees on an out-of-town trip, such as at a conference; or
 - When authorized by the department for staff reward or recognition.
6. Non-reimbursable entertainment expenses include parties or meals for birthdays, weddings, births, administrative professional's day or boss's day.
7. Alcoholic beverages consumed during business meals and/or meetings should be kept reasonable.
 - a) Alcoholic beverages purchased when traveling on University business or during local business meals will be reimbursed only if purchased in conjunction with necessary business entertainment.
 - b) Alcoholic beverages are unallowable for indirect cost allocation purposes. For all University-sponsored events at which alcohol is served, e.g., meetings, conferences, receptions, parties, retirements, fundraisers, etc., the alcohol costs must be considered entertainment and charged to the "Alcohol" expense type.
 - c) Alcoholic beverages that are used for entertainment functions in Pennsylvania must be purchased in Pennsylvania. For policy and procedures related to the purchase of alcoholic beverages for local events, go to the Purchasing website at:
<http://www.purchasing.upenn.edu/buyinfo/how-to-buy-wine-spirits.php>.
 - d) If alcohol is being served at a University-sponsored meeting, the alcohol must be charged to the Alcohol expense type, while the meeting expenses can be charged to the appropriate meeting related expense type.
8. Entertainment expenses are those expenses incurred during a meal or an event that is business-related but social or celebratory in nature. Entertainment expenses include food and beverages, alcohol, catering services, banquet facilities, decorations and musical groups. Payments to a caterer, facility or transportation provider must be processed using a University purchase order or purchasing card.
 - a) When paying a performer for services rendered at an event (e.g., a pianist or vocalist), the performer must be paid as an independent contractor through AP Disbursements. These individuals cannot be paid directly by a University employee. For information on how to pay independent contractors, see: http://www.finance.upenn.edu/comptroller/tax/contractor_guide.shtml.

2360 – TRAVEL AND ENTERTAINMENT POLICY – TELEPHONE USAGE

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April 1, 2015
Last Review: April, 2017

PURPOSE

To provide guidelines with regard to telecommunication expenses incurred when traveling on behalf of the University.

SCOPE

This policy applies to the telecommunication services by and for all employees, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to keep telecommunication costs at a minimum when traveling on behalf of the University.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

The designated approvers should assist the travelers and entertainers with understanding of applicable policies and compliance requirements as the process is outlined below. The approvers are responsible for the validation and completeness of all expense reimbursement requests and relevant expense reports prior to the submission via the Concur-TEM system to the University for processing.

It is the responsibility of the approver to ensure that the University is only paying for services and/or calls that are authorized under this policy and the University's cell phone policy.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

Travelers will be reimbursed for business calls made when traveling on behalf of the University.

1. Subject to School and Center guidelines, travelers may be reimbursed for reasonable and necessary business calls made on a cellular phone. Travelers are expected to keep cellular phone usage to a minimum. Monthly service fees are non-reimbursable unless pre-approved by your department or if you are using a cell phone owned by the University.
2. For additional information on cell phone policies, click here: http://www.finance.upenn.edu/vpfinance/fpm/2300/2300_pdf/2329.pdf
3. Before traveling internationally, travelers should check with their cell phone company to determine if they offer international service at a reasonable rate.

2361 – TRAVEL AND ENTERTAINMENT POLICY – INTERNATIONAL TRAVEL

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2016
Last Reviewed: April, 2017

PURPOSE

To provide travel and procurement guidelines with regard to international travel on behalf of the University.

SCOPE

This policy applies to the procurement of international travel by and for all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to know the entry requirements of their destination and to obtain the necessary passports, visas and travel advisories in order to travel safely and prudently.

Full responsibilities of the faculty, staff, student or postdoc can be found in Policy #2352.

APPROVER RESPONSIBILITY

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy, and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

DEFINITION OF INTERNATIONAL TRAVEL

International travel includes destinations outside the United States and its possessions and territories.

POLICY

The mode of air travel is expected to be the least costly option consistent with the itinerary and particular University business involved.

1. For information on airline class of service, please refer to the Policy #2354 Air Travel
2. When traveling internationally on federally sponsored projects, a United States flag carrier must be used. For specific federal guidelines on this issue, please refer to the Fly America Act (Federal Travel Regulations, §Part 301-10) for details

Some federal sponsors require approval for foreign travel 90 days in advance of the trip, even if the travel was approved in the proposal. Principal Investigators may review all of their award notices carefully to determine if such prior approval is required

3. When renting a car internationally, University employees are authorized to accept the loss damage waiver (LDW) and the supplemental liability coverage. These costs are considered legitimate and reimbursable expenses when traveling in Canada and other foreign countries. Any purchase of a vehicle internationally in conjunction with a long-term project requires immediate notification to the Office of Risk Management.
4. Travelers are responsible for obtaining necessary visas for international travel in a timely manner. The University offers assistance for such services. Details can be found on the PennTEM website: <http://cms.business-services.upenn.edu/penntavel>.
5. When traveling internationally, Penn faculty, staff, students, and postdocs are expected to register their trip in Penn's Global Activities Registry (GAR). Registration in GAR is mandatory for all University-sponsored/affiliated student programs that include international travel. The registry enables Penn to provide assistance as needed when situations arise. The GAR link is accessible at the following location: <http://www.upenn.edu/globalactivities>
6. Penn travelers must be familiar with the latest travel advisories issued by the U.S. Department of State for the destinations to which they anticipate traveling. U.S. Travel Advisories are made available through the University's preferred agencies, and can be obtained from the State Department's home page.
7. Similar health advisories can be obtained by contacting the Centers for Disease Control and Prevention (CDC) at 404.332.4559 or refer to CDC's home page.
8. Penn provides international travel health insurance, evacuation and repatriation assistance through International SOS to Penn travelers on Penn-affiliated trips.
 - a. In the event that Penn travelers require assistance in securing medical attention, medical evacuation, a hospital deposit or payment guarantee, please call International SOS for assistance at 800.523.6586 or 215.942.8478 or access its website at <https://global.upenn.edu/global-resources/travel-guide/international-sos>

- b. Travelers must identify themselves as faculty, staff, students, or postdocs of the University of Pennsylvania and advise International SOS that the Scholastic Group Membership is 11BSGC000012. Risk Management should be contacted as well at 215.898.4327.
 - c. International SOS Assistance cards can be obtained by contacting the Travel Administrator.
- 9. The Travel Medicine and Immunization Department at the University of Pennsylvania Medical Center serves people traveling abroad by providing one-on-one counseling and immunizations. For information contact: Travel Medicine and Immunization Program Department of Emergency Medicine University of Pennsylvania Hospital Ground Floor, Silverstein 3400 Spruce Street Philadelphia, PA 19104 215.662.2427 or Penn Health at 1.800.789.PENN <http://pennhealth.com/travelmedicine/>

2362 – TRAVEL AND ENTERTAINMENT POLICY – NON-AFFILIATE GUESTS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

The purpose of this policy is to outline the process and procedures for reimbursing Non-Affiliate Guests, both US citizens and Non-Resident Aliens. Payments made directly to Non-Affiliates, require additional review and may be subject to income tax reporting or withholding. They should not be processed through the Concur TEM system and must be reported on a PDA-NA or PDA-F form to ensure appropriate handling.

Non-Affiliate guests are individuals defined as job applicants, lecturers, visiting scholars and other guests who travel, entertain or incur other University business related expenses and seek reimbursement. They receive no additional payment (fee, honorarium, stipend).

SCOPE

This policy and procedure applies specifically to Non- Affiliate Guests for procurement and reimbursement of travel, entertainment or other miscellaneous expenses from the University regardless of the funding source.

SPONSOR AND GUEST RESPONSIBILITY

It is the responsibility of the sponsor for guest travel to ensure the guest understands and follows all Universities policies with regard to procurement and reimbursement of travel consistent with their itinerary, the business purpose of their trip and the requirements of the funding source. It is especially critical that any additional requirements for Non-Resident Alien guests are considered before the travel is incurred and reimbursement is requested.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy, and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

The approver is also responsible to monitor ticket usage to ensure that trips are actually taken and tickets are used. Full responsibilities of approvers can be found in Policy #2352.

POLICY

Non-Affiliate Guests are individuals defined as job applicants, external lecturers, visiting scholars and other guests who travel, entertain or incur other University business related expenses and seek reimbursement. They receive no additional payment (fee, honorarium, stipend). The University will reimburse the business related travel or other costs of guests as part of our 'accountable plan' when authorized by the sponsoring schools and centers. Reimbursement requests should be processed through the Disbursements Office on a PDA-NA form for US citizens and PDA-F form for Non-Resident Aliens.

1. The sponsoring school or center authorizing guests to incur travel or other expenses should make every attempt to use the University Travel system to procure their travel in advance, paying using the appropriate payment method.
2. Guests requesting reimbursement are required to comply with all University policies. Receipts should be photo copied on a letter sized sheet of paper and submitted to the Disbursements office in support of the reimbursement with the PDA form (original receipts can be retained by the department). The sum of all expenses reimbursed should be charged to the appropriate travel object code. If the guest cannot provide original receipts, or their requested reimbursement does not comply with University Policy, justification should be provided with the PDA form and Higher Level Approval must be included.
3. The University will not provide guests with travel advances.
4. Payments unless covered under accountable plan rules to non-resident aliens, for travel or other related expenses are generally subject to 30% federal income tax withholding in accordance with Internal Revenue Service (IRS) regulations. They should be submitted on a PDA form with all required documentation. Such payments will be reviewed by the Corporate Tax Office and may be exempt from withholdings if a tax treaty exists with the country in which the non- resident alien has tax liability. Tax treaties may provide for the exclusion of some or all of the payment from taxation. (see Policy 2319.2)
5. Any guest reimbursement for expenses not related to University business operations and not covered under the accountable plan rules are generally subject to tax reporting to the guest.

2363 – TRAVEL AND ENTERTAINMENT POLICY – SPOUSAL/DEPENDENT TRAVEL

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Revision: April, 2017

PURPOSE

To outline policy, including IRS regulations, with regard to spousal and dependent travel and entertainment in conjunction with an employee conducting business on behalf of the University.

SCOPE

This policy applies to all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to be familiar with this policy and to be mindful of IRS regulations when it comes to spousal or dependent travel.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

The designated approvers should assist the travelers and entertainers with understanding of applicable policies and compliance requirements as the process is outlined below. The approvers are responsible for the validation and completeness of all T&E expense reimbursement requests and relevant expense reports prior to the submission via Concur-TEM system to the University for processing.

It is the responsibility of the approver to ensure that the necessary IRS regulations have been met and the necessary documentation is attached.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

- 1. Under IRS regulations, the travel expenses of a spouse (or dependent) are considered as non-taxable expense, provided that his or her presence serves a bona fide business purpose.**
 - a. To be a bona fide business purpose, the presence of the spouse must be essential (not just beneficial) to the employee in being able to carry out his/her business purpose for the University.**
 - b. The spouse's performance of some incidental service does not constitute a bona fide business purpose.**
 - c. The bona fide business purpose of the accompanying spouse must be clearly documented on the expense report to show that the spouse's attendance at a function or event meets the above conditions.**
 - d. If a spouse has no significant role in such proceedings, then his or her travel or meal expenses are deemed as non-reimbursable expenses.**

- 2. Travel expenses for spouses and dependents are permissible during the interview process prior to an employment offer since employment is considered a family decision.**
 - a. Revenue Ruling 63-77: The IRS specifies that reimbursements made to travelers by a prospective employer for expenses incurred in connection with travel for interviews are not considered wages for federal tax purposes.**
 - b. The expense reimbursement cannot be conditional on whether or not an employment offer resulted from the interview or whether or not the traveler accepted.**

2364 – TRAVEL AND ENTERTAINMENT POLICY – NON-REIMBURSABLE ITEMS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2018
Last Review: April, 2018

PURPOSE

To provide guidelines with regard to non-reimbursable expenses that may be incurred while traveling on behalf of the University.

SCOPE

This policy applies to all faculty, staff, students and postdocs traveling and entertaining on behalf of the University.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of the traveler to be familiar with which items are considered reimbursable and which are considered personal expenses.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy, and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

It is the responsibility of the approvers to review expense reports the Concur-TEM system and ensure that any non-reimbursable items are correctly marked as non-reimbursable in the system. Full responsibilities of approvers can be found in Policy #2352.

POLICY

Non-reimbursable items include, but are not limited to the following:

- Airline club membership dues and TSA Pre-Check Program enrollment fees
- Air phone and in-air internet usage unless reasonable, required for business purposes, and authorized by the traveler's School/Center
- Alcoholic beverages if purchased in a non-business capacity
- Annual fees for personal credit cards
- Auto repairs
- Baby-sitting/day care *
- Barbers and hair salons
- Personal cell phone monthly fees
- Clothing or toiletry items
- Corporate card delinquency fees or finance charges
- Club memberships for business, pleasure or recreation
- Expenses related to vacation or personal days taken before, during or after a business trip unless they resulted in the reduction of the total cost of the trip
- Gifts, gift cards, or gift certificates (Please refer to the [University's gift policy](#))
- Golf fees/ski lift tickets, etc.
- Health club or exercise room fees
- Items confiscated by airport security
- Frequent flyer upgrades
- Spa charges
- Laundry charges on trips less than five (5) days
- Limousine/sedan services except where such means are the most reasonably economical
- Loss or theft of airline tickets
- Loss or theft of personal funds or property
- Medical expenses while traveling
- Mini-bar alcoholic refreshments
- Movies (in-flight or in-room movies)
- "No-show" charges for hotel or car services
- Optional traveler baggage insurance
- Parking tickets or traffic violations
- Personal entertainment, i.e., sporting events, theatre, etc.
- Personal telephone calls in excess of reasonable calls home
- Personal reading materials, i.e., magazines, newspapers
- Pet care fees
- Rental car insurance options for domestic travel such as LDW, PAI and liability
- Rental car upgrades to premium or luxury class
- Repairs to personal vehicles
- Saunas, massages
- Shoe shines
- Souvenirs or personal gifts
- Trip or Travel Insurance
- Tuxedo/evening gown rentals

Certain exceptions may be considered; however, such reimbursements must be in accordance with accountable plan and must include supplemental approval.

*** Dependent Care Reimbursement for Faculty:** This limitation permits voluntary payments by the schools or Provost's Office of travel-related childcare expenses incurred by members of the faculty or postdoctoral fellows traveling for scholarly research, professional meetings, conferences or lectures. Payment of these expenses as an "additional pay" is a taxable event.

2365 – TRAVEL AND ENTERTAINMENT POLICY – RECEIPT REQUIREMENTS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

This policy sets specific rules, including IRS accountable plan requirements for the retention of receipts for reimbursable travel and entertainment expenses to avoid reimbursements being considered taxable income to an employee.

SCOPE

This policy applies to all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of Penn travelers to keep all itemized receipts of \$25 or more for submission with an expense report. The University's Schools and Centers may set and enforce stricter requirements.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy, and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

It is the responsibility of the approver to ensure that all necessary receipts are attached prior to submitting an expense report for processing to the University via Concur-TEM system.

Full responsibilities of approvers can be found in Policy #2352.

POLICY

1. The University requires that travelers provide receipts for all expenses that are \$25 or more for reimbursement purposes.
2. An acceptable receipt is a document that contains:
 - Transaction date
 - Name of merchant
 - Transaction details (what was purchased)
 - Form of payment used
 - Amount of purchase
 - Indication that the amount was paid
3. An acceptable receipt for an airline or Amtrak ticket is defined by the type of ticket purchased.
 - a. An acceptable receipt for a printed ticket is the original passenger receipt coupon. Such receipts are provided to the traveler when a printed paper ticket has been purchased.
 - b. An acceptable receipt for an electronic ticket purchased through an agency or on the Web, is the printed itinerary/invoice. The itinerary/invoice should show the airline, flight numbers, times and destinations, class of service, amount and that a payment has occurred. If the itinerary/invoice is not available, travelers should use as supporting documentation boarding passes and copies of credit card statements showing the cost of a ticket and any service or booking fees.
 - c. An acceptable receipt for a change or cancellation penalty is a document showing the additional charge accompanied by an explanation as to the business purpose for the change or cancellation.
 - d. Service fees charged by travel agencies do not always have a receipt; however, they are considered as reimbursable expenses.
4. No receipts are necessary for mileage reimbursement in a personal vehicle; however, evidence of the mileage of the trip must be provided. The Concur-TEM system expense system provides a tool for this purpose.
5. An acceptable receipt from the rental car company is an itemized receipt showing the breakdown of costs, i.e., size of vehicle, daily rate, tax, concession fees, city surcharge, etc. A credit card transaction record does not contain detailed information and it is not itself considered adequate documentation.
6. An acceptable receipt for business meals is an itemized meal receipt, along with the credit card payment receipt if a credit card was used for payment. Without an itemized meal receipt, it is difficult to ensure that unallowable costs such as alcohol are separated from indirect cost allocations, as required by the IRS.
7. An acceptable receipt for hotel charges is the itemized hotel receipt provided at time of checkout showing the room rate, tax and other items.

8. If an expense is being paid by more than one university or entity, copies of receipts are acceptable documentation, provided a brief explanation is attached.
9. A receipt in foreign currency must be accompanied with the U.S. Dollar equivalent amount. The equivalent dollar amount can be obtained from:
 - a. Credit card statements. The best and most accurate currency conversion is the conversion that credit card companies provide on statements.
 - b. Oanda currency conversion. For non-credit card receipts in a foreign currency, use the Oanda currency conversion site. See the Oanda site at <http://www.oanda.com/converter/classic>.
10. Electronic receipts that are submitted on an expense report are maintained in the Concur-TEM expense system. Original paper receipts are not required for central expense processing through the Concur-TEM expense system. Retention of original receipts is subject to School or Center guidelines and/or sponsored project requirements.



2366 – TRAVEL AND ENTERTAINMENT POLICY – SPONSORED PROJECTS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

To ensure compliance with the rules and regulations associated with sponsored projects.

SCOPE

This policy applies to all faculty, staff, students and postdocs traveling and entertaining on behalf of the University and seeking reimbursement for related expenses regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

It is the responsibility of the traveler and the principal investigator to know the terms set forth in the award of a sponsored project with reference to allowable travel expenditures.

Full responsibilities of the employee, student or postdoc can be found in Policy #2352.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy, and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

It is the responsibility of the approver to review the travel and reimbursement request to ensure the compliance of the guidelines for sponsored projects-related travels and the completion of expense report for Sponsored Research Projects via Concur-TEM system.

POLICY

Domestic and foreign travel charged to a sponsored project should follow the guidelines set forth in this policy unless the funding agency imposes greater restrictions. Federally funded sponsored projects are subject to the guidelines set forth in the Office of Management and Budget (OMB) Circular A-21, Section 48, Travel Costs. Please refer to [OMB](#) website for more details.

1. All travel advance and or reimbursement requests for domestic and foreign travel on sponsored research projects must have sufficient justification in the Concur-TEM system and comply with the terms and conditions of the sponsored research awards. This includes compliance with the Fly America Act for foreign travel on federal awards.
2. Domestic travel includes travel within and among the fifty (50) United States and its territories and possessions, and Canada.
3. Domestic travel included in the approved budgets of federally sponsored projects is generally permissible if it supports the purpose of the project.
4. The federal government defines foreign travel as any travel outside the United States and its territories and possessions, and Canada. In the case of other sponsored research agreements, foreign travel may be specifically defined in the contractual documents.
5. Some foreign travel requires pre-approval by the sponsor. Since sponsors' regulations vary, principal investigators should be familiar with those that are applicable to their projects.
6. When traveling on federally funded projects, travelers may request the hotel's government rate. A letter from the project sponsor may be required upon check-in to confirm funding source.
7. If traveling internationally on federal grants or contracts, a United States flag carrier must be used. For specific federal guidelines on this issue, click here on the [FlyAmericaAct](#) for details. Prior approval from the Office of Research Services should be obtained if someone needs to deviate from this policy.
8. A principal investigator may be reimbursed for meals from federally sponsored project funds if he/she is in travel status. Consultants may be reimbursed directly for meals consumed in connection with the consulting services being provided to the sponsored project.
9. The cost of local meetings can be charged to sponsored projects; however, the cost of local meals will not be reimbursed from sponsored project funds for University employees unless specifically authorized by the sponsor.
10. **Federal regulations (and where sponsors so dictate) prohibit the reimbursement of alcoholic beverages with federal funds under any circumstances.**
11. Any questions regarding travel or entertainment on federal grants or contracts should be directed to the Office of Research Services.

[Click here](#) for Research Services website.

2367 – TRAVEL AND ENTERTAINMENT POLICY – PAYMENT OPTIONS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

This document describes the authorized payment options for faculty, staff, students, and postdocs who travel or entertain on behalf of the University.

SCOPE

This policy applies to faculty, staff, students or postdocs traveling, entertaining or incurring miscellaneous expenses on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

Faculty, staff, students or postdocs requesting reimbursement for travel and entertainment expenses incurred on behalf of the University should exercise good judgment with respect to the related purchases and spend the University's funds prudently. Each traveler requesting reimbursement is responsible for ensuring that the costs are for "Accountable Plan Activities" that have been properly authorized and are supported with required receipts and/or other applicable documentation in compliance with all applicable policies. The submission of the reimbursement request by the traveler using the Concur-TEM system affirms that these responsibilities have been met. Reimbursement requests should be submitted through the Concur-TEM system within ten (10) days of the end date of the business-related activity or "Miscellaneous Procurement" dates.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that reimbursement requests are properly authorized, documented, appropriately funded, compliant with policy and are for valid and necessary "Accountable Plan Activities." Designated approvers also assist the employee, student or postdoc as necessary with understanding their traveler responsibilities for compliance and the requestor affirmations.

The Concur-TEM system includes three approver roles for T&E Reimbursement and "Miscellaneous Reimbursement." Reimbursement requests must be reviewed and approved by a minimum of two approvers, and at least one approver must not be subordinate to the requestor. Schools and Centers may add additional requirements or approvers as needed. The Concur-TEM system reviewer/approver roles and corresponding responsibilities are defined as follows:

Default Reviewer

- Reviews all documentation to ensure completeness and compliance with all policies. This includes well- documented descriptions of the business-related activities and the necessity/purpose of the related purchases. Documentation includes any required receipts to verify expenditures/policy compliance and documents such as meeting or conference agendas and brochures to document "Accountable Plan Activities" and properly segregate or exclude any personal expenditures.
- Ensures the costs are charged to the proper funding source.
- Verifies that appropriate supplemental approval has been assigned where required.
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

Cost Object (Funding Source) Approver

- Reviews all documentation to ensure compliance with all policies and tax requirements.
- Ensures the costs are charged to the proper funding source(s).
- Must have authorization over the funding source(s) being charged.
- Ensures that reimbursements claimed were necessary, reasonable and were incurred while conducting authorized University "Accountable Plan Activities."
- Verifies that "Accountable Plan Activities" have been appropriately described, that any personal expenses have been marked as non-reimbursable and that supporting documentation is complete and acceptable.

- Verifies that supplemental approval has been correctly assigned where appropriate.
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

Supplemental Approver

- Principal role is to further ensure policy compliance, necessity of the procurement and business purpose.
- Must be at a higher level of organizational responsibility and must be familiar with the "Accountable Plan Activities" to ensure it is authorized for reimbursement.
- Must review and approve all reimbursement requests with an aggregate value equal to or greater than \$500.
- Ensures that supporting documents have been provided and reviewed which clearly document:
 1. The "Accountable Plan Activities."
 2. The necessity and reasonableness of the T&E Reimbursement or "Miscellaneous Reimbursement."
 3. Compliance with applicable policies including any and all sponsored program requirements.
 4. The exclusion of any personal items or services.
 5. Review and approval by the delegator or School/Center level Senior Business Administrator designee in those situations where their business judgment is necessary.

POLICY

Several methods of payment are available to assist travelers who are required to travel or entertain on behalf of the University. These methods are described below.

Preferred Travel Agency and the Business Travel Account

World Travel Inc. is the University's primary preferred travel agency. The University has established a contractual relationship with the agency to serve the needs of the University's business travelers and entertainers. World Travel is integrated with the Concur-TEM system, and the agency makes travel arrangements with the best rates available in the market.

- a) The Business Travel Account (BTA), established with our preferred agencies, including niche providers, eliminates the traveler's incurrence of airfare expense. Instead, charges are posted directly back to the department's 26-digit account string via a journal entry. All air travel booked online through the BTA is subject to approval per normal processing.
- b) Travelers using other travel agencies or airline internet sites are responsible for paying for their own ticket and seeking reimbursement from the University. The only time the University will make a payment to another travel agency is for international travel when a non-employee or group is able to get a substantially lower rate from a consolidator or agency that specializes in a specific destination and is privy to special fares that World Travel may not be able to obtain.

Penn Travel Card

Except for expenses as noted above, travelers are generally expected to use the University-sponsored travel and entertainment credit card (Penn Travel Card) for incurred expenses while traveling and entertaining on behalf of the University. Expenses are generally expected to be submitted for reimbursement within ten (10) days of the end date of the business activity.

1. The Penn Travel Card is available to approved full-time faculty and staff who may incur travel, entertainment or other out-of-pocket expenses while doing business on behalf of the University. This is the preferred payment option, which enables University employees to charge travel-related expenses without impacting the spending limits of their own personal cards.
2. The Penn Travel Card and any other University-sponsored credit cards can only be used for expenses incurred in connection with official University business. Non-reimbursable expenses, including expenses associated with personal use, should not be charged to these cards. Common charges on the Penn Travel Card would be:
 - Rail tickets, car rentals and airline tickets not charged to the Business Travel Account (BTA)
 - Conference registrations (can also be paid by a departmental Purchasing Card)
 - Guaranteeing and payment of hotel bills
 - Business meals and entertainment
 - Miscellaneous out-of-pocket travel and entertainment expenses

3. University-sponsored travel cards or other personal credit cards should not be used to purchase non-travel and entertainment-related goods and services for the University. See procurement policies regarding the use of purchase orders and purchasing cards for these types of purchases.
4. Individuals using University-sponsored travel cards must process expenses in a timely manner thereby facilitating payment to Penn's card providers within balance due dates. The University will generally not reimburse late fees or finance charges assessed as a result of late payments.
5. Using personal credit cards is not a preferred method for travelers eligible for the Penn Travel Card.
6. The University's Travel Card Administrator, along with the University's travel card providers, reserve the right to cancel University-sponsored cards if:
 - The cardholder is no longer employed by the University;
 - An account is 120 days past due (cardholder privileges may be suspended when the account is 60 days past due); or
 - The cardholder fails to adhere to the University's policies and procedures for travel and entertainment expenses and/or use of Penn Travel Card.
7. For any charges grossly past due (120 days or more) the University reserves the right to pay the charges directly to the card provider while charging the individual cardholder or his or her School/Center.

2368 – TRAVEL AND ENTERTAINMENT POLICY – REIMBURSEMENT/PAYMENT PROCESS

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

This document describes the process for faculty, staff, students, and postdocs requesting reimbursement and/or card provider payment of travel and entertainment (T&E) expenses that they have incurred on behalf of the University.

SCOPE

This policy applies to all faculty, staff, students, and postdocs traveling and entertaining on behalf of the University and seeking reimbursement or University travel card payment for related Reimbursable Procurement from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

Faculty, staff, students or postdocs requesting reimbursement/payment of T&E Reimbursement or “Miscellaneous Reimbursement” on behalf of the University should exercise good judgment with respect to the related purchases and spend the University’s funds prudently. Each traveler requesting reimbursement is responsible for ensuring that the costs are for “Accountable Plan Activities” that have been properly authorized and are supported with clear business justification, required receipts, and/or other applicable documentation in compliance with all applicable policies. The submission of the reimbursement request by the traveler using the Concur-TEM system affirms that these responsibilities have been met. Reimbursement requests should be submitted through the Concur-TEM system within ten (10) days of the end date of the business-related activity or “Miscellaneous Procurement” dates.

APPROVER RESPONSIBILITY

Approvers perform a critical control function for the University. Collectively, approvers ensure that reimbursement requests are properly authorized, documented, appropriately funded, compliant with policy and are for valid and necessary “Accountable Plan Activities.” Designated approvers also assist the employee, student or postdoc as necessary with understanding their traveler responsibilities for compliance and the requestor affirmations. The Concur-TEM system includes three approver roles for T&E

Reimbursement and “Miscellaneous Reimbursement.” Reimbursement requests must be reviewed and approved by a minimum of two approvers, and at least one approver must not be a subordinate to the requestor. Schools and Centers may add additional requirements or approvers as needed.

The Concur-TEM system reviewer/approver roles and corresponding responsibilities are defined as follows:

Default Reviewer

- Reviews all documentation to ensure completeness and compliance with all policies. This includes well- documented descriptions of the business-related activities and the necessity/purpose of the related purchases. Documentation includes any required receipts to verify expenditures/policy compliance and documents such as meeting or conference agendas and brochures to document “Accountable Plan Activities” and properly segregate or exclude any personal expenditures.
- Ensures the costs are charged to the proper funding source.
- Verifies that appropriate supplemental approval has been assigned where required.
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

Cost Object (Funding Source) Approver

- Reviews all documentation to ensure compliance with all policies and tax requirements;
- Ensures the costs are charged to the proper funding source(s);
- Must have authorization over the funding source(s) being charged;
- Ensures that reimbursements claimed were necessary, reasonable and were incurred while conducting authorized University “Accountable Plan Activities”;
- Verifies that “Accountable Plan Activities” have been appropriately described, that any personal expenses have been marked as non-reimbursable and that supporting documentation is complete and acceptable;
- Verifies that supplemental approval has been correctly assigned where appropriate; and
- Ensures that reimbursement requests are not submitted for further approval until all requirements have been met.

Supplemental Approver

- Principal role is to further ensure policy compliance, necessity of the procurement and business purpose;
- Must be at a higher level of organizational responsibility and must be familiar with the “Accountable Plan Activities” to ensure it is authorized for reimbursement;
- Must review and approve all reimbursement requests with an aggregate value equal to or greater than \$500;
- Ensures that supporting documents have been provided and reviewed which clearly document:
 - a.) The “Accountable Plan Activities”;
 - b.) The necessity and reasonableness of the T&E Reimbursement or “Miscellaneous Reimbursement”;
 - c.) Compliance with applicable policies including any and all sponsored program requirements;
 - d.) The exclusion of any personal items or services;
 - e.) Review and approval by the delegator or School/Center level Senior Business Administrator designee in those situations where their business judgment is necessary.

POLICY

Faculty, staff, students and postdocs (travelers) are required to submit a properly completed expense report in the Concur-TEM system.

1. The traveler may be reimbursed or have payment arranged to the Penn Travel Card, following the completion of a trip or event if they have incurred expenses in compliance with this policy, have provided a bona fide business purpose for the trip or event, and have attached the required receipts and other necessary documentation.
2. The traveler may be reimbursed before a trip or event if they have incurred specific travel or entertainment expenses ahead of the trip, and need to pay a credit card obligation, including the Penn Travel Card, in a timely manner. Receipts must be attached showing the expense has been incurred, and the dates of travel must be clearly stated on the form as well as the supporting documentation.
3. By submitting the expense report in the Concur-TEM system, the traveler certifies that the expenditures reported were incurred in conjunction with official University business, comply with all applicable policies, are accurate and that he/she is not requesting reimbursement/payment from any other source.
4. Extenuating (or unusual) circumstances must be explained within the comments field provided within the Concur-TEM system.
5. If a group of Penn employees is traveling or entertaining on behalf of the University, the group-related expense may be incurred by one person. When seeking reimbursement/payment, an explanation listing individuals in attendance must be included in the expense report.
6. **Expenses submitted more than six months (182 days) after being incurred will not be reimbursed without supplemental approval** and should not be submitted without an explanation of extenuating circumstances. Extenuating circumstances that prevent submission within the 6-month period are expected to be rare. Circumstances that may justify an exception include:
 - Extended personal illness;
 - Death in the family;
 - Unanticipated extended leave of absence; or
 - Travel outside the country for an extended period of time if documentation cannot be readily sent to the University.

Extenuating (or unusual) circumstances must be explained in the expense report, and approval for the expense report must include supplemental approval.

7. An expense report submitted in the Concur-TEM expense system becomes a record of payment to the individual or University card provider, and should be a clear and complete record of the expenses reimbursed or paid.

2369 – TRAVEL AND ENTERTAINMENT POLICY – TRAVEL ADVANCES

Responsible Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Revised: April, 2015
Reviewed: April, 2017

PURPOSE

This document describes the limited circumstances under which a traveler may obtain travel and entertainment (T&E) related funds to be used in the future (called a T&E Advance) and the related documentation and reconciliation requirements that must be strictly followed.

Documentation and reconciliation requirements and related timelines have been designed to meet IRS Accountable Plan rules (see 2352 for more information). While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan".

For International Project/Program Advances over extended periods of time, see Policy 2369.1.

SCOPE

This policy applies to faculty, staff, students and postdocs traveling and entertaining or incurring miscellaneous expenses on behalf of the University and seeking a travel advance for these expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

Faculty, staff, students and postdocs can request travel advances only for business-related travel when circumstances are such that other payment options (see Policy 2367 for more information) are not feasible. Any advances for non-travel-related or potentially taxable-related activities should be documented and processed through the appropriate payment option, which ensures proper tax reporting.

Faculty, staff, students and postdocs must document in their travel advance request the extenuating circumstances that preclude the use of other payment options and obtain approval at the designated approval level.

As a general rule, recipients of travel advances should document the business use of any advanced funds and return any excess funds received within ten (10) days of the end date of the business activity.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY HEADER

An advance is the payment of funds to an employee, student or postdoc to be used in the future during authorized travel or entertainment event.

1. Travel advances will be issued only under circumstances where other payment options as described in Policy 2354 are not feasible. For example:
 - a.) Travel advances should not be requested for airline tickets that can be obtained through the direct bill option made available through the Concur-TEM system or through World Travel directly.
 - b.) Travel advances cannot be requested for any expenses that can reasonably be charged to the University's corporate travel card or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
 - c.) When an employee or student is unable to obtain and use a University-sponsored travel card or other personal credit card, the University will advance monies to or make direct payments on behalf of that traveler.
2. As a general rule, travel advances should not be used for small amounts of personal cash that may be used to pay for taxis, tips, refreshments, gas or other incidentals.
3. Travel advance requests must include a brief breakdown of the anticipated expenses and an explanation as to why other payment options cannot be used. All advances are required to have a business justification explanation, and are subject to approval by someone at a higher level of organizational responsibility familiar with the activity.
4. Travel advances must be requested in the Concur-TEM system within one (1) month of the date of the trip or event and not less than ten (10) days prior to the date of the trip or event, to allow the necessary processing time to issue electronic payment.
5. To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all travel advances should be accounted for through the Concur-TEM system, and unused funds received should be returned to the University within ten (10) days of the ending date of the business activity. Absent special circumstances described below, submission should be no later than ten (10) days after the ending date of the business activity.
6. Special circumstances that may require an extended period of time for submitting advance-related documentation include:

- Extended personal illness;
- Death in the family;
- Unanticipated leave of absence; and
- Travel outside the country for an extended period of time, if documentation cannot be readily sent to Penn.

Special circumstances must be documented in writing and approved by the head of the School or Center (or a designated representative).

7. Failure to account for a travel advance and return any excess funds within one hundred twenty (120) days will result in the following actions being taken:

- Unreconciled advances to employees will be deducted from the employee's payroll;
- Unrecovered travel advances may be treated as taxable income and included on a W-2 form (subject to withholding of employment taxes) or on Form 1042-S (subject to section 1441 withholding);
- Unreconciled advances to students will be charged to their bursar bills;
- Denial of any additional travel advances; and/or
- Other disciplinary and collection action that may be required.

2369.1 – TRAVEL AND ENTERTAINMENT POLICY – PROJECT/PROGRAM ADVANCES

Responsible Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Revised: April, 2015
Reviewed: April, 2017

PURPOSE

This document describes the limited circumstances under which a traveler may obtain travel and entertainment (T&E) related funds to be used in the future for special projects or programs (called a T&E Project/Program Advance) and the related documentation and reconciliation requirements that must be strictly followed.

Documentation and reconciliation requirements and related timelines have been designed to meet IRS Accountable Plan rules (See Policy 2351 for more information). While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan."

SCOPE

This policy applies to all faculty, staff, students, and postdocs traveling and entertaining on behalf of the University and seeking a program advance for related expenses from the University regardless of the funding source.

TRAVELER RESPONSIBILITY

Travelers may request travel advances only when circumstances are such that other payment options (see Policy 2367 for more information) are not feasible.

Travelers must document in writing the extenuating circumstances that preclude the use of other payment options and obtain approval from the designated approval level.

As a general rule, travelers must document the business use of any advanced funds via the Concur-TEM system and return any excess funds received within ten (10) days of the end date of the business activity.

RESPONSIBILITY OF APPROVERS

Approvers perform a critical control function for the University. Collectively, approvers ensure that travel advances are appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

The Concur-TEM system defines three approver roles for travel advance review and approval. Travel advances must be approved by a minimum of two approvers, and at least one approver must not be a subordinate to the traveler. Schools and Centers may add additional requirements or approvers as needed.

The Concur-TEM system approver roles and corresponding responsibilities are defined as follows:

Default Reviewer

- Ensures the costs are charged to the proper funding source;
- Verifies that appropriate supplemental approval has been assigned where required; and
- Ensures that travel advances are not submitted for further approval until all requirements have been met.

Cost Object (Funding Source) Approver

- Ensures the costs are charged to the proper funding source(s);
- Must have authorization over the funding source(s) being charged;
- Ensures that travel advance is necessary and reasonable;
- Verifies that supplemental approval has been correctly assigned where appropriate; and
- Ensures that travel advance requests are not submitted for further approval until all requirements have been met.

Supplemental Approver

- Further ensures policy compliance, necessity of the travel advance and business purpose. Typically, the Supplemental Approver is at a higher level of organizational responsibility and familiar with the activity on which the reimbursement request is submitted;
- Must review and approve any travel advance that has an aggregate value equal to or greater than \$500;
- Ensures that travel advance will be utilized while conducting authorized University business, and is reasonable and consistent with University policies and the stated business purpose.

POLICY

Travel advances are advances that are issued in conjunction with international projects or programs that are longer than one (1) month in duration and include costs beyond the realm of normal travel and entertainment.

1. Examples of such costs would be equipment costs and curriculum-related expenses such as excursions, cultural instruction, group meals and lodging. The receipts for project/program costs and the responsibility for ensuring that those monies have been spent in accordance with the guidelines of the program or project rests with the School or Center.

2. Travel advances will be issued for periods generally not to exceed three (3) months at a time and under circumstances where other payment options as described in Policy 2367 are not feasible. For example:
 - a.) Travel advances should not be requested for airline tickets that can be obtained through the Concur-TEM system online booking tool.
 - b.) Travel advances should not be requested for any expenses that can be charged to the University-sponsored travel cards, corporate or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
 - c.) When an individual is unable to obtain and use a University-sponsored travel card or other personal credit card, the University will advance monies to or make direct payments on behalf of that traveler.
3. As a general rule, travel advances should not be used for small amounts of personal cash that may be used to pay for taxis, tips, refreshments, gas or other incidentals.
4. Travelers who are requesting advances for international projects or programs that cover extended periods of time must submit detailed documentation that includes a budget based on the duration and the scope of the project or program and must contain the number, timing and amounts of expected project advances. All advances are required to have signed business justification explanation and are subject to approval by someone at a higher level of organizational responsibility familiar with the activity.
5. Project/program managers must provide a quarterly accounting of the funds in order for additional advances to be released. Reconciliations will adhere to the same reconciliation timeline stated below.
6. Advances must be requested within one (1) month of the date of the trip or event and not less than ten (10) days prior to the trip or event, to allow the necessary processing time to issue electronic payment.
7. To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all advances should generally be accounted for via the Concur-TEM system, and any excess funds received should be submitted to the central processing organization within ten (10) days of the ending date of the business activity. Absent special circumstances described below, submission should be no later than ten (10) days after the ending date of the business activity.
8. Special circumstances that may require an extended period of time for submitting advance-related documentation include:
 - Extended personal illness;
 - Death in the family;
 - Unanticipated leave of absence; and
 - Travel outside the country for an extended period of time if documentation cannot be readily sent to Penn.

Special circumstances must be documented in writing and approved by the head of the School or Center (or a designated representative).

9. Failure to account for a travel advance and return any excess funds within one hundred twenty (120) days may result in the following actions being taken:
 - Employee payroll deduction of unreconciled balances;
 - Unrecovered advances will be treated as taxable income and included on a W-2 form (subject to withholding of employment taxes) or on Form 1042-S (subject to section 1441 withholding);
 - Unreconciled advances to students will be charged to their bursar bills;
 - Denial of any additional advances; and/or
 - Other disciplinary and collection action as deemed necessary.

2370 – TRAVEL AND ENTERTAINMENT POLICY – CONCUR EXPENSE TYPES/OBJECT CODE MATRIX

Resp. Office: Purchasing Services
Approval: Executive Director, Purchasing Services
Effective: April 1, 2015
Last Revision: April, 2015
Last Review: April, 2017

PURPOSE

This document provides information regarding access to expense type and object code information.

SCOPE

This policy applies to all faculty, staff, students, and postdocs traveling and entertaining on behalf of the University and seeking reimbursement or University travel card payment for related **Reimbursable Procurement** from the University regardless of the funding source.

CONCUR EXPENSE TYPES/OBJECT CODE MATRIX

The University's Object Code listing and Concur Expense Type/Object Code matrix may be accessed at the following website: www.finance.upenn.edu/comptroller/accounting/gloc/index.shtml.