

## **2352 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY – PAYMENT OPTIONS**

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**RESP. OFFICE: PURCHASING SERVICES**  
**APPROVAL: CHIEF PROCUREMENT OFFICER**  
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### **PURPOSE**

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This document describes the authorized payment options for all individuals when traveling or entertaining on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370. Procedures and forms for obtaining reimbursement of T&E expenses are located (fill in location).

### **SCOPE**

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The T&E policies and procedures apply to all individuals, including employees, students, and non-employees traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **TRAVELER AND ENTERTAINER RESPONSIBILITY**

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Unless there are extenuating circumstances documented in writing on a Reimbursement Justification (C-5) form and approved, Penn travelers and entertainers are required to use the payment methods outlined below. These methods are designed to ensure that reimbursable expenses are paid to individuals in a timely manner and documentation and approval requirements are met in a cost effective manner.

The traveler, with assistance from the TAC (Transaction Authorization Card) holder, is expected to seek timely refunds of any prepayments and return the funds to the University if the business activity is cancelled.

### **RESPONSIBILITY OF APPROVERS**

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The TAC holder assists the travelers and entertainers, as well as their higher level approver, when applicable, with understanding and complying with the process outlined below. They are to ensure that all reimbursement request documentation requirements have been met prior to submission to the central processing organization.

## POLICY

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

### Preferred Travel Agencies

The preferred method for airline travel is to use one of Penn's Preferred Travel Agencies. In addition to making the airline arrangements, Penn's preferred agencies maintain an airline billing account on the University's behalf and provide travel data that may be used to negotiate cost savings with airlines.

- 1) The airline billing account eliminates the traveler's incurrence of the expense. Instead charges are posted directly back to the department's 26 digit account string via a journal entry. A Travel Authorization Form must be properly completed and submitted in a timely manner to authorize the cost of a traveler's ticket to be charged back to the department.
- 2) 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 American Express may not be able to obtain.

### Credit Cards

Except for airline expense as noted above, because of the nature and volume of T&E expenses, the traveler or entertainer is generally expected to personally incur business expenses on behalf of the University and obtain reimbursement. To minimize the amount and time that the traveler or entertainer is "out-of-pocket", expenses are generally expected to be submitted for reimbursement within ten (10) days of the end date of the business activity.

- 1) American Express Corporate (AMEX) cards with personal responsibility are available to full time (monthly-paid) academic and administrative personnel who are required to travel or entertain on behalf of the University. This is the preferred T&E payment option which enables University employees to charge T&E expenses without impacting the spending limits of their own personal cards. Use of AMEX cards also provides the University with T&E data that may assist with identifying and negotiating cost savings opportunities for schools and centers.
- 2) AMEX cards can only be **used for expenses incurred in connection with official University business**. Common charges would be:
  - rail tickets, car rentals, airline tickets not charged to the airline billing account at American Express Travel
  - 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 T&E expenses.
- 3) AMEX cards, or other personal credit cards, should not be used to purchase non- travel and entertainment related goods and services. See procurement policies regarding the use of purchase orders and purchasing cards for these types of purchases.

- 4) It is the sole responsibility of the individual card holder to pay all charges made on the AMEX card in a timely manner. The University will not remit payment on an individual's behalf to AMEX. The University will not reimburse late fees or finance charges assessed as a result of late payments for AMEX cards (or any other card) unless the business reason is documented and approved on a Reimbursement Justification form. Failure to pay all charges in a timely manner can have an impact on the individual's personal credit history and can result in a negative financial impact to the University.
- 5) Using personal credit cards is not a preferred method for individuals eligible for the AMEX Card. Spending on personal cards does not provide the same information tracking capability and benefit to the University.
- 6) The University Travel Administrator reserves the right to cancel AMEX cards if:
  - Cardholder is no longer employed by the University.
  - An account is 90 days past due (cardholder privileges may be suspended when the account is 60 days past due).
  - Failure to adhere to the University's policies and procedures for travel and entertainment expenses and/or use of corporate card.
  - The card has not been used for more than a year.

For information on how to obtain an American Express corporate card, click on [AX Card](#) for details or call the Travel Administrator.

#### **Other Methods**

In unusual circumstances when it is not possible to use the American Express Travel Agency or a credit card, the following other methods may be used:

- Check payments to third parties
- Wire transfers on behalf of the Traveler to Service Providers ([click here](#) for Treasurer's Office web site)
- Foreign Drafts i.e. payments in foreign currencies
- Advances (see Policy 2353 Travel and Entertainment- Advances)

[Click here](#) for Chapter 3 of the Procedure Manual. **Payment Options**