

## **2359 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- RENTAL CARS**

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**RESP. OFFICE: PURCHASING SERVICES**  
**APPROVAL: CHIEF PROCUREMENT OFFICER**  
**EFFECTIVE: MAY 1, 2009,**  
**LAST REVIEW/REVISION: JUL 1, 2008**

### **PURPOSE**

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To provide travel guidelines with regard to the usage of rental cars when traveling for business purposes.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **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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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 are expected to 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.

### **RESPONSIBILITY OF APPROVERS**

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The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, when applicable, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to make sure that the Penn traveler is not seeking reimbursement for non-reimbursable items (see below) and that the car rental class is consistent with the number of travelers and the business purpose of the trip.

### **POLICY**

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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 when other transportation is not available or when their use results in a cost savings.
- 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 renting cars on behalf of the University are expected to refuel the car prior to returning the car to avoid excessive refueling fees.
- 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. If Penn drivers are unfamiliar with this policy and accept any of the insurance options listed above, they will not be reimbursed for 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 and Enterprise. If using other rental car companies, travelers must take the Penn's Drive Education Program (see below) to reduce the risk of any deductibles to the department.
  - 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 individuals who intend to drive the rental vehicle must be listed on the rental agreement for insurance purposes. With National and Enterprise, the additional driver fees are waived in most locations.
  - d) Any additional questions about car rental insurance should be directed to the Risk Management office at 215.898-4327. Travelers must notify the Risk Management office immediately if an accident occurs.
- 4) Employees and authorized students renting cars for University business purposes must take Penn's Driver Education Program. Authorized drivers should contact the Office of Risk Management at ext. 215.898-4327 for more information.
  - a) Policy No. 2607 of the Financial Policy 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 Drivers' Safety Program 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#s only when:
  - 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, and
  - they have completed Penn's Drivers' Education Program.
  - a) If they 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 unless:

- the trip is more than 6 hours or more of consecutive driving time,
  - the number of vehicle occupants is 6 or more, and
  - the destination is to New York, Massachusetts, Florida or California.
- b) 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.
- c) For additional information on students renting cars, click here on [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. With rental car companies, international includes Canada.
- a) Prior to any purchase of a vehicle in conjunction with a long term international project, the Risk Management department must be contacted.
- b) 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 and Enterprise, but insurance coverage is not provided by either the rental car company or the University.

[Click here](#) for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.