Travel Regulations

Responsible Officer:	EVP - Chief Financial Officer
Responsible Office:	FA - Financial Accounting
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Scope:	• Staff and academic employees of the University. • Non-employees, including students, visiting scholars, prospective employees and independent contractors. • This policy does not apply to travel associated with work done within the scope of the UC/DOE contract for the management and operations of the Lawrence Berkeley National Laboratory (LBNL). Travel not within the scope of the LBNL contract is covered by the provisions of G-28.

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I. POLICY SUMMARY

It is the policy of the University to comply with IRS regulations regarding the provision and reimbursement of business-related travel, and to conform to the IRS "accountable plan" rules.

II. DEFINITIONS

Business Purpose: The business purpose of a University traveler may include activities that contribute to any one of the University's major functions of teaching, research, patient care, or public service, or to any other substantial and bona fide University business activity.

Campus: The campus, Laboratory, UCOP, Agriculture and Natural Resources, or other official University location under the jurisdiction of a Chancellor, as defined below.

Chancellor: The chief executive officer of the campus. For purposes of this Bulletin, the authorities and responsibilities assigned to the Chancellor are also assigned to the Lawrence Berkeley National Laboratory (LBNL) Director, the Executive Vice President—Chief Operating Officer, the Vice President--Agriculture and Natural Resources, and the Principal Officers of The Regents, for employees under their respective jurisdictions. Authority delegated to the Chancellor also may be delegated to other individuals.

Domestic Partner: A domestic partner means the individual designated as an employee's domestic partner under one of the following methods: (i) registration of the partnership with the State of California; (ii) establishment of a same-sex legal union, other than marriage, formed in another jurisdiction that is substantially equivalent to a State of California-registered domestic partnership; or (iii) filing of a Declaration of Domestic Partnership form with the University. See PPSM 2 for additional information.

Headquarters: The place where the major portion of the traveler's working time is spent or the place to which the employee returns during working hours upon completion of special outside assignments.

Lodging: Expenses for overnight sleeping facilities. This does not include accommodations on airplanes, trains, buses, or ships, which are included in the cost of transportation.

M&IE Reimbursement Cap: The maximum amount authorized for daily meal and incidental expenses established by the University for all travel of less than 30 days in the continental United States (CONUS). Travelers may seek reimbursement only for their actual expenses up to the cap amount (see Section V.E.2.a.i., Travel – Assignments of Less than 30 Days). For purposes of the reimbursement cap, incidental expenses include tips and fees for services, e.g., for waiters, baggage handlers, etc.

Per Diem: The daily subsistence allowance authorized under the federal per diem rates for a location of travel. The payment of a per diem does not require supporting receipts. Per diems are authorized in these situations: for all foreign travel; travel within Alaska, Hawaii, and United States possessions (OCONUS); domestic travel assignments of 30 days or more; and domestic travel assignments that exceed one year (see Appendix B).

The incidental expenses portion of the federal per diem rate includes fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries; transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and mailing costs associated with filing travel expense claims and payment of University-sponsored charge card billings. Federal per diem rates for CONUS[1] and OCONUS[2] travel do not include taxes on lodging, which may be reimbursed separately. Foreign per diem rates include taxes on lodging and M&IE.[3]

Refer to Section V.E., Subsistence Expenses, for more information on per diems.

Primary Agreement: An agreement between the University of California and an awarded supplier for a specific service or commodity that is the result of a University competitive bid process. The primary agreement is established with the supplier considered to have the best combination of value and service and who obtains the most awarded quality points during the evaluation process. This supplier will be the recommended University supplier for the specific service or commodity type (at participating University locations) for the life of the agreement.

Reporting Period: The forty-five day period within which a travel expense claim must be submitted after the end of a trip. Refer to Section V.I.1., Reporting Period, for more information.

Residence: The primary residence where the traveler lives, regardless of other legal or mailing addresses. However, when an employee is required to reside temporarily away from ~~his or her~~their permanent residence because of official travel away from headquarters, such residence may still be considered permanent if it is unreasonable to expect the employee to move ~~his or her~~their permanent residence to the temporary job location.

Travel Expenses: Expenses that are ordinary and necessary to accomplish the official business purpose of a trip. Refer to the following sections for a description of travel expenses eligible for reimbursement: Section V.D., Transportation Expenses; Section V.E., Subsistence Expenses; and Section V.F., Miscellaneous Travel Expenses.

Travel Status: The period during which a traveler is traveling on official University business outside the vicinity of ~~his or her~~their headquarters or residence.

III. POLICY TEXT

A. Introduction

[1] CONUS per diems set by the U.S. General Services Administration (GSA).
[2] OCONUS per diems set by the U.S. Department of Defense.
[3] Foreign per diems set by the U.S. Department of State.

The policy and regulations contained in this Bulletin shall apply to all official University travel, including travel funded under federal grants and contracts.[4] However, the policy does not apply to work done within the scope of the UC/DOE contract for the management and operations of the Lawrence Berkeley National Laboratory. Travel *not* within the scope of the LBNL contract is covered by the provisions of this policy.

This Bulletin includes special rules for non-employees, such as students, visiting scholars, independent contractors, etc.

The terms set forth in an extramural funding agreement govern only when such terms are more restrictive than University travel regulations. The campuses and LBNL may adopt more restrictive procedures, if desired. In addition, the terms of a collective bargaining agreement shall govern when such terms do not conform to the provisions of this Bulletin.

B. Overview

University business travelers are strongly encouraged to purchase travel services, when available, from Preferred Suppliers with whom the University has strategic and collaborative sourcing primary agreements. Preferred Suppliers deliver competitive value in the range of services required by University travelers. Such Suppliers include airlines, car rental agencies, hotels, travel agencies, and online booking providers. Although it might be possible to obtain a lower cost from nonparticipating suppliers, use of Preferred Suppliers should, on average and over time, reduce the University's overall travel costs and provide the best value to the traveler. For more information about Connexxus and our preferred suppliers, including airlines, hotels, car rental agencies, and travel agencies, see the Connexxus website.

C. Travel Management Services

1. Travel Management Program

   The systemwide Travel Management Program, known as Connexxus, is intended to generate maximum benefit and value for University travelers and departments. The program encompasses all aspects of University travel, including policy development, processes, planning, data management, and Preferred Supplier services and contracts. After appropriate training and communication, campuses should mandate the use of Connexxus in order to realize the potential savings achievable under the program (President's June 21, 2009 letters to the Chancellors).

2. UC Travel Council

   The UC Travel Council, sponsored by the Executive Vice President—Chief Financial Officer, provides general leadership, direction, and oversight in support

[4] Pursuant to Section 200.474 of the Office of Management and Budget's 2 CFR Part 200, costs incurred by employees and officers for travel must be considered reasonable and allowable only to the extent that such costs do not exceed charges normally allowed by the institution in its regular operations as a result of an institutional policy and the amounts claimed under sponsored agreements represent reasonable and allocable costs.

of the Connexxus program. At least one representative from each campus and the LBNL shall have membership on the Travel Council. Campuses may appoint an additional Medical Center representative for their location~~,~~ if desired.

D. Reimbursement Standards

It is the policy of the University that all official travel shall be properly authorized, reported, and reimbursed in accordance with this Bulletin. Under no circumstances shall expenses for personal travel be charged to~~,~~ or be temporarily funded by, the University, unless otherwise noted in this Bulletin. All travel reimbursement requests must be certified by the traveler, as indicated in section V.I.2.c.

University employees traveling on official business shall observe normally accepted standards of propriety in the type and manner of expenses they incur. ***In addition, it is the traveler's responsibility to report ~~his or her~~their actual travel expenses in a responsible and ethical manner, in accordance with the regulations set forth in this Bulletin.***

The University's travel reimbursement procedures contained in this Bulletin are designed to conform to the "accountable plan" rules published by the Internal Revenue Service (IRS). Therefore, University reimbursement of an employee's travel expenses shall not result in additional taxable income to the employee. Travel expenses considered by the IRS to be taxable income to the traveler are not reimbursable except for the following:

- Expenses for travel in excess of one year,
- Imputed taxable income caused by substantiated expense reports submitted after the time limit described in Section V.I.1., subject to campus discretion,
- Certain travel expenses related to moving a new appointee or a current employee (refer to BFB G-13, Policy and Regulations Governing Moving and Relocation, for more information), and
- Travel-related and childcare expenses for a spouse, domestic partner, dependent-care provider, and dependents who accompany the employee when pre-approved by the Chancellor or other senior University officer (see Section V.H.2.f).

E. Travel Restrictions

California State Law (Government Code Section 11139.8, enacted pursuant to AB 1887), effective January 1, 2017, prohibits state-funded travel to a state that has passed a law after June 26, 2015 that (1) authorizes discrimination based on sexual orientation, gender identity, or gender expression, or (2) voids or repeals existing state or local protections against such discrimination. The law also prohibits state agencies and UC from requiring employees to travel to such states. The State Attorney General must develop, maintain, and has posted **online** the current list of states where these travel restrictions apply. The Attorney General has also posted online a set of Frequently Asked Questions that includes a list of exceptions provided in Government Code Section 11139.8, which allow state-funded travel to states on the Attorney General's list under certain specified conditions.

IV. COMPLIANCE/RESPONSIBILITIES

Function	Responsibilities
Executive Vice President-Chief Financial Officer	Establish and update the policies set forth in this Bulletin.
Department Heads (or person delegated authority by the Chancellor, or person officially redelegated authority)	Approve payment for the travel expense claim or electronic equivalent submitted by the traveler; ensure that appropriate documentation is provided to substantiate the travel expense; ensure that the travel expenditures comply with University policy and fund source restrictions.
Campus Controller's Office or Medical Center Controller, where appropriate	Approve the travel expenses, including exceptions, for each campus Chancellor, including a spouse or domestic partner, or an Associate of the Chancellor. Initiate proceedings for the recovery of any outstanding cash advances sixty days after a trip is completed.
Chancellors	• May establish more restrictive procedures for the travel policies authorized under this Bulletin. • Designate one or more approving Vice Chancellors to approve travel expenses incurred by the Vice Chancellors, Deans, and Medical Center Directors. • Approve travel expenses incurred by the designated Vice Chancellors. • May appoint a designee to approve travel expenses incurred by the designated Vice Chancellors, provided that the designee does not report to the designated Vice Chancellor. • Provide written approval for use of private aircraft (including a rented aircraft) for official travel after pilot registers the private aircraft with the Chancellor and meets all the requirements under Section V.D.2.b.i. • Delegate authority to pre-approve reimbursement of travel expenses of a spouse, domestic partner, dependent-care provider, or dependents of an accompanying parent (employee) or prospective employee.
Designated Vice Chancellors[5]	• Review and approve travel expenses incurred by the Vice Chancellors, Deans, and Medical Center Directors. • In lieu of reviewing and approving each travel expense claim (or electronic equivalent), the designated Vice Chancellor may: o Appoint a high-level individual on ~~his or her~~their staff who is knowledgeable about the travel regulations to review and approve the travel expense claim for policy compliance, and o Review and sign a periodic report (produced no less frequently than monthly), which details the business purpose for each trip taken.

[5] The term "designated Vice Chancellor" includes any other responsible administrator designated by the Chancellor.

Function	Responsibilities
	• May not redelegate this authority to another individual, except when the designated Vice Chancellor is not available due to business travel, vacation, illness, or other leave.
• LBNL Director • Executive Vice President-Business Operations • Vice President-Agriculture and Natural Resources • Principal Officers of The Regents	Assigned the authorities and responsibilities that are assigned to the Chancellor for purposes of this Bulletin.
President-Office of the President	Establish procedures similar to the Chancellors for the approval of travel expenses incurred by the President, the Executive Vice Presidents, the Principal Officers of The Regents, and other Officers within the Office of the President.
Travel Management Office	Administer the University's Travel Management Program under the general direction of the UC Travel Council.
UC Travel Council	Provide general leadership, direction, and oversight in support of the Connexxus program.

Payment Approval Authority	Exceptions Permitted	Exception Approval Authority	Comments
Chancellors (or Chancellor's designee if any delegation of the Chancellor's authority is made in writing) Have the authority to make exceptions to the University's Travel Policy, as long as the exception is in writing.	Yes	Exceptions may be granted by the Chancellor or ~~his or her~~their designee when one is required due to extenuating circumstances. Any request for an exception must document the circumstances and need for the exception. When an exception has been approved, expenses will only be reimbursed to the extent of actual costs incurred, provided such costs are deemed to be ordinary and necessary under the circumstances. See Section V.I., Reporting Travel	In general, exceptions should not be made to the daily M&IE reimbursement cap established for travel of less than 30 days within CONUS (see Appendix B) unless necessitated by the business requirements of the trip. For example, an exception to the daily M&IE reimbursement cap may be required for athletic team training meals that involve specific nutritional requirements. Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. An exception to the minimum miles per day requirement may be approved, however, if a delay is beyond the control of the individual, e.g., weather, traffic, or physical

Payment Approval Authority	Exceptions Permitted	Exception Approval Authority	Comments
		Expenses, for more information.	handicap of the traveler. Any exception must be approved by the Chancellor.

V. PROCEDURES

A. Approval of Travel Expense Claim

The authority to approve travel expense claims must be documented by a signature authorization form on file with the Campus Controller's Office (or the Medical Center Controller, where appropriate) or by an electronic signature authorization. The travel expense claim should not be approved by a person who reports directly or indirectly to the traveler. Persons delegated the authority to approve travel shall not approve their own travel. In addition, travelers may not approve the travel of a near relative, e.g., spouse or domestic partner, child, parent, etc.

B. Payment of Travel

1. Prepaid Expenses and Direct Charges

Individual travelers are prohibited from charging hotel and hotel-related expenses directly to the University. However, campuses may enter into a direct billing arrangement with a hotel for the payment of charges on behalf of travelers for room and tax charges *only*. Campuses should ensure that travelers are aware of such arrangements. Transportation tickets and conference fees may also be charged directly to the University if the proper controls are in place, such as a "ghost card" arrangement. Meals and miscellaneous expenses *cannot* be charged or billed directly to the University as these expenses must be paid by the traveler when they are incurred, and a claim for reimbursement submitted at the conclusion of the trip.

Sections V.E.4., Payment of Group Subsistence Expenses, V.H.1.c., Students, and V.H.2.b., Prospective Employees, provide additional information regarding prepaid expenses and direct charges incurred by travelers.

2. Corporate Travel Cards

Under guidelines established by campuses, corporate travel cards may be issued to employees who travel on official University business.[1] Any traveler issued such a card ***should*** use the card to pay for all expenses related to official University business travel, including lodging and subsistence, except where the card is not accepted. The cardholder will be billed directly for all expenses charged to the corporate card. The cardholder is personally responsible for paying ***all*** charges on the corporate card and for keeping the card current. ***The University will not reimburse or pay late fee charges incurred in connection with the corporate***

[1] Procurement Services, CFO Division, is responsible for negotiating contracts for campus corporate card programs.

card. Corporate travel card payment delinquencies may result in the cancellation of the traveler's card or other corrective action.

Travelers who have been issued a University corporate travel card are required to use the card for cash advances, except under the circumstances listed below in Section V.B.3.a., Eligibility.

The corporate travel card is valid only while an individual is employed by the University, may be cancelled at the discretion of the University, and must be relinquished to the employee's department upon termination of employment.

3. Cash/Non-Cash Advances

Travelers are required to use their corporate travel card to obtain cash advances for expenses incurred in connection with official University business travel, if the card provides this feature. Reasonable fees charged for obtaining a cash advance using the corporate travel card are eligible for reimbursement.

a. Eligibility

Travelers who cannot obtain a cash advance through a corporate card may request a cash advance from the University, in accordance with the procedures established by the campus, under the following circumstances:

- The traveler is not eligible to participate in the corporate travel card program or has not yet been issued a corporate travel card;
- The campus's card program does not provide such a feature;
- The traveler has incurred corporate credit card expenses that must be paid before a trip is completed;
- The travel requires special handling, such as foreign travel, group travel for athletics, bowl games, student groups, etc.

b. Issuance of Cash Advances

Cash advances **must** be issued *within 30 days* of when an expense is to be paid or incurred in order to satisfy IRS regulations and to meet the University's cash management objectives. The amount requested on the Travel Advance Request form shall not exceed a reasonable estimate of the out-of-pocket expenses needed for the trip.

Cash advances *should not* be authorized under the following circumstances:

- The traveler is 30 days delinquent in submitting a travel expense claim for a prior trip;
- The corporate travel card cannot be used due to the traveler's failure to meet the payment terms of the card; or
- The corporate travel card has been lost. (Lost cards should be reported to the corporate credit card company immediately, and arrangements made for issuance of a replacement card.)

A traveler should have only had~~ve~~ one outstanding cash advance per trip; each advance should be accounted for before another advance is granted. ***The traveler must submit a travel expense claim even if ~~he or she is~~they are not owed any additional reimbursement, in order to document the business purpose for which the advance was issued.***

Section V.I., Reporting Travel Expenses, contains information on substantiation of cash/non-cash advance expenses. Subsections 1.a, b, and d of Section V.G., Intercampus Travel Expenses, provide information on advances issued for intercampus assignments. Section V.H.1.a., Visiting Academic Appointees, details special requirements related to handling advances for such appointees.

c. Cancel~~l~~ed or Postponed Trips

A cash advance must be returned immediately if an authorized trip is cancel~~l~~ed or indefinitely postponed.

A nonrefundable ticket associated with a cance~~l~~led trip must be used for the employee's next business trip.

d. Unrecovered Advances

All cash advances must be accounted for within forty-five days after a trip is completed. Unrecovered advances that are determined not to be business-related travel expenses should be reported as income to the traveler, per section V.B.3.d.ii. Accounting Manual chapter R-212-2, Receivables Management, addresses the legal limitations with respect to the collection of delinquent accounts or other indebtedness incurred by employees.

i. Recovery Procedures

An employee's written permission must be obtained before an outstanding cash advance can be deducted from wages or from any other amounts due to the traveler. If the employee's consent cannot be obtained, the campus may recover the debt through a collection agency.

ii. Tax Considerations

Cash Advances. If an employee fails to substantiate expenses and return any unused cash advance amounts within 120 days of the end of a trip, the University is obligated under IRS regulations to consider such amounts as income to the employee. As a result, the amount of unsubstantiated expenses and unrecovered advances will be reported through the payroll system as additional wages to the employee no later than the first payroll period following the end of the 120-day period. The income and applicable employment taxes on the additional wages are to be withheld from the employee's regular earnings. ***No refund of such taxes or any adjustment to gross income shall be made with respect to any substantiation or reimbursement received from the employee after the 120-day period.*** (For more information on tax withholding, see Accounting Manual chapter D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System.)

Non-Cash Advances. Travel payments, such as registration fees, airline tickets, etc., made to a vendor on behalf of an employee should follow the same reporting time frame for substantiation by the employee as outlined ~~as outlined~~ in section V.I.1 of this bulletin.

4. Payment of Expenses on Behalf of Others

University travelers normally shall not be reimbursed for expenses paid on behalf of other persons; however, limited exceptions are permitted (see Section V.H.2.f) such as in the case of co-travelers who are sharing a room. Exceptions to this rule, such as supervised group trips, must be approved in advance. (See Section V.E.4., Payment of Group Subsistence Expenses, for more information.)

5. Cancellation of Reservations

Travelers who are unable to honor a reservation shall be responsible for canceling the reservation in compliance with the cancellation terms established by the hotel, airline, etc. The traveler must return any refundable deposits to the University.

Charges or lost refunds resulting from failure to cancel reservations shall not be reimbursed unless the traveler can show that such failure was the result of circumstances beyond the traveler's control.

The traveler shall be responsible for promptly returning for a refund any unused or partially used transportation tickets.

C. Insurance for Travelers

1. University Travelers

All University travelers, including employees, medical residents, students, and fellows, are covered worldwide, 24 hours a day, for a wide variety of accidents and incidents while on official travel status. The coverage includes accidental death, accidental dismemberment, paralysis, and permanent total disability. The coverage also includes travel assistance services when the traveler is 100+ miles from ~~his or her~~their home or headquarters, such as:

- Security extraction (security extraction is not subject to mileage limitation),
- Emergency medical evacuation and repatriation,
- Repatriation of remains,
- Out-of-country medical,
- Loss of personal effects (employees only), and
- Other travel assistance services.

In addition, all University employees are provided with workers' compensation coverage for a work-related injury or illness that occurs during a University-approved and funded business trip.

a. Registration for Travel Outside of California

Travelers must register all out-of-state and foreign country business trips to

ensure coverage. Booking travel through Connexxus' preferred travel agencies and supported online booking tools, with the exception of SWABIZ (Southwest) automatically enrolls the traveler in the insurance program for travel outside of California; otherwise, the traveler must register on the Risk Services website and complete the Traveler Insurance form before an out-of-state trip occurs.

Registration is not required for travel within California as coverage is automatic.

2. Vehicles

For information on insurance coverage requirements for employees who use their private vehicles on University business, see Section V.D.3.a.iii., Insurance Coverage. Sections V.D.3.b.ii., Insurance Coverage, V.D.3.b.iv., Damage to a Rental Vehicle, and V.D.3.c.i., University Vehicles, contain information on insurance coverage in connection with rental cars and University vehicles.

Refer to the Risk Services website for more information on automobile and liability insurance coverage for individuals traveling on University business.

Questions should be directed to the local Risk Management office.

D. Transportation Expenses

Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. Any exception must be approved by the Chancellor.

Travel by a group of employees in the same aircraft, automobile, or other modes of transportation is discouraged when the employees' responsibilities are such that an accident could seriously affect the functioning of the University. Key employees, such as the President, Chancellors, Vice Presidents, or a substantial number of employees from the same organizational unit or program, should consider this risk when making travel arrangements.

1. General

a. Definition

Transportation expenses include the following: charges for commercial carrier fares; travel agency service fees; car and aircraft rental charges; private car mileage allowances; emergency repair to University cars; overnight and day auto parking; bridge and road tolls; taxi and public transportation fares; and all other charges for transportation services necessary to accomplish the official business purpose of the trip.

b. Transportation Tickets

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier or negotiated by the University. Such tickets should be purchased through Connexxus. Travelers will not be reimbursed for non-cash certificates used for the purchase of transportation tickets, e.g., frequent flyer miles.

c. Lost Tickets

Service charges for tickets lost by travelers may be reimbursed, provided such occurrences are infrequent. Charges for re-ticketing, schedule changes, etc. are reimbursable if incurred for a valid business reason. The reason for the charge must be specified on the travel expense claim.

d. Allowable Mileage Expense

Mileage shall ordinarily be computed between the traveler's headquarters and the common carrier or destination. Expenses for travel between the traveler's residence and headquarters (commuting expense) shall not be allowed. However, mileage expenses may be allowed between the traveler's residence and the common carrier or destination if University business travel originates or terminates during a regularly scheduled day off.

When a traveler is authorized to drive a private vehicle to or from a common carrier terminal, mileage may be reimbursed as follows:

- One round trip, including parking for the duration of the trip; or
- Two round trips, including short-term parking expenses, when an employee is driven to a common carrier.

Also, if an employee who is not on travel status has a temporary assignment away from campus, reimbursement shall be made for mileage expenses incurred between the campus and the assignment location, or home and the assignment location, whichever is less.

e. Surface Transportation Used in Lieu of Air Travel

If advance approval has been obtained, a traveler may use surface transportation for personal reasons, even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed.[1] However, such costs shall not exceed the cost of airfare, based on the lower of the regular coach fare available for the location of travel from a standard commercial air carrier or the campus travel program fare, plus transportation costs to and from the terminals.

f. Indirect or Interrupted Itineraries

Obtaining advance approval is suggested when a traveler takes an indirect route or interrupts travel by a direct route, for other than University business. Any resulting additional expenses shall be borne by the traveler. The reimbursement of expenses shall be limited to the actual costs incurred or the charges that would have been incurred via a usually traveled route, whichever is less. The cost comparison should be based on what UC would have paid, which can be obtained by a Connexxus-related travel agency prior to or at the time of booking the trip. Any resulting excess travel time will not be considered work time, and

[1] The reimbursement of M&IE is subject to the 300 mile-per-day rule specified in Section V.D.3., Automobile.

will be charged to the appropriate type of leave. The employee shall be responsible for accurately reporting of such leave time.

g. Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs, e.g., a Saturday night stay for domestic travel, may be reimbursed when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip (provided the expenses were incurred in compliance with this Bulletin). Such expenses, which include lodging, car rental, and M&IE (subject to the reimbursement caps set forth in Appendix B) incurred within the vicinity of the business destination, shall not exceed the amount the University would have paid had the traveler not extended the trip.

2. Air Travel

a. Commercial Airlines

Coach Class. Coach class or any discounted class shall be used in the interest of cost-efficiency~~economy~~. This policy applies to all travel (domestic or foreign, or any combination thereof) regardless of the purpose or fund source.

Business or First Class. Use of business or first-class may be authorized under the circumstances listed below. Documentation of such circumstances must be provided on the travel expense claim.

- Business or first-class is the only service offered between two points;
- The use of coach class would be more expensive or time-consuming, e.g., when, because of scheduling difficulties, traveling by air coach would require an unnecessary hotel expense, circuitous routing, or an unduly long layover when making connections;
- An itinerary involves overnight travel without an opportunity for normal rest before the commencement of working hours. Campus procedures must include required documentation to support the early meeting start time and/or that alternative start dates or times are unavailable; or
- The use of business or first-class travel is necessary to reasonably accommodate a disability or medical need of a traveler.

~~Travelers should consider requesting advance approval for instances in which an itinerary involves overnight travel without an opportunity for normal rest before the commencement of working hours. Campus procedures must include requiring documentation to support the early meeting start time and/or that alternative start dates or times are unavailable.~~

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When a traveler prefers to use a higher class than the one authorized for reimbursement, the traveler must pay the incremental cost of the airfare. In cases other than those described above, a written authorization to use business or first-class shall be obtained in advance from the Chancellor. The traveler shall submit such authorization with the travel expense claim.

Other Ancillary Charges. Campus Chancellors can establish local policy for reimbursement at their respective locations of ancillary charges such as checked and carry-on baggage fees, early check-in or priority boarding and seat selection. Likewise, reimbursement of higher cost airfare such as Economy Plus, Extra Comfort, etc., within the economy class can be included in the local policy.

U.S. Flag Air Carriers. Under the Fly America Act published in Federal Travel Regulation §301-10.13 by the General Services Administration (GSA), only U.S. air carriers[1] shall be used for ***all*** travel reimbursed from federal grants and contracts, including NIH grants[2]. However, there are exceptions to using only U.S. air carrier services under the Fly America Act, depending on the scenarios shown below:

- Generally, U.S. air carrier services that provide nonstop or direct service from the origin to the destination must be used, ***unless*** such use would extend travel time, including delay at origin, by 24 hours or more;
- Generally, U.S. air carrier services that do not offer nonstop or direct service between origin and destination must be used on every portion of the route where it provides service, ***unless*** when compared to using a foreign air carrier, such use would:
    - Increase the number of aircraft changes outside the U.S. by two or more; or
    - Extend travel time by at least 6 hours or more; or
    - Require a connecting time of 4 hours or more at an overseas interchange point.
- When the costs of transportation are reimbursed in full by a third party, such as a foreign government or an international agency, U.S. air carriers do ***not*** have to be used.
- **Open Skies Agreements.** "Open Skies Agreements" are bilateral or multilateral air transportation agreements to which the U.S. and the government of a foreign country are parties. Under the Open Skies Agreements, the U.S. government entered into several air transport agreements that allow federally funded transportation services for travel and cargo movements to use foreign air carriers ***under certain circumstances***. The Department of State's website contains a list of countries the U.S. government has Open Skies Agreements with, including policy information contained in the various Open Skies Agreements. Transportation is allowed between a point in the United

[1] Code-sharing agreements with foreign air carriers, whereby American carriers purchase or have the right to sell a block of tickets on a foreign carrier, comply with the Fly America Act Regulations. The ticket, or documentation for an electronic ticket, must identify the U.S. carrier's designator code and flight number.

[2] See section 7.9.1 "Travel/Employees."

States and any point in a member state or between two points outside the U.S. subject to certain restrictions.

Travelers funded by federal grants and contracts should review Federal Travel Regulation §301-10.106 published by the GSA for any City-Pair requirements, and §301-10.135 for any Open Skies requirements. The GSA issued Guidance on October 6, 2010, for the Amendment of the U.S.-EU Open Skies Agreement effective June 24, 2010. Federal contractors and grantees who are not U.S. Government employees should consult this guidance to determine if they need to be concerned about City-Pair contract fares. Contractors and grantees should also check with the airline to ensure that the airline is covered by the U.S.-EU Open Skies agreement, which may change periodically.

Reimbursement of travel on a foreign air carrier may be denied in the absence of such justification.

b. Private Aircraft

i. Approval

Before a private aircraft (including a rented aircraft) may be used for official travel, the pilot must register with and obtain written approval from the Chancellor. In addition, the following requirements must be met:

- The pilot must have a valid private license;
- The pilot must have logged at least 10 hours of flight time within the preceding 90 days as a pilot in command of an aircraft of the same make and model as the one to be used on the trip;
- To carry passengers, the pilot must either have logged a minimum of 500 hours of flight time as a licensed private pilot in command of an aircraft or possess a valid commercial (or higher type) pilot's license issued by the Federal Aviation Administration.
- A current pilot history form and a certificate of insurance must be on file with the campus risk management office; and
- Evidence must be provided of Aviation Liability Insurance coverage with a minimum combined single limit of $1 million, with The Regents named as additional insured.

Transportation expenses for a flight carrying passengers shall not be reimbursed if the University pilot does not possess the above qualifications.

For purposes of the foregoing rule, anyone traveling in the aircraft other than the pilot is considered to be a passenger.

ii. Reimbursement Options

When the pilot has obtained prior approval to use a private aircraft, reimbursement shall be made based on the ***lesser*** cost of one of the following two options:

- **Private Aircraft Option.** An amount for mileage using the private reimbursement rate per mile shown in Appendix A, plus the cost of meals and lodging while in transit. Mileage shall be computed on the basis of the shortest air route from origin to destination. The travel expense claim must show the aircraft registration number and shall be clearly marked "Air Miles." ***Only the pilot will be reimbursed for mileage expenses.*** Reimbursement shall be made for actual landing and parking fees. Reimbursement is not allowed for storage or parking fees at the location where the aircraft is *normally* stored. However, parking and transportation costs to and from the place of storage may be reimbursed.
- **Commercial Aircraft Option.** The cost of the lowest regular coach fare available for the location of travel from a standard commercial air carrier, plus the cost of transportation to and from the terminals and any meals and lodging that would have been allowed had the traveler used a commercial airline. The cost of meals and lodging while in transit also may be taken into account in determining the appropriate reimbursement amount.

c. Chartered Aircraft

The actual expenses of chartering an aircraft are allowable; however, prior approval must be obtained from the Chancellor.

3. Automobile

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.

When a person is authorized to travel by automobile (e.g., when an automobile is the most economical and practical mode of transportation given the requirements of the trip) actual M&IE incurred en route plus the cost of lodging, when appropriate, may be reimbursed. However, a minimum of 300 miles a day must be driven by the most direct route in order to obtain the M&IE and lodging reimbursement. An exception to the minimum miles per day requirement may be approved, however, if a delay is beyond the control of the individual, e.g., weather, traffic, or physical handicap of the traveler.

a. Private Vehicles

The following rules apply to all domestic travel.

i. Mileage Reimbursement Rates

When two or more persons on University business share a private vehicle, ***only the driver may claim reimbursement for mileage***.

- Standard Rate

The standard reimbursement rate per mile is set forth in Appendix A. This rate takes into account all actual automobile expenses such as

fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc. Thus, under IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

- Rate for Travelers With Physical Disabilities

  A traveler with a physical disability who must use a specially equipped or modified automobile may claim reimbursement at the standard rate per mile set forth in Appendix A. However, if the traveler incurred higher than standard operating costs, the traveler may seek reimbursement by submitting a statement with the travel expense claim certifying that ~~he or she~~they incurred higher operating costs. The actual fixed and variable costs must be specified in the statement.

  The traveler should refer to IRS Form 2106, Employee Business Expenses, to obtain additional information on the calculation of actual vehicle operating costs. Form 2106 is available on the IRS web site.

  The departmental authority that approves the travel is responsible for documenting the traveler's need to use such a vehicle.

ii. Private Vehicle Used in Lieu of Air Travel

When a traveler's private vehicle is used on University business in lieu of available air travel, the traveler shall be reimbursed in accordance with the procedures specified in Section V.D.1.e, Surface Transportation Used in Lieu of Air Travel. Fuel, routine repairs and associated costs, tires, gasoline, or other automobile expense items shall not be allowed when a private vehicle is used. Such expenses are included in the mileage reimbursement rates set forth in Appendix A.

iii. Insurance Coverage

When private vehicles are used on University business, the appropriate campus officials are responsible for requiring that employees have adequate liability insurance coverage. The minimum prescribed liability insurance coverage is as follows: $50,000 for personal injury to, or death of, one person; $100,000 for injury to, or death of, two or more persons in one accident; and $50,000 for property damage. An employee who regularly uses a private vehicle on University business is required to have and provide upon request satisfactory evidence of liability insurance coverage. Such evidence must be provided to the appropriate office before the reimbursement of regular use mileage is allowed. Regular use is defined as more than four trips per calendar month totaling at least 300 miles. When a private vehicle operated by an employee on official University business is damaged by collision or sustains other accidental damage, reimbursement for repairs borne by the employee may be authorized up to $500 or the amount of the deductible (co-insurance),

whichever is less. Expenses that can be recouped from insurance are not eligible for reimbursement. The amount reimbursed shall be based on receipts submitted by the employee to the individual who authorized the travel. ***The reimbursement may be charged to the department or to another appropriate account as designated by the Chancellor.***

b. Rental Cars

i. Authorization to Rent

A vehicle may be rented when renting would be more advantageous to the University than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and may include up to an intermediate-size model, per the terms of UC-negotiated rental agreements. Vehicles up to an intermediate-size model should be used unless a no-cost upgrade is provided. When the University's rental contracts provide for refueling charges at a negotiated rate, this option may be selected to purchase fuel in advance. Hand-held or uninstalled GPS devices should not be rented unless the traveler is unfamiliar with the location of travel. The u~~U~~se of other higher cost upgrades requires exceptional approval.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. ***The discount negotiated with car rental agencies by the University should be requested when available.*** The University's Connexxus website provides the rental agency's University identification number, which should be given to the agency at the time of rental in order to ensure that the vehicle is covered by physical damage insurance.

ii. Insurance Coverage

Travelers are expected to use rental agencies with which the University has systemwide contracts that include insurance coverage. The following rules apply to insurance coverage for rental cars:

- The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions (OCONUS), and foreign countries, is allowable.
- *On contract rental vehicles used in the continental United States (CONUS)*, charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).
- Additional charges for insurance coverage will not be reimbursed if a non-contract agency is used~~,~~ unless no car rental company in the area has such an agreement with the University.
- It is recommended that employees purchase supplemental insurance when renting a vehicle outside the U.S.

- A vehicle rented from an agency with which the University has an agreement is not covered by insurance when it is being used for a personal day of travel.

Some rental car agreements contain special coverage provisions that differ from the general coverage rules detailed above. For additional information on rental car insurance coverage, see UC Car Rental Insurance Information.

The campus risk management office should be contacted for information on campus-specific contracts or insurance coverage.

iii. Direct Billing

Vehicle rental charges billed directly to the University can be authorized within parameters established by the Campus Controller's office. Any direct bill arrangement should only allow for the rental cost and associated tax for rentals that are business--related. Rental car charges that are not direct billed should be paid with the traveler's corporate travel card (see Section V.B.2, Corporate Travel Cards) or their personal credit card.

iv. Damage to a Rental Vehicle

A University traveler may be reimbursed for property damage to a rental vehicle only if such expenses were incurred on days the vehicle was being used for University business purposes. (See Section V.C.2., Vehicles, for more information on insurance coverage). The amount reimbursed may be charged to the traveler's department, the department sponsoring the traveler, or to an account designated by the Chancellor, as appropriate. The traveler shall submit with the travel expense claim a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

c. Official Vehicles

i. University Vehicles

University vehicles shall be used in accordance with the guidelines contained in BFB BUS-46, Use of University Vehicles. For information regarding insurance coverage on University vehicles, refer to BFB BUS-81, Insurance Programs.

d. Miscellaneous Automobile-Related Expenses

Charges for ferries, bridges, tunnels, or toll roads may be claimed by the vehicle operator. Reasonable charges for parking while an employee is on travel status or on University business away from regular duties also will be allowed for the following:

- Day parking on trips away from an employee's headquarters;

- Day and overnight parking on overnight trips away from an employee's headquarters or residence (a claim should not be made if free overnight parking is available); and
- Parking charges incurred when an employee without a location parking permit is occasionally required to drive to and from headquarters.

Travelers should seek out the longer-term parking accommodations at airports or common carriers when travel is expected to exceed twenty-four hours.

Valet parking charges in excess of normal parking charges shall be borne by the traveler, unless the traveler obtains an exception.

4. Rail or Bus

Rail or bus transportation may be used when required by the destination or by business necessity. If a traveler's destination is served by a regularly scheduled airline, however, the use of rail transportation shall be reimbursed in accordance with the procedures specified in Section V.D.1.e., Surface Transportation Used in Lieu of Air Travel. This rule does not apply to inter-city rail travel that is equivalent to air transportation in total travel time. Reimbursement for the cost of Pullman roomette accommodations is allowed. If more expensive accommodations are used, the traveler must justify the expense in a written explanation submitted with the travel expense claim.

If accommodations are included in the rail fare, e.g., Pullman roomette accommodations, lodging expenses shall not be reimbursed for each night that such accommodations are used.

5. Ship

When travel by passenger ship is authorized, transportation at the lowest first-class rate is allowed.

The reimbursement of subsistence expenses while on board a passenger ship shall not be allowed if the cost of subsistence is included in the fare for passage and stateroom. If the fare does not include subsistence, reimbursement shall be based on the traveler's actual daily expenses, subject to the limits set forth in Section V.E., Subsistence Expenses. A full explanation of the circumstances that necessitated such expenses must be submitted with the travel expense claim.

6. Other Forms of Transportation

a. Local Public Transportation, Shuttle Service, and Taxis

Local public transportation fares (e.g., buses, subway, streetcars) shall be allowed. The cost of shuttle service (including airport limousine service, if appropriate) to and from an airport or railroad station, plus reasonable tips, is allowable to the extent such service is not included in air or rail fares. Taxi fares, including tips, shall be allowed when the use of alternative transportation is impractical or not available. The cost must be reasonable in relation to personal car use costs, including parking, tolls, etc. When traveling to and from the airport from the home location, travelers should be good stewards of the University's

resources and be mindful of the costs associated with the transport method selected.

b. Motorcycles

Motorcycles shall not be authorized for use on official University business, nor shall any reimbursement be made for the use of such vehicles except for the following situations:

- University police department employees on motorcycle assignment; and
- Motorcycles used when automobile transportation is not an available option in the foreign location and used consistent with approved policies for foreign locations.

c. Special Conveyances

Charges for using other types of conveyance (such as a helicopter or boat) shall be allowed when the use is beneficial to the University and when the fare for the conveyance is not included in the original cost of the common carrier fare. An explanation justifying such use must accompany the travel expense claim~~,~~ unless the Chancellor has established a blanket authorization for the travel. A copy of the authorization shall be attached to the travel expense claim (unless a blanket authorization is published in the campus policy and procedures manual).

7. Sustainable Travel

In support of the University Policy on Sustainable Practices, University employees traveling or supervising staff that travel may consider the following

a. ~~University travelers may want to consider sustainability when making their travel arrangements. The first consideration should be: is it necessary to travel, or can I participate in this meeting, conference, etc., using remote technology such as by videoconferencing, webinar, etc. If in-person attendance is necessary to accomplish the business objectives, then there are steps you can take to minimize the environmental impact~~Travel only when necessary. Avoid unnecessary travel by leveraging remote technology such as video and/or phone conferencing.

b. If travel is necessary, consider the following:

- Encourage ~~Encourage and direct staff to carbon~~fuel~~-~~efficient modes of travel such as ~~carpool, train, walking or rideshare (if local/regional travel)~~public transportation (train, bus), carpooling/ridesharing, biking or walking;
- Plan ahead to avoid peak travel times and leverage the lowest cost as well as sustainable modes of travel;
- When renting a vehicle for travel is required, consider ~~Use~~ low-emission vehicles. Through the UC Central Management program travelers can, at select sites, leverage~~such as the~~ discounted rates for ~~hybrid~~ hybrid electric vehicles available ~~with~~through UC ~~the~~ Hertz and National/Enterprise agreements;

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- When ~~considering~~ driving a personally owned vehicle in lieu of renting while on business travel, ~~, factor in~~assess the ~~cost~~ cost to the University. First by comparing ~~of using own vehicle at~~ the mileage reimbursement rate associated with a personally owned vehicle to ~~versus~~ rental car daily rates. ~~to identify not only the most cost effective but also~~Second, by comparing the potential savings related to ~~the reduction in carbon~~ emissions impacts and fuel efficiency by considering renting a ~~(~~ hybrid electric ~~rental~~vehicle. ~~versus older, less efficient personal vehicle)~~;
- Make travel more efficient by combining multiple meetings and events wherever possible.~~For multi-campus travel, consider "travel blending" by combining meetings into one trip and better time management.~~ Consider one-way rentals with no drop-off fees that are available under some of ~~our~~UC's rental agreements;
- ~~Consider the train versus air travel; and~~
- When air travel is required, ~~C~~consider fuel~~-~~ efficient regional carriers ~~such as JetSuiteX~~ for certain routes~~,~~, book direct flights whenever feasible (balancing efficiencies of cost, time and safety), and ~~supporting~~leveraging other UC preferred airlines ~~with high rankings on projected~~that disclose emissions by ~~2020~~fleet or individual travel. (Available via the Concur online platform, and consider the "emissions" airfare search feature)
- ~~Wherever possible and if cost competitive, consider booking non-stop flights. When booking online via~~ Via the Concur ~~too~~online platform ~~available to all UC employees I, consider the "emissions" airfare search feature.~~
- ~~Consider staying at hotels like UC Preferred Marriot which support and practice numerous sustainability efforts~~ Consider accommodation providers which are actively limiting their emissions and encouraging other sustainable practices such as water and waste reductions, as well as inclusive and responsible labor policies.
- ~~Review available resources on sustainable travel such as~~~~A good resource is~~ the UCSD Sustainable Travel Guide.
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E. Subsistence Expenses

1. General

a. Definition

Subsistence expenses incurred while on travel status consist of charges for lodging and meals and incidental expenses (M&IE). For the definition of incidental expenses, see Section II., Policy Definitions. Expenses reimbursed

must be ordinary and necessary to accomplish the official business purpose of the trip. Subsistence expenses incurred within the vicinity of an employee's headquarters or residence shall not be reimbursed. ~~To be eligible for reimbursement, a~~Actual expenses must be documented in accordance with Section V.I.2.b., Documentation Requirements to be eligible for reimbursement. Regardless of the length of time for business travel, the traveler **must** be at least forty miles from the headquarter location or home, whichever is closer, to be reimbursed for an overnight stay.

b. Entertainment Meals

Expenses for meals incurred by employees who entertain while on travel status are reimbursable in accordance with BFB BUS-79, Expenditures for Business Meetings, Entertainment, and Other Occasions.

2. Travel in Excess of 24 Hours

a. Domestic Travel - Travel within the United States and Its Possessions

For purposes of determining the applicability of Sections i, ii, and iii below, an official University business trip begins when the traveler leaves ~~his or her~~their residence or headquarters, whichever occurs last, and ends when the traveler returns to ~~his or her~~their residence or headquarters, whichever occurs first.

i. Travel - Assignments of Less than 30 Days

CONUS Travel. For travel assignments of less than 30 days within the continental United States (CONUS), the reimbursement of daily subsistence expenses shall be based on the actual amounts incurred for lodging and meals and incidental expenses, subject to the maximum per day reimbursement cap described below. ***The M&IE cap for CONUS travel under 30 days shall not be treated as a per diem.*** M&IE reimbursement shall be limited to the ***actual reasonable costs incurred***; subject to the daily maximum reimbursement cap set forth in Appendix B. Departments should remind their travelers that only expenses actually incurred are reimbursable. Travelers should be required to submit meal receipts if it appears that they are treating the cap as a per diem by routinely claiming the full M&IE amount. Lodging expense reimbursements are actual up to $275 per night before taxes and mandatory hotel fees and must be supported by original itemized receipts, regardless of the amounts incurred, and must be reasonable for the locality of travel. When the traveler is unable to secure lodging at $275 per night or less, the traveler must submit additional documentation such as price comparisons within the proximity of the meeting location that supports the higher lodging rate incurred. The price comparisons should be performed at the time of booking.

A traveler who is required to attend a conference where the prearranged conference lodging rate exceeds the $275 per night cap may stay at the conference hotel without exceptional approval.

OCONUS Travel. Travel within Alaska, Hawaii, and U.S. possessions (OCONUS) shall be reimbursed in accordance with the non-foreign locality per diem rates published by the Department of Defense (see Appendix B).

ii. Long-Term Travel - Assignments of 30 Days or More

The long-term daily expense rate shall be authorized when a traveler can reasonably be expected to incur expenses in one location comparable to those arising from the use of establishments catering to long-term visitors, and when the traveler is expected to be in one location for 30 or more consecutive days *but not in excess of one year*.

CONUS Travel. For domestic travel assignments of 30 days or more within the continental United States, the **per diem** allowance authorized for subsistence expenses is based on an estimate of actual daily expenses (see below for information on estimating and computing a daily expense rate). Reimbursement of such expenses shall be limited to a daily amount of *up to 100%* of the applicable federal per diem rate (published by the General Services Administration) established for travel within CONUS (see Appendix B). ***Actual costs paid for lodging taxes, which are not included in CONUS per diem rates, may be reimbursed as a miscellaneous expense.***

OCONUS Travel. For travel within Alaska, Hawaii and U. S. possessions the actual lodging and subsistence expense incurred shall be reimbursed, limited *to 100%* of the non-foreign locality per diem rates (see Appendix B).

Daily Expense Rate. The daily expense rate is computed by dividing the monthly lodging costs (determined by estimating actual expenses) plus an appropriate amount for M&IE (not to exceed the amounts specified in Appendix B), by the number of days of occupancy in the rental period. The following recurring expenses may be considered part of the lodging cost when a traveler rents a room, apartment, house, or other lodging on a long-term basis:

- Rental cost of a furnished dwelling;
- Utilities;
- Monthly base telephone charges.

iii. Indefinite Travel - Assignments that Exceed One Year

Under the IRS one-year rule, travel away from home that lasts more than one year in a single work location is considered indefinite. Any travel expenses reimbursed during that period must be treated as taxable income subject to withholding for income and employment taxes (i.e., social security and Medicare).

Accordingly, for an employee whose indefinite assignment requires a change of residence in order to undertake an assignment, who plans to return at the end of the assignment, and who expects to remain in a single

location for *more than one year*, subsistence expense reimbursement shall be treated as follows:

- The entire reimbursement, effective as of the first day of the traveler's assignment, shall be included in the employee's gross income subject to withholding for income and applicable employment taxes;
- The subsistence reimbursement must be paid through the payroll system as additional income subject to withholding;
- The reimbursement for such assignments shall be limited to 2 years. An exception may be granted by the Chancellor to extend the reimbursement for a longer period of time; and
- The cost of moving the employee to and from the location of the indefinite assignment shall be reimbursed in accordance with University moving policies (refer to BFB G-13, Policy and Regulations Governing Moving and Relocation).

To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for actual subsistence expenses may be increased *up to 150%* of the per diem rates authorized for domestic travel of 30 days or more (see Section a.ii. above).

A separate calculation of the amount of the increase must be made for each employee, taking into account each employee's additional federal and state income tax liability and liability for employment taxes. The formula provided by the IRS for grossing up payments to cover an employee's tax liability should be used to calculate the increase (see Appendix C for examples based on the IRS Tax Gross Up Formula).

Under IRS regulations, the following situations also are considered indefinite assignments:

- Indefinite Assignment Ends Prematurely

  An indefinite assignment that is *realistically expected* to last more than one year shall be considered indefinite regardless of whether it actually exceeds one year. Thus, any amounts withheld in connection with the employee's travel expense reimbursements would not be refundable if the assignment ends prematurely.

- Temporary Assignment Extended

  If a temporary assignment is *realistically expected* to last for one year or less, but at some later date is extended to exceed one year, then the assignment shall be treated as temporary until the date the employee's *realistic expectations* change. Thus, travel expense reimbursements would not be taxable for the period of the assignment that was *expected* to be temporary. Travel expenses

reimbursed thereafter must be included in the employee's income subject to withholding.

- Indefinite Assignment Interrupted by Trips to Former Residence or to Headquarters

  An indefinite assignment that is interrupted by occasional trips to the employee's former residence or headquarters shall be subject to the one-year rule. *Such return trips do not change the tax status of an indefinite assignment.*

b. Foreign Travel

Under IRS regulations, foreign travel expenses are subject to a special allocation rule that is used to disallow certain nonbusiness travel expenses. The disallowed expenses are treated as taxable income to the employee, and are computed as follows:

Number of nonbusiness days divided by total number of business and nonbusiness days and then multiplied by total travel expenses.

See Section VII., Frequently Asked Questions, for the four situations where the special allocation rule does not apply to nonbusiness foreign travel expenses.

i. Travel - Assignments of Less Than 30 Days

Foreign travel shall be reimbursed in accordance with the Federal Maximum Travel Per Diem Allowances for Foreign Areas published by the Department of State (see Appendix B). (Refer to Section c, Adjustment of Per Diem Rates, below, for information on prorating per diems). An official University business trip begins when the traveler leaves ~~his or her~~their residence or headquarters, whichever occurs last, and ends when the traveler returns to ~~his or her~~their residence or headquarters, whichever occurs first. Travelers should only claim actual travel expenses (e.g.. subsistence and lodging) up to the per diem rate.

If actual expenses that are greater than the per diem are claimed due to special or unusual circumstances, the traveler must document such circumstances by submitting a written explanation with the travel expense claim. The amount reimbursed, however, may not exceed 300% of the applicable federal rate established for the location of travel. The reimbursement of actual expenses must be supported by receipts, as specified in Section V.I.2.b., Documentation Requirements.

The following are some examples of special or unusual circumstances that warrant reimbursement of actual expenses:

- A traveler is required to attend a meeting or conference where meals and lodging must be obtained at a prearranged place, and lodging consumes all or most of the applicable maximum per diem allowance;

- The travel is to an area where the per diem is normally adequate, but subsistence costs have temporarily increased because of a special event or function, e.g., a national or international sports event; or
- Due to the situation described above, affordable lodging is not available within a reasonable commuting distance of the employee's meeting or conference, and transportation costs to commute to and from the less expensive lodging facility consume most or all of the savings achieved from occupying less expensive lodging.

ii. Long-Term Travel - Assignments of 30 Days or More

The per diem allowance authorized for long-term travel is actual costs ***up to 100%*** of the applicable federal per diem rate (see Appendix B). The traveler is expected to seek long-term accommodations when staying in one location for 30 or more consecutive days *but less than one year*. See Section V.E.2.a.ii., Long-Term Travel – Assignments of 30 Days or More, above, for information on estimating and computing a daily lodging rate.

iii. Indefinite Travel - Assignments that Exceed One Year

The rules for domestic indefinite travel set forth in Section V.E.2.a.iii., Indefinite Travel - Assignments that Exceed One Year, above, also apply to the reimbursement of travel expenses incurred in connection with indefinite foreign assignments of *one year or more,* ***with the following exceptions***:

- To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for actual subsistence expenses may be increased by ***up to 150%*** of the applicable federal per diem rate authorized for long-term travel (see Section ii, Long Term Travel, above).
- The amount of the increase, if any, calculated for each employee must take into account the effect of the annual foreign earned income exclusion that may be available to the employee.

c. Adjustment of Per Diem Rates

Travelers may not request reimbursement of actual expenses for one portion of a trip and per diem for the remainder. The method selected must be used for the entire trip. However, a per diem may be used for M&IE and actual costs used for lodging. The request for reimbursement of such lodging expenses must be supported by receipts. See Section V.E.2.b.i., Travel – Assignments of Less Than 30 Days, above, if the traveler is claiming actual expenses due to special or unusual circumstances.

i. Adjustment for Multiple Locations

The method provided in Appendix D may be used to determine travel expenses when a trip is reimbursable under more than one per diem rate.

This method may not be used if an alternative method is contractually mandated by the funding source.

ii. Adjustment for Partial Days

The reimbursement of subsistence expenses shall be calculated in multiples of the applicable federal per diem rate based on the total number of hours between the time of arrival at the foreign or OCONUS location and the time of departure for the return trip to the traveler's headquarters or residence (see Section V.E.2.b.i., Travel – Assignments of Less than 30 Days, for the definition of when a travel assignment begins and ends).

For partial days, hours should be rounded to the nearest quarter day as follows: 3 hours up to 9 hours equals 1/4 day; 9 hours up to 15 hours equals 1/2 day; 15 hours up to 21 hours equals 3/4 day; and 21 hours up to 24 hours equals 1 day.

An alternative method of prorating partial days may be used provided the method is reasonable and consistently applied.

iii. Adjustment for Subsistence or Lodging Provided Without Charge

When subsistence or lodging expenses are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the per diem rate authorized for foreign (or for OCONUS) travel must be reduced correspondingly by the amounts specified in Appendix B, Section 301 of the Federal Travel Regulation. When lodging is provided without charge, only the M&IE portion of the per diem will be reimbursed. An alternative method may be used to reduce the M&IE rate provided the method is reasonable and consistently applied.

Situations that may require an adjustment include the following:

- Meals are furnished as part of official University entertainment,
- Meal or lodging expenses are included in the registration fees,
- Group expenses are billed directly to the University, or
- Complimentary accommodations are extended (generally to a conference leader/coordinator and assistants) by a hotel or motel complex for block patronage of guest rooms.

Refer to Section 4, Payment of Group Subsistence Expenses, below, for more information on claiming group expenses.

d. Use of Non-Commercial Facilities

When non-commercial facilities such as cabins, house trailers, vans, field camping equipment, or other such facilities are used, the traveler shall be reimbursed a daily amount based on an estimate of actual expenses *up to 100%* of the applicable federal per diem rate for the appropriate geographic area (see Appendix B). (See Section V.E.2.a.ii., Long-Term Travel - Assignments of 30 Days or More, above, for information on computing the daily expense rate).

e. Lodging with a Friend or Relative

When a traveler lodges with a friend or relative while on official business for the University, a non-cash gift, such as flowers, groceries, or a restaurant meal, may be provided to the host. The actual cost of such a gift may be reimbursed up to $75. Under IRS regulations, a receipt must be provided for gifts costing $25 or more. ***Only one gift per stay may be provided to a host.***

3. Travel of Less than 24 Hours

When the entire length of a trip is ***less than 24 hours***, M&IE shall not be reimbursed unless the travel includes an "overnight stay" as supported by a lodging receipt.[1] If the traveler is unable to provide a receipt, ~~he or she~~they must include a statement with the travel expense claim explaining why a receipt is not available (e.g., the traveler lodged with a friend or relative, stayed overnight at the airport, or took alternative transportation that required the traveler to be away overnight).

An exception to the overnight-stay requirement may be allowed when a traveler incurs a meal expense in connection with a business meeting (e.g., a working lunch scheduled as an integral part of a meeting or conference). The business purpose of the meal must be explained on the travel expense claim or substantiated by other documentation (e.g., an agenda), which should be attached to the claim. Reimbursement for the cost of the traveler's meal is allowed up to the maximum amounts set forth in BUS-79.

For a trip of ***less than 24 hours*** that includes an overnight stay, reimbursement shall be authorized as follows:

a. CONUS Travel

The a~~A~~ctual cost of lodging and M&IE is~~,~~ subject to the daily maximum amount set forth in Appendix B for M&IE incurred on travel of less than 30 days. The maximum amount for a single day shall be authorized for the entire trip, even if the trip takes place over two consecutive days. The traveler ***must*** be at least forty miles from the headquarter location or home, whichever is closer, to be reimbursed for an overnight stay.

b. Foreign and OCONUS Travel

The a~~A~~ctual cost of lodging is~~,~~ not to exceed the applicable federal per diem rate (see Appendix B). For continuous travel of 21 hours or more, one full per diem should be authorized for M&IE. The per diem must be prorated for travel of less than 21 hours, in accordance with Section V.E.2.c.ii.; however, reimbursement may be authorized only if the travel involves an overnight stay. A lodging receipt must be provided or a statement explaining why a receipt is not available, even if the traveler claims the per diem method of reimbursement.

[1] The overnight-stay requirement does not apply to meal reimbursements authorized under BUS-79, Expenditures for Business Meetings, Entertainment, and Other Occasions.

Appendix E provides additional information on the reimbursement of M&IE expenses for travel of less than 24 hours.

4. Payment of Group Subsistence Expenses

The University may negotiate agreements with restaurants, hotels, and similar establishments to furnish subsistence to a group or groups of University employees when it is to the University's advantage. Under such an agreement, the vendor may be paid either by the group leader or by billing the University.

Reimbursement of such expenses may be claimed by group travelers as follows:

- Group leaders who pay all or part of the group's expenses may be reimbursed by submitting a claim for the actual expenses incurred. The claim must be accompanied by the vendor's invoice/receipt showing payment in full.
- Members of a group who have some portion of their subsistence expenses paid by the group leader may claim reimbursement for the remainder of their subsistence expenses.

5. California City and County Transient Occupancy Taxes Exemption

In a limited number of California cities and counties, University employees traveling on official business are granted an exemption from the payment of occupancy taxes imposed by these cities or counties on the transient rental of rooms. Travelers should identify themselves as University employees and claim exemption from the tax when checking in. The traveler may be required to complete an exemption certificate. For additional information regarding the exemption and a list of cities and counties that grant an exemption, see Accounting Manual chapter T-182-75, Taxes: Transient Occupancy Taxes.

F. Miscellaneous Travel Expenses

Miscellaneous expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. The travel expense claim must include an explanation of why such expenditures are being claimed.

Allowable miscellaneous expenses include the following:

- Business office expenses such as word processing services; equipment rentals; fax and computer expenses; copy services; overnight delivery/postage; purchase of materials and supplies, when normal purchasing procedures cannot be followed; rental of a room or other facility for the transaction of official business; local and long-distance telephone calls (including one reasonably brief, non-emergency, personal call home per day); and laundering, cleaning, or pressing of clothing (if a trip exceeds six days).
- Special fees for foreign travel, including the actual cost of obtaining a passport, visa, tourist card, and necessary photographs; cost of certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion and check cashing fees; the cost of traveler's checks; costs related to hiring guides, translators, and local labor; and

the cost of full collision insurance on automobiles rented in foreign countries (see Section V.D.3.b.ii. for more information on insurance coverage).

- Registration fees for attendance at conferences, conventions, or meetings of professional or learned societies.

Actual costs for lodging taxes (not included in CONUS per diem rates). (See Section V.E.2.a.ii., Long-Term Travel - Assignment of 30 Days or More).

- Charges for checking and storing baggage necessary for the business purpose of a trip. Excess baggage charges are also allowable; however, a justification for carrying excess baggage must be provided on the travel expense claim.
- The occasional use of a one-day airline or airport membership may be approved, provided there is a significant business purpose of the use of the membership, such as a planned meeting or conference call. The cost of the membership is reimbursable as a miscellaneous travel expense.[1]
- Other ordinary and necessary expenses not included in the above categories.

G. Intercampus Travel Expenses

The following procedures shall apply to the administration of travel for intercampus travelers and for visitors from outside the University when the cost of the travel will be paid by the funding campus (i.e., the host campus):

1. Funding Campus Responsibilities

a. Travel Funded by a Single Campus

i. Funding Campus

The funding campus (i.e., the host campus) shall be responsible for issuing cash/non-cash advances if applicable, accepting and approving the travel expense claim, and reimbursing amounts due to the traveler.

b. Home Campus

Intercampus travelers may use their home campus staff and travel agencies to make reservations and ticket purchases. Such travelers also may use their corporate cards to make ticket purchases.

c. Travel Funded by Two or More Campuses

i. Designated Funding Campus

Travel funded by two or more campuses shall be handled by only one location, which shall be mutually agreed to by the campus departments involved. The designated funding campus shall be responsible for administering all aspects of the travel, which includes issuing cash/non-cash advances, if applicable, and approval and reimbursement of travel expenses on behalf of the other ~~campus~~(campus (es). The procedures

[1] Effective February 1, 2009.

outlined above in Section V.G.1.a.ii., Home Campus, also are applicable here.

The agreement to fund travel in this manner shall be initiated by the designated funding campus and shall be in writing with a copy provided to each campus accounting office stating either the maximum dollar amount or the percentage of the total cost to be charged to each campus.

Final Settlement

After final settlement of multi-campus funded travel has been made, the designated funding campus accounting office shall prepare the appropriate journals to distribute the travel expenses between the campuses. A copy of the travel expense claim should be attached to the journals and forwarded to the other funding campuses as documentation of the expense reimbursement.

The copy of the travel expense claim shall include the date and check number (or transaction identification number) of the reimbursement. This information will be used by the other campus accounting office(s) to prepare a journal to charge the appropriate account/fund and credit the designated funding campus control account.

d. Missing Original Receipts

Reimbursement of travel expenses for which the original receipts have been lost or are not available must be treated in accordance with the procedures set forth in Section V.I.2.b, Documentation Requirements. ***If such expenses are to be reimbursed, the funding campus department must verify with the traveler's home campus department that no expense reimbursement has been authorized that duplicates the expenses to be charged to the funding campus.***

e. Outstanding Cash Advances

If an intercampus traveler does not return an outstanding cash advance within 120 days (see Section V.B.3.d., Unrecovered Advances), the following procedures shall apply:

- The funding campus accounting office shall charge the funding campus department for the amount of the advance plus the employer's share of employment taxes. The accounting office shall notify the funding department of the amount of the expenses.
- The funding campus accounting office shall send a written authorization to the home campus accounting office with instructions to report the advance as additional income to the traveler, and to schedule the appropriate federal and state income tax and employment tax withholding.

  For travel funded by more than one campus, the amount of the charge plus the employer's share of employment taxes shall be prorated and distributed to each campus in accordance with the original agreement.

- The home campus payroll office shall add the amount of the advance to the employee's Form W-2 as income and schedule the appropriate amount of federal and state income tax and employment tax withholding.

2. Home Campus Responsibilities

Home campus departments and the home campus/medical center controller's office must inform their personnel of the following rules:

- Tickets purchased for intercampus travelers shall not be reimbursed by the home campus if another campus is paying for the travel.
- Cash advances must not be issued to intercampus travelers if the expenses are to be reimbursed by another campus.
- The traveler must refund an advance to the home campus if the campus issues a travel advance for travel to be funded by another campus.

Campuses may use a modified version of the foregoing procedures provided the method used is based on sound internal controls, eliminates duplicative efforts, and results in improved cost-effectiveness.

H. Special Travel Situations

1. University Travelers

Travelers in this category include visiting academic appointees, faculty members on sabbatical leave, students, and post-docs and other non-degree candidates. Travel expenses for these travelers must be paid, reimbursed, and reported in accordance with the provisions of this Bulletin.

a. Visiting Academic Appointees

i. General

An academic appointee with a Visiting title who is employed full-time for at least one quarter may be reimbursed for travel and related expenses incurred by reason of ~~his or her~~their appointment. Academic Personnel Manual Section 230, Visiting Appointments, contains information concerning allowable expenses, limitations, funding, and approval authority.

b. Authorized Advances

The amount of any authorized advance may not exceed the actual cost of transportation (which may be prepaid) plus 75% of the anticipated allowable subsistence and miscellaneous expenses.

c. Return Travel

After completion of the term of appointment, reimbursement may be made for return travel to the point of origin or another destination, whichever is shorter.

d. Faculty Member on Sabbatical Leave

Travel expenses incurred by faculty members on sabbatical leave are reimbursable if the travel is undertaken to perform study or research that cannot be done elsewhere. At the discretion of the department, a faculty member may be reimbursed for additional lodging expenses incurred at the sabbatical location, less any income received by the individual for renting out ~~his or her~~their primary residence.

Sabbatical travel expenses are ***not*** reimbursable if the travel is for a personal, recreational, or educational purpose that has no direct relationship to the individual's area of study.

A faculty member who is on sabbatical leave of less than one year is considered to be temporarily away from home and therefore may be reimbursed for reasonable travel expenses incurred at the temporary location, including meals and lodging (see Section V.E.2.a.ii., Long-Term Travel - Assignments of 30 Days or More, for more information on temporary travel).

Any sabbatical travel expenses allocable to a spouse or domestic partner or dependent(s) are considered taxable; accordingly, such expenses may not be reimbursed (see Section V.H.2.f., Spousal Travel).

e. Students

A student may be reimbursed for travel expenses when there is a direct connection between the expense and the business purposes of the University. Departments may also reimburse students for degree-related educational travel expenses, i.e., to attend a conference or visit a field site or laboratory facility.[1]

The business purpose of the travel must be substantiated on the travel expense claim, or other substantiating documentation must be provided, such as a copy of the meeting/conference program. Travel will be considered to have a University business purpose if ~~the~~ travel:

- Directly supports a faculty member's project or research program, or
- Is an integral part of the student's degree work, or
- Is required for attendance at student-oriented meetings, student government events, University athletic events by student athletes, and the like, or
- Enables the student to attend a conference to present research findings for the University or to act in some other capacity on behalf of the University.

Transportation expenses for group travelers may be billed directly to the University, in accordance with Section V.E.4., Payment of Group Subsistence

[1] Travel funded under a scholarship or fellowship is subject to the tax reporting rules set forth in Accounting Manual Chapter T-182-77, Taxes: Taxation of Scholarship and Fellowship Grants and Educational Assistance.

Expenses. Travel arrangements should be made through the campus-designated travel agency.

Student athletes who participate in off-site athletic events are also subject to NCAA rules and regulations governing travel.

f. Postdocs and Other Non-Degree Candidates

Postdoctoral fellows may be reimbursed for travel expenses if there is a University business-related reason for the travel, e.g., the individual is required to present a paper, deliver a speech or lecture, serve on a panel, etc. as an official representative of the University. The department should substantiate the University business purpose on the travel expense claim or provide other documentation, such as a copy of the meeting/conference program.[1]

Such individuals may also be reimbursed for travel related to their training, e.g., to visit a field site or an off-campus laboratory. The department must certify that the travel directly supports faculty research or other scholarly programs.

2. Non-University Travelers

Travelers in this category include prospective employees, independent contractors and consultants, inbound travelers hired by the University for a temporary assignment at a campus or the LBNL, foreign visiting scholars, spouses/domestic partners, and other dependents and dependent-care providers.

a. General Regulations

Allowable travel expenses for non-University travelers are subject to the provisions of this Bulletin. A travel expense claim must be submitted in accordance with the requirements set forth in Section V.I., Reporting Travel Expenses. Such reimbursements shall be tax-coded as specified in Accounting Manual chapter D-371-12.1, Disbursements: Accounting For and Tax Reporting of Payments Made through the Vendor System.

Travel expenses incurred by non-University travelers shall not be reimbursed from a University fund source unless the travel has been approved in advance by the inviting department.

b. Prospective Employees

i. Authorization

The University may reimburse the actual travel expenses related to interviewing prospective employees~~,~~ when such expenses are necessary to acquire key personnel for employment at the University. Authorization shall be obtained before any commitment to reimburse travel expenses is made to the prospective employee. Reimbursement of allowable expenses is not taxable if the expenses are properly substantiated. In addition, at the Chancellor's discretion, actual travel expenses and dependent care

[1] See Footnote 9.

expenses may be reimbursed for spouses/domestic partners, dependents and dependent-care providers who accompany candidates for faculty or high-level administrative positions (including Manager and Senior Professional positions) on final interviews.

~~c.~~ii. Allowable Expenses

Actual transportation expenses shall not exceed one round-trip coach airfare between the prospective employee's current residence and the interview location for each round of interviews. Subsistence and ***non-personal*** miscellaneous expenses also may be reimbursed. Transportation and lodging expenses for such individuals may be paid directly by the University. Such travel arrangements should be made by the department through the campus' designated travel agency.

~~d.~~c. Independent Contractors and Consultants

Reasonable travel expenses incurred by University-retained independent contractors or consultants are reimbursable in accordance with this Bulletin. Such reimbursements are not taxable, provided the amounts claimed are properly substantiated. Unsubstantiated amounts must be reported as income to the contractor, on a Form 1099 (see Accounting Manual chapter D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System).

~~e.~~d. Inbound Travel – Temporary Assignments

Individuals (including employees, independent contractors, and consultants) hired by the University for temporary assignments that do not last more than one year may be reimbursed for travel expenses, including meals and lodging. Such individuals must incur lodging expenses that ***duplicate the expenses of a permanent residence in another location and satisfy one of the following criteria***:

- The traveler has a member or members of ~~his or her~~their family currently residing at the permanent home; or
- The traveler intends to return to the vicinity in which ~~his or her~~their claimed residence is located.

The reimbursement for lodging shall be reduced by any amount received by the traveler for renting out ~~his or her~~their primary residence.

Inbound travel is subject to the provisions for outbound travelers outlined in Section V.E.2., Travel in Excess of 24 Hours. Inbound travel in excess of one year is subject to the provisions contained in Section V.E.2.a.iii., Indefinite Travel - Assignments That Exceed One Year.

~~f.~~e. Foreign Visiting Scholars

A foreign visiting scholar who is an ***employee of another entity*** (e.g., a foreign university) may be reimbursed for substantiated travel expenses. Such amounts

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are excludable from the individual's income, are not reported as compensation, and are exempt from withholding and payment of employment taxes.

A foreign visiting scholar who is an ***independent contractor*** may be reimbursed for travel expenses provided the expenses are properly substantiated, and the amount of the reimbursement does not exceed the substantiated expenses. If these requirements are met, such payments are not subject to withholding or reporting.

Payments to foreign visitors, including advances for airfare, cash advances, and reimbursements for travel expenses, may be restricted by the visitor's visa status or other requirements established by the Department of Homeland Security. In most cases, additional documentation must be provided by the visitor ***in advance of reimbursement***. Refer to Accounting Manual chapter, T-182-27, Taxes: Federal Taxation of Aliens, for more information.

~~g.~~ f. Spouse, domestic partner, dependent, and dependent-care provider travel

i. Reimbursement of expenses for bona fide University business travel purpose

The travel expenses of a spouse/domestic partners who accompanies a University business traveler (e.g., the President, Provost, Senior Vice President, Vice Presidents, Chancellors, Laboratory Directors, Principal Officers of The Regents, or other employees as approved by the Chancellor) are reimbursable under this Bulletin, provided it can be established that the spouse or domestic partner's presence serves a bona fide University business purpose.

Under IRS regulations, the travel expenses of a spouse or domestic partner are not taxable, provided it can be established that ~~his or her~~their presence serves a bona fide business purpose. A spouse or domestic partner who attends a function is considered to have a business purpose if ~~he or she has~~they have a ***significant*** role in the proceedings or makes an important contribution to the success of an event. Generally, protocol or tradition dictates when the participation of a high-level official's spouse or domestic partner is required at official University functions, such as alumni gatherings, fund-raising or ceremonial activities, certain athletic events (see below), and community events. Documentation should be provided with the travel expense claim to show that the spouse or domestic partner's attendance at the function meets the above conditions (e.g., an event or meeting agenda, or a letter of invitation requesting that the spouse or domestic partner attend the meeting or event).

If a spouse or domestic partner has no significant role in the proceedings~~,~~ or performs only incidental duties of a social or clerical nature, attendance does not constitute a bona fide business purpose. Such expenses are taxable to the employee and, therefore, may not be reimbursed under this policy.

In accordance with the Policy on Associate of the President/Chancellor, an Associate may be reimbursed for expenses related to the use of a personal automobile for University business purposes at the basic mileage rate specified in Appendix A.

ii. Reimbursement for travel expenses of a spouse, domestic partner, dependents, or dependent-care provider

Reimbursement of travel expenses, including dependent care expenses for a spouse, domestic partner, dependent-care provider and dependents who accompany an employee or candidate for employment on bona fide University business travel may be allowed in limited circumstances when pre-approved by the Chancellor, Executive Vice Chancellor/Provost, Dean, Director, Department Chair, or other senior University officer, as designed. See Section VII., Frequently Asked Questions, for examples of limited circumstances that might be allowed. Reimbursement of expenses related to dependent care provided outside of normal working hours while an employee or candidate for employment is traveling on bona fide University business may be allowed in limited circumstances when pre-approved by the Chancellor, Executive Vice Chancellor/Provost, Dean, Director, Department Cehair, or other senior University officers as designated. Reimbursable expenses that do not have a clear University business purpose are taxable. Reimbursements under this policy for dependent(s) travel expenses and/or dependent(s) care are taxable.

Funding. Spouse, domestic partner, dependent-care provider and dependent travel expenses may not be charged to either federal or state funds. For travel charged to a contract or grant fund, the traveler should check with the contract or grant sponsor whether these travel expenses are permitted under any special provisions of the contract or grant. Various non-state and non-federal funds controlled by the University may be used to fund spouse, domestic partner, dependent-care provider and dependent travel, but only within the restrictions, if any, governing the use of the fund and within the policy set forth in this Bulletin. See Section VII. Frequently Asked Questions for more details.

~~h.~~g. Athletic Travel – Spouse or Domestic Partner and Other Family Members

Travel by a spouse or domestic partner who accompanies an athletic director (or assistant director or head coach) to sporting events such as bowl games and tournaments is presumed to have a bona fide University business purpose (see Section f, Spouse or domestic partner Travel, above) in situations where the NCAA or potential donors expect that certain high-ranking members of the athletic department, and their spouse or domestic partner, will participate in events associated with these athletic activities. The travel expenses of a spouse incurred in the pursuit of such activities may be reimbursed, provided documentation, such as an NCAA event agenda, is provided to substantiate the

business purpose of the travel. Such amounts are not taxable or subject to reporting.

Travel expenses incurred by other family members generally do not satisfy the bona fide University business purpose test and therefore are not reimbursable; however, see Section VI.F.ii and the FAQs in Section VII for special circumstances where such expenses might be reimbursed but still treated as taxable.

Refer to Section f above for information on funding sources for spouse or domestic partner travel.

I. Reporting Travel Expenses

A travel expense claim (Form U85 or an equivalent, or an electronic version) shall be used to account for all travel advances and expenses incurred in connection with official University travel. When properly completed and approved, this form is used to reimburse the traveler for any additional amounts due. ***A travel expense claim must be processed even if no reimbursement is due to the traveler.***

1. Reporting Period

The travel expense claim must be submitted to the disbursements/travel accounting office (or equivalent office on campus) within a reasonable amount of time not to exceed 45 days after the end of a trip unless there is recurrent local travel, in which case claims may be aggregated and submitted monthly. [If a Travel Card is used, campuses have the discretion to require a shorter time frame for submission of the travel expense claim]. When a trip lasts more than 90 days, the traveler must submit a quarterly report of expenditures to the disbursements/travel accounting office. Travel reimbursement requests submitted after 45 days are left to the discretion of the campus, considering the facts and circumstances, whether the reimbursement will be made and if any reporting as taxable income will be required. See section II.B.1 of Accounting Manual Chapter D-371-12.1, for the proper reporting of taxable travel reimbursements to both employees and nonemployees.

2. Completion of a travel expense claim

The total amount of all expenses and advances pertaining to a particular trip must be accounted for when submitting a travel expense claim. Except for trips that require quarterly reporting, all expenditures for a trip should be reported on one travel expense claim. Supplemental claims may be submitted if necessary, but must be clearly marked "Supplemental" and must identify the main travel claim submitted in connection with the travel.

a. Substantiation of Expenses

Substantiation must include the following:

- The date and time of departure from and return to the traveler's headquarters or residence. When any personal leave is taken while on official travel status, the number of personal days must be specified on the travel expense claim and/or the expenses associated with such

personal days of travel. Note that any personal expenses incurred oin a trip will not be reimbursed by the University. *Mandatory* charges imposed by the hotel, such as valet parking or a "resort fee" should be explained on the travel reimbursement request.

- The origin and destination of the trip and the route taken. Travel within a local area also should be indicated; continuous travel between major points, such as from city to city, should be shown separately. Any substantial deviation from the distance shown in a standard highway mileage guide must be explained.
- The purpose ~~for~~ of the travel or the nature of the business benefit derived as a result of the travel.
- The amount of each expense of $75 or more, listed by date and location.

Campus procedureses must require documentation that justifies each day on travel status. Such documentation should include:

- Whenif meetings are held with individuals, documentation that specifiese meeting dates, times, locations, ~~attendees and organizational affiliation,~~ general meeting topics, attendees and ~~the meeting location should be identified~~organizational affiliation;
- Agendas, brochures, or event announcements for conferences and professional events ~~should be provided~~;
- Whenif the meeting is ~~of a~~ confidential in nature, ~~then~~ travelers should provide as much information as possible ~~should be provided~~; and
- Complex travel itineraries should include a complete description.

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Claims for reimbursement of expenses paid for others shall be submitted by the group leader and must include the names of persons on whose behalf expenses were incurred, an itemization of the expenses, and other pertinent supporting documentation. (For additional information on group expenses, see Sections V.E.2.c.iii., Adjustment for Subsistence or Lodging Provided Without Charge, and V.E.4., Payment of Group Subsistence Expenses). It is required that the traveler seeking reimbursement includes a written "business purpose" for the travel along with the other supporting documentation.

b. Documentation Requirements

i. Receipts

The original of the following receipts must be submitted with the travel expense claim:

- Receipts for all airline expenses.
- Receipts for all lodging expenses incurred for domestic travel, except where per diems are authorized for lodging expenses (i.e., long-term travel, use of non-commercial facilities, etc.). Since hotel

receipts may include charges that are not reimbursable, the traveler shall not be reimbursed for lodging expenses unless the receipt presented by the traveler contains *itemized charges for the room*, e.g., taxes, telephone, etc.

- Receipts that support the reimbursement claim for long-term foreign lodging that is charged to a federal fund source (whether reimbursed as a per diem or actual)~~,~~ should be kept on file within the department and retained for such periods as required by either the sponsor's retention policy or UC retention policy.
- Receipts for all rental car expenses.
- Receipts for meal expenses of $75 or more.
- Receipts for local transportation ~~costing~~ of $75 or more.
- Receipts for each miscellaneous expense of $75 or more.
- Receipts for all private aircraft landing and parking expenses.
- Receipts for all extraordinary items, such as repair of accidental car damage, supported by appropriate justification.
- Receipts for gifts provided to a host ***costing $25 or more***.
- An agenda, itemized receipt, or other supporting documentation for all registration fees.
- Any reimbursable item not specified above costing $75 or more.

Electronic Receipts. Electronic receipts are acceptable, provided that the detail contained in an *electronic receipt* is equivalent to the level of detail contained in an acceptable paper record. For example, an electronic receipt must show the name of the payee, the amount of the charge, the transaction date, and the form of payment. When required to ensure adequate documentation of the costs incurred, the traveler is responsible for providing additional detail, e.g., a receipt with itemized hotel charges.

E-mailed or faxed documentation provided by an airline or travel agency for electronic ticketing expenses for airfare is acceptable for substantiating such expenses. A copy of the faxed itinerary and receipt or a copy of the e-mail itinerary and receipt printed locally should be attached to the Travel expense claim.

Travel Packages Purchased from Internet Vendors. Travel "packages" offered by Internet vendors typically do not include itemized expenses. Therefore, no business-related travel should be booked through such vendors unless the traveler has confirmed that each aspect of the package will be separately itemized (e.g., itemized hotel charges, airfare, car rental, etc.) to assure appropriate documentation for reimbursement.

ii. Missing Original Receipts

When original receipts are required but cannot be obtained or have been lost and all measures to obtain a duplicate receipt have been exhausted, a statement should be provided explaining why such receipts are not being submitted with the travel expense claim. The statement must include a certification that the amount shown is the amount actually paid and that the traveler has not and will not seek reimbursement from any other source.

iii. Agenda

Depending upon the nature of the trip, an agenda associated with the business reason for the trip should be provided as part of the substantiating documentation.

c. Certification of Travel Expenses

The traveler **must** either sign or provide an electronic equivalent on the travel expense claim certifying that the amounts claimed are a true statement of the expenses incurred on official University business and that the original of all required receipts has been submitted, whether scanned or faxed. Internal departmental expense claim forms are not an acceptable alternative for obtaining the traveler's signature on the travel expense claim (or electronic equivalent)~~,~~ unless approved as an exception to this policy. The traveler's signature or electronic submission acts as certification of the following:

- The University is not being charged for any expenses already reimbursed by a third party entity directly to the traveler, and
- Any expenses charged to the University that are reimbursed by a ~~third~~ third-party entity will be returned to the University by the traveler.

Submission of the travel expense claim under a traveler's electronic authorization will be considered certification that the traveler incurred the expenses being claimed. In accordance with IRS regulations, an electronic signature must:

- Identify the traveler who is submitting the electronic form;
- Authenticate and verify the submission; and
- Be the final entry in the submission.

3. Return of Excess Advance Amounts

If the amount of an advance exceeds the reimbursable expenses, payment for the amount due shall be submitted with the travel expense claim. The check must be made payable to "UC Regents."

VI. RELATED INFORMATION

Academic Personnel Manual

- Section 190 - Appendix D, Policy Governing Travel to Scholarly Meetings and Field Research Travel

- Section 230-20.h., Travel Expenses for Appointees to Visiting Titles
- Section 540, Recruitment: Travel Expenses
- Section 570, Recruitment: Travel Expenses for Short-term Appointees on Extramurally Funded Projects
- Section 740, Benefits and Privileges: Leaves of Absence/Sabbatical Leaves Accounting Manual

Accounting Manual

- D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System
- E-821, Loaned Automobiles Provided by a Third Party
- P-196-11, Payroll: Accounting for and Tax Reporting of Mandatory Deductions and Insurance Benefit Contributions
- R-212-2, Receivables Management
- T-182-75, Transient Occupancy Taxes
- T-182-27, Taxes: Federal Taxation of Aliens
- T-182-77, Taxes: Taxation of Scholarship and Fellowship Grants and Educational Assistance

Business and Finance Bulletins

- BUS-43, Materiel Management
- BUS-46, Use of University Vehicles
- BUS-63, Insurance Requirements and Certificates of Insurance
- BUS-79, Expenditures for Business Meetings, Entertainment, and Other Occasions
- BUS-81, Insurance Programs
- G-13, Policy and Regulations Governing Moving and Relocation

- U.S. General Services Administration Website, Privately Owned Vehicle (POV) Mileage Reimbursement Rates Webpage.
- Regent action specifying that travel expenses incurred by Regents for attending Board or Committee meetings or in the performance of other University business be reimbursed in conformance with the University Policy and Regulations Governing Travel, October 15, 1982.
- Regents Policy 7709, Senior Management Group Automobile Allowance.
- President's letter to Vice President--Financial and Business Management delegating authority for establishing and publishing travel policies, December 1, 1982 (DA0755).

- Senior Vice President--Administration's letter to University Controller delegating authority for establishing and publishing implementing procedures and regulations, May 23, 1991.
- Presidential Policy on Associate of the President/Chancellor, July 1, 1995.
- President's letters to Chancellors, June 22, 2009.

Per Diem Rates

- Maximum Travel Per Diem Allowances for Foreign Areas, Section 925, Supplement to the Standardized Regulations, (Government Civilians, Foreign Areas) U.S. State Department.
- Prescribed Maximum Per Diem Rates for CONUS, GSA Office of Government wide Policy.
- Official Department of Defense Overseas/OCONUS Per Diem Rates, Per Diem, Travel and Transportation Allowance Committee.

Internal Revenue Service (IRS)

- Internal Revenue Code Section 62 Adjusted Gross Income Defined
- Internal Revenue Code Section 152(c) and 152(d) Definition of Dependent
- Internal Revenue Code Section 274 Disallowance of Certain Entertainment, etc., Expenses
- Treasury Regulation Section 1.62-2, Reimbursements and Other Expense Allowance Arrangements
- Treasury Regulation Section 1.274-5, Substantiation Requirements
- Treasury Regulation Section 1.274-5T, Substantiation Requirements (Temporary)
- IRS Revenue Ruling 2003-106, 2003-2 CB 936, 10/20/2003, Adjusted Gross Income—Expense Reimbursement Arrangements—Accountable Plan
- IRS Revenue Ruling 2012-25, 2012-37 IRB 337, Gross Income—Wage Recharacterization—Reimbursement Arrangements
- IRS Revenue Procedure 97-22, 1997-13 IRB, Electronic Record Retention Rules
- IRS Revenue Procedure 98-25, 1998-1 CB 689, Recordkeeping requirements—Automatic Data Processing (ADP) System Requirements
- IRS Revenue Procedure 2010-51, 2010-51 IRB 883, Business use of auto—application of optional standard mileage rates for 2011
- IRS Notice 2020-0519-2, 12/3114/201998
- IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses

Other

- UC Travel Management Services (May 11, 2006)

- Federal Travel Regulation, Chapter 301
- NIH - Fly America/Open Skies policy (see section 7.9.1 “Travel/Employees”)
- GSA Bulletin FTR 11-02, October 06, 2010
- Code of Federal Regulations (CFR sections 200.474 and 200.432)

VII. FREQUENTLY ASKED QUESTIONS

Dependent Care Expenses and Dependent Travel Expenses

What are the types of limited circumstances that reimbursement might occur?

Examples of the type of circumstances that a Chancellor might determine a reimbursement are appropriate include:

1. Two UC employees with joint dependent care responsibilities are on University business (e.g., conference, meeting, training, etc.);
2. An employee on University travel status has a dependent who requires twenty-four hour care;
3. Prospective faculty on the final interview needs to bring their dependent(s) to the interview.

How are state funds defined?

“State funds” include funds in the following fund group codes:

- 401 – General Funds (fund numbers 199XX, excluding UCGF)
- 40411 – State Specific Funds (fund numbers 18000-18069)
- 41412 – State Special Funds (fund numbers 18070-18199)
- 40421 – State Contracts, Grants, and Cooperative Agreements (fund numbers designated by campus)
- 1003 – Plant Funds State Appropriations (fund numbers 00800-00999)

Campuses should consult with their respective budget offices to determine the funds that fall within the fund groups mentioned above.

Note that approximately 45% of the Systemwide Assessment Fund (Fund 69085) is from state funds. Therefore, for purposes of AB 1887 compliance (section III.E,) fund 69085 may be used to reimburse otherwise allowed travel to one of the states listed on the California Attorney General’s website as long as the total expenditures for a department’s travel to any of these states do not exceed 55% of the department’s total 69085 fund allocation.

What expenses are covered under a federal fund source?

Dependent care costs can only be charged to federal funds if they are above and beyond regular dependent care that directly results from travel to a conference for

the federal award and are temporary during the travel period. This is subject to the circumstances where such expenses can be reimbursed as determined by the Campus Chancellor. The travel expenses of the dependent can't be charged to a federal fund.

How is "conference" defined in the Uniform Guidance?

Conference is defined in UG Section 200.432: "a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award.

How is a dependent defined for purposes of charging federal fund source?

Internal Revenue Code Section 152(c) defines "dependent" as either a qualifying child or a qualifying relative.

1. Foreign Travel Related qualifying child is an individual-
    A. Who has a relationship with the taxpayer as-
        I. A child of the taxpayer or a descendant of the taxpayer's child, or
        II. A sibling or stepsibling of the taxpayer or descendant of the taxpayer's sibling or stepsibling,
    B. Who has the same principal housing residence as the taxpayer for more than 6 months in a calendar tax year,
    C. Who is-
        I. Under 19 years of age, or
        II. Is a student under 24 years of age,
    D. Who received more than 50% of support from the taxpayer for the calendar tax year, **and**
    E. Who has not filed a joint return with the individual's spouse (other than for a claim of refund). I.R.C. § 152(c).
2. Qualifying relative is an individual-
    A. Who is related to the taxpayer as-
        I. A child or a descendant of a child,
        II. A brother, sister, stepbrother, or stepsister,
        III. The father or mother, or an ancestor of either,
        IV. A stepfather or stepmother,

V. A son or daughter of a brother or sister of the taxpayer,

VI. A brother or sister of the father or mother of the taxpayer,

VII. A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, or

VIII. An individual who has the same principal housing residence as the taxpayer for the taxpayer's calendar tax year,

B. Whose gross income for the calendar tax year is less than the personal exemption under I.R.C. § 151(d),

C. Who received more than 50% of support from the taxpayer for the calendar tax year, **and**

D. Who is not the taxpayer's qualifying child during any time of the calendar tax year. I.R.C. § 152(d).

Foreign Travel Questions:

- How will it be determined that a trip will be primarily for *personal* reasons?

  In accordance with IRS regulations, the presumption is that if the time spent on personal activities **exceeds** 50% of the total time, the trip will be treated as primarily *personal* unless there are other factors that would cause the trip to be treated as primarily business.

- What are the four situations where the special allocation formula for foreign travel (see section V.E. 2.b) does not apply to nonbusiness expenses incurred in foreign travel?

  Even if you did not spend your entire time on business activities, your trip is considered entirely for business if you meet at least one of the following four exceptions:

  Exception 1: No Substantial Control. A trip is considered entirely for business if you did not have substantial control over the arranging of the trip. The fact that you control the timing of the trip does not, by itself, mean you have substantial control over the arranging of the trip. You do not have substantial control if you are: a). an employee who was reimbursed or paid a travel expense allowance; and b). are not related to your employer; and c). are not a managing executive who has the authority and responsibility, without being subject to veto by another, to decide on the need for business travel.

  Exception 2: Travel Outside the United States for No More than One Week. A trip is considered entirely for business if you were outside the United States for a week or less, combining business and nonbusiness activities. A week means seven consecutive days; in counting the days, the day you left the United States is not counted, but the day that you return to the United States is counted.

  Exception 3: Less than 25% of Time is Spent on Personal Activities. A trip is considered entirely for business if: a). You were outside the United States for

more than one week, and b). You spent less than 25% of the total time you were outside the United States on nonbusiness activities. For this purpose, count both the day your trip began and the day the trip ended.

Exception 4: Vacation is Not a Major Consideration. A trip is considered entirely for business if you can establish that a personal vacation was not a major consideration, even if you have substantial control over the arranging of the trip.

VIII. REVISION HISTORY

1/1/2020: Revised to incorporate recommendations from Internal Audit regarding business and first class travel and documentation of travel business purpose; addition of sustainable travel suggestions; gender-neutral references; and IRS business mileage rate effective 1/1/20. Clarified that CONUS and OCONUS federal per diems do not include taxes on lodging, while foreign per diems includes taxes on lodging and M&IE. Changed the foreign per diem website in Appendix B from the Department of Defense's to the Department of State's.

7/1/2019: Delegation to Chancellor or other University official to reimburse, in limited circumstances, spouse/domestic partner, dependent-care provider, and dependent travel expense or dependent-care expenses related to employee's or employment candidate's University travel.

1/31/2019: Change in mileage reimbursement rate in accordance with IRS Notice 2019-2.

4/30/2018: Change in mileage reimbursement rate in accordance with IRS Notice 2018-3.

10/15/2017: Change in mileage reimbursement rate in accordance with IRS Notice 2016-79; revised language concerning payment of travel reimbursed by third parties; revised language on direct bill of rental cars; and direct billing of rental cars. Clarified ancillary charges for airfare and base and economy fares. Provided a definition of state funds and referenced state law AB 1887. Revised the maximum daily meals and incidental reimbursement for CONUS travel under 30 days to $62 and instituted $275 dollar limit on daily lodging reimbursement in CONUS under 30 days.

This Policy was remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0.

3/1/2016: Change in mileage reimbursement rate to correlate with IRS Notice 2016-1. Reformatted to the new policy template. Increase in domestic daily meals and incidental reimbursement rate to $74 per day in accordance with IRS Notice 2015-63.

4/13/2015: Change in mileage reimbursement rate to correlate with IRS Notice 2014-79 & 2014-114; reduce time period for a traveler to substantiate business travel to forty-five days from sixty-days; receipts for long-term foreign lodging should be retained at the campus department level to reflect outcome of NSF audit; and consistent use of the term "spouse and domestic partner".

1/28/2014: Change in mileage reimbursement rate for business use of a private automobile and travel reimbursements for international and domestic travel as requested by Bureau of State Auditor.

4/1/2013: Change in mileage reimbursement rate to conform to IRS notices; lodging within U.S. should be reasonable for location of travel; recommend that travelers be cost-conscious when traveling to the airport or parking at the airport; business purpose requirement stated in travel expense claim; specified that traveler must be forty miles or more from the headquarters or home, whichever is closer, before overnight lodging is reimbursed.

3/30/2012: Reformatted policy into the new template; increase to $71 per day for meals and incidental expense reimbursement rate within continental U.S.

7/1/2011: Minor technical changes5/7/2010: Information on the "Open Skies Agreement;" guidance on prepaid expenses and direct billing arrangements, and refueling and GPS devices in rental cars. Elimination of the rule limiting reimbursement of long-term subsistence expenses to 55% of the federal per diem and allowing 100% of the per diem for location of travel.

4/9/2008: Update to indicate that there is no exception to the daily meals and incidental reimbursement cap for travel less than thirty days within the continental U.S, and that the daily meals and incidental rate is not meant to be a per-diem. Travelers are encouraged to purchase travel services through preferred suppliers, and prospective employees can be reimbursed for one round- trip coach airfare for each round of interviews.

9/12/2007: Revised

10/1/2006: Revised

5/1/2005: Revised

1/1/2003: Revised

8/6/2001: Revised

12/15/2000: New section on special travel situations added; ethics statement regarding traveler's responsibility with respect to reporting travel expenses; insurance requirements for use of private automobile on University business, and

10/21/1997: Revised

8/29/1997: Revised

12/15/1995: Revised

8/1/1994: Revised

7/1/1992: Revised

6/15/1989: First Published

IX. APPENDIX

APPENDIX A: MILEAGE REIMBURSEMENT RATES FOR PRIVATE VEHICLES AND AIRCRAFT

The following mileage reimbursement rates shall be used to reimburse travelers who use a private automobile or aircraft on official University business:

Per Mile

A. Automobiles--employee-owned/procured (including vans)

- Standard Rate for business-related travel is 5~~78~~.50~~0~~¢†.
- Standard Rate for travel in connection with a move or relocation is 17~~20~~.0¢†.

B. Automobiles loaned to the University for assignment to employees (including vans) is 30.52~~2~~¢†. Refer to Accounting Manual chapter E-821, *Loaned Automobiles Provided by a Third Party*.

(Standard mileage rate of 57.5~~8~~ cents per mile, less 27~~6~~ cents per mile depreciation component published by IRS Notice 2020-05 and in accordance with Revenue Procedure 2010-51)

C. Aircraft (based on the rate published by the General Services Administration) is $1.27~~6~~, effective January 1, 2020~~19~~.

Note: The above rates may not apply to University employees covered under a collective bargaining agreement.

†Effective January 1, 2020~~19~~

APPENDIX B: LODGING AND M&IE REIMBURSEMENT CAPS

The following chart summarizes the applicable reimbursement methods and the maximum rates authorized for lodging and meal and incidental expenses (M&IE) incurred while on travel status:

	Less Than 30 days	**30 Days or More**	**In Excess of One Year**
CONUS:[1] Daily M&IE and Lodging	M&IE: Up to $62[2] Lodging: Actual costs for the location of travel up to $275 per night[3]	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
OCONUS[4] Daily M&IE and Lodging	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
Foreign Daily M&IE and Lodging	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
Non-Commercial Facility Daily Expenses[5]	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)

Field Code Changed

You may click on the links above to obtain the per diem rates.

[1] Travel within the continental United States.

[2] CONUS meal rate for travel under 30 days effective October 15, 2017.

[3] Actual lodging expenses for location of travel up to $275 per night supported by a receipt are reimbursable effective October 15, 2017.

[4] Travel within Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and possessions of the United States.

[5] Use per diem rate for appropriate geographic area (applies to CONUS, OCONUS, and foreign areas).

APPENDIX C: IRSTAX GROSS-UP FORMULA

Under the IRS one-year rule, travel expense reimbursements for assignments that exceed one year must be treated as taxable income. Thus, to compensate for additional federal and state income and applicable employment taxes owed by an employee, the reimbursement rate may be increased *up to 150%* of the applicable federal per diem rate authorized for the location of travel (see Section V.E.1.).

Following are two examples of the gross-up procedure for a trip of more than one year. In both examples, the daily reimbursement rate is based on 100% of the CONUS Maximum Per Diem rate of $166 for the X area.

Example 1: Salary Subject to Social Security Tax

This example is based on the following assumptions:

- 15% federal income tax rate plus 5.1% California income tax rate [6% less 15% Federal tax benefit]
- 1.45% Medicare rate
- 6.2% Social Security rate

The Gross-Up Formula is applied to the $166 daily reimbursement rate as follows, where W equals Gross-Up Amount

$$W = \frac{\text{daily reimbursement rate}}{\text{1 – applicable tax rate}} \quad W = \frac{\$166}{1 - .15 - .0510 - .0765} \quad W = \frac{\$166}{.7225}$$

W = $ 229.76 or 138% of the daily reimbursement rate

Example 2: Salary Exceeds Social Security Wage Base

This example is based on the following assumptions:

- 28% federal income tax rate plus 6.7% California income tax rate [9.3% less 28% federal tax benefit]
- 1.45% Medicare rate

The Gross-Up Formula is applied to the $166 daily reimbursement rate as follows, where W equals Gross-Up Amount

$$W = \frac{\text{Daily reimbursement rate}}{\text{1 – applicable tax rate}} \quad W = \frac{\$166}{1 - .28 - .0670 - .0145} \quad W = \frac{\$166}{.6385}$$

W = $ 259.98 or 157% of the daily reimbursement rate[1]

[1] The maximum amount reimbursable in this situation would be $249.00 (150%), unless the Chancellor grants an exception to the policy.

APPENDIX D: PRORATING PER DIEMS FOR TRAVEL INVOLVING MULTIPLE LOCATIONS

The following method may be used to prorate a per diem(s) when a trip is reimbursable under more than one per diem rate.

The first leg of a trip shall begin upon the traveler's arrival at the first business stop and shall end upon ~~his or her~~their departure for the next travel location; the last leg shall begin upon the traveler's departure from the previous travel location and shall end upon ~~his or her~~their departure for the return trip to headquarters. The time element charged to each per diem location is prorated based on the number of hours spent at each travel location. For partial days, hours should be rounded to the nearest quarter day.

Example: A trip that involved three locations with three different per diem rates took a total of 237 hours, excluding air travel time from headquarters to the first business location and the traveler's return from the last travel location to headquarters. The time spent at each location was as follows: 53 hours, 145 hours, and 39 hours. The reimbursable amount of the per diem for each location is calculated as follows:

	Hours Per Location	Quarter Days	Location Per Diem Rate	Reimbursable Amount
Location 1	53	2 ¼	140	$315.00
Location 2	145	6	152	$912.00
Location 3	39	1 ¾	168	$294.00
TOTAL	237			$1,521.00

APPENDIX E: TRAVEL OF LESS THAN 24 HOURS M&IE REIMBURSEMENTS

The IRS Taxable Fringe Benefit Guide ("IRS Guide") states that in order for the reimbursement of meals and incidental expenses (M&IE) to be excludable from a traveler's income, the individual must be "away from home" in the pursuit of business on a temporary basis. Merely working overtime or at a great distance from an employee's residence does not create excludable reimbursements for travel expenses if the employee returns home without spending the night or stopping for substantial "sleep or rest."

Section V.E.3. prohibits the reimbursement of meal expenses for travel of less than 24 hours unless the traveler is away from ~~his or her~~their home overnight ***as supported by a lodging receipt*** or other evidence explaining why the traveler was unable to obtain a receipt.

The following examples from the IRS Guide illustrate the application of the "overnight rule":

Example 1: A consulting engineer works with clients in a three-state area by making one-day trips to each client. ~~She frequently~~They frequently leave~~s~~ home at 6:30 a.m. and do~~es~~ not return until midnight. During the day, ~~she~~the traveler stops in a rest area and closes ~~her~~their eyes for 20 minutes to refresh ~~herself~~them self for the drive. ~~She~~They cannot deduct the cost of their meals on these trips because ~~she~~they ~~is~~are not away from home long enough to obtain substantial sleep or rest.

Example 2: An employee is required to travel from Milwaukee to Madison to work on a Project. ~~She~~The employee leaves home at 11:00 a.m. on Monday, with plans to return home the same day. ~~She~~They ~~is~~are unable to complete the project on Monday, so ~~s~~the employee spends the night in Madison. After completing the project the next day, ~~she~~they return~~s~~ to Milwaukee by 10:30 a.m. Even though the employee had not planned to spend the night and is gone for less than 24 hours ~~she has~~they have met the “away from home” rule because ~~she~~ the employee spent the night away from ~~her~~their tax home on business.

Example 3: An employee is required to travel from Dallas to Houston to work for the day. The employee leaves home at 6:30 A.M. and returns that night at 10:00 P.M. On the trip home the employee stops for dinner and rests in the car for two hours. Even though the employee has been away from home for substantially longer than ~~his/her~~their normal work day, the employee is not considered to be in travel status. Courts have ruled that stopping for a meal or a rest in a car does not meet the substantial "sleep or rest" rule.

Example 4: A government agency supplies office equipment to all agencies within the state. An employee drives a tractor-trailer with equipment from the warehouse in Sacramento to an agency in San Diego. After 10 hours the driver stops and rents a room at a rest stop for a four hour nap before completing the round trip. Since the driver rented a room in order to sleep, ~~he/she is~~they are considered to have met the "sleep and rest" rule. Reimbursements for meals and lodging are not taxable to the employee.