

## **2363 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- NON EMPLOYEES, COMPANIES AND NON-RESIDENT ALIENS**

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**Resp. Office: Purchasing Services**  
**Approval: Chief Procurement Officer**  
**Effective: May 1, 2009,**  
**Last Review/Revision: May 1, 2009**

### **PURPOSE**

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The purpose of this policy is to outline the specific documentation required when making payments to non-employees, companies and non-resident aliens.

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 travelers to obtain and provide all necessary supporting documentation prior to seeking a payment from Penn.

### **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 ensure that all required documentation is attached to an expense report and that they have indicated the status of the person seeking reimbursement.

### **POLICY**

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The University will pay the travel costs of non-employees (job applicants, lecturers, consultants and other individuals) when the schools and centers have authorized the central processing organization to do so. Payment will be made in accordance with the policies outlined in this policy manual.

- 1) Individuals requesting reimbursement are required to provide original receipts for travel expenses of \$25 or more. If the non-employee cannot provide original receipts, the central processing organization will be required to report the payment as income in accordance with applicable governmental regulations.
- 2) If a company elects to be paid for travel-related expenses, rather than the individual who traveled, they may do so.
- 3) The University will not normally provide non-employees with travel advances. Exceptions will be granted for special circumstances, which need to be documented to the central processing organization on a completed and approved Advance Justification form. Any monies advanced are required to be accounted for in the same manner as outlined in Section 2353.
- 4) Payments unless covered under accountable plan rules to non-resident aliens for travel related expenses are generally subject to 30% federal income tax withholding in accordance with Internal Revenue Service (IRS) regulations. Such payments may be exempt from withholdings if a tax treaty exists with the country of citizenship of the non-resident alien. Tax treaties may provide for the exclusion of some or all of the payment from taxation.
- 5) The central processing organization will only consider granting visiting non-resident aliens an advance for local meals if 1) they are already here at Penn and 2) the department has agreed to provide them some type of meal payment during their designated stay.
- 6) Non-resident alien students may exclude reimbursed travel expenses from gross income (without any withholding) if:
  - They follow the IRS accountable plan rules
  - They complete a "Statement of Business Connection," and
  - Their paperwork is approved by the Corporate Tax office for processing.

[Click here](#) for the Statement for Business Connection form.

7) Expenses reported more than six months (182 days) after the ending date of the business activity **will not be reimbursed** and should not be submitted to the central processing organization absent extenuating circumstances. (see Policy 2354 #10)

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