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I. INTRODUCTION

This set of procedures has been developed to provide guidance to CSU business travelers, approvers, and payment processors for travel conducted on behalf of the California State University. It supplies the details to statements referenced in the CSU Travel Policy and explains the taxability of certain reimbursements.

This document has been separated into sections based on travel destinations and lengths of stay due to the different rules applicable for reimbursement. The majority of University travel is conducted within the contiguous United States and lasts for 30 days or less. Reimbursement for expenses incurred in this category will be based on actual expenditures, with meals and incidentals reimbursed up to a maximum daily limit. The procedures established for this type of travel are applicable to all types of travel unless specified to the contrary.

Additional guidance is provided in separate sections for:

- Travel 30 days or longer within the contiguous United States;
- Travel within Alaska, Hawaii and the U.S. Possessions; and
- International destinations.

Extended travel (lasting longer than 30 days) and travel outside of the 48 contiguous states will be reimbursed on a per diem basis, with amounts varying by location and length of stay (see Sections XI, XII and XIII).

Insurance requirements, insurance coverage, and notification instructions for emergencies or accidents are provided in Section VIII. Travelers are advised to review this section prior to travel. Additional requirements for international travel are outlined in Section XIII.

II. SCOPE

The procedures contained in this document shall apply to all official University travel, including sabbaticals funded by the University and travel funded under federal grants and contracts. Pursuant to Office of Management and Budget Circular A-21, costs incurred by employees and officers for travel shall 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. The terms of an extramural funding agreement will govern only when such terms are more restrictive than these University travel procedures.

The documentation, review and approval processes stated herein are the minimum requirements *for CSU travel reimbursements. The campuses, if desired, may adopt more restrictive guidelines and procedures than what is presented here.*

In addition, the terms of a collective bargaining agreement shall govern when such terms do not conform to the provisions of these procedures. These procedures are neither intended to nor shall be interpreted in any manner that would diminish the rights of employees under a settlement agreement.

These procedures include special rules for non-employees.

A. AUTHORITIES

These travel procedures are issued under the Chancellor's delegation of authority to the Executive Vice Chancellor and campus Presidents. The implementing regulations are issued under re-delegation of authority to the campus Chief Financial Officers.

B. USE OF CONTRACTED SUPPLIERS

University business travelers are asked to be diligent about the cost effectiveness of travel related expenditures. Travelers are **strongly encouraged** to purchase travel services, when available, from CSU, campus or State of California contracted suppliers.

CSU, campus or State of California contracted suppliers deliver competitive value in the range of services required by University travelers. Such suppliers could include airlines, car rental agencies, hotels, travel agencies, and online booking providers. Although it might be possible to obtain a lower cost from other sources, use of CSU, campus or State of California contracted suppliers should, on average and over time, reduce the University's overall travel costs and provide the best value to the traveler.

C. REIMBURSEMENT STANDARDS

These guidelines are intended to ensure that reimbursements are made according to an accountable plan as defined by the Internal Revenue Service. Reimbursements made according to an accountable plan are not considered taxable income. Reimbursed travel expenses are considered by the IRS to be taxable income to the traveler under the following conditions:

- Eligible meals reimbursed on single day travel,
- Meals and incidentals reimbursed in excess of published federal rates without appropriate documentation,
- Expenses for travel in excess of one year, or
- Certain travel expenses related to moving a new appointee or a current employee.

When a University employee travels under the sponsorship of a non-University entity, travel expenses, including advances, prepayments, or billings, shall not be charged to a University account or billed to the University. Airline tickets must be obtained from the sponsor. Payment of travel costs for CSU employees by another party may constitute a conflict of interest. The Conflict of Interest Handbook prepared by the Office of General Counsel provides additional information and may be found at: http://www.calstate.edu/HrAdm/Policies/coi.shtml

Under no circumstances shall expenses for personal travel be charged to, or be temporarily funded by, the University, unless otherwise noted in these procedures.

D. RESPONSIBILITIES

1. Traveler

Individuals traveling on official University business must familiarize themselves with and adhere to the CSU Travel Policy and these procedures.

Employees planning to travel to foreign destinations on official university business are required to review and comply with additional requirements in Section VIII Travel Related Insurance and Section XIII International Travel of these travel procedures.

Travelers should make certain that the business related expenses they incur are ordinary, reasonable, not extravagant, and necessary for the purpose of the trip.

The person due the reimbursement for travel costs incurred is responsible for:

a. Submitting travel claims not more than 60 days after the expenses were paid or incurred.
b. Providing the business purpose and inclusive dates of each trip.
c. Certifying he/she:

- Received authorization to travel when required.
- Traveled on official business.
- Actually spent the amount for listed expenses.
- Has verified that the amount due is accurate.
- Has not and will not seek reimbursement for (1) a duplicate claim or (2) from any other source.

In the event that an employee received reimbursement for travel related expenses and subsequently receives a full or partial refund related to those expenses, the refunded amount must be returned to the University no later than 120 days after the expense was paid or incurred.

2. Approving Authority

The approving authority designated to approve travel claims ensures all expenses are reasonable in terms of price, purpose, and necessity.

The approving authority is responsible for:

a. Ensuring expenses charged to funds authorized for the purpose.
b. Ensuring expenses requested are ordinary, reasonable, not extravagant, necessary, and supported by a business purpose or justification, as appropriate.
c. Validating, to the extent possible, that the expenses listed were actually incurred by the employee and that appropriate supporting documentation is attached.
d. Reviewing and approving the business purpose and ensuring the request is in compliance with any applicable sponsored project/grant requirements.
e. Approving/denying payment of the travel claim in a timely manner.
f. Denying expenses not directly related to official University business.

3. Travel Reimbursement Office

The designated travel reimbursement office will perform the following functions:

a. Review/audit for compliance with policy.
b. Verify appropriate approver.
c. Ensure appropriate documentation is submitted.
d. Process reimbursements and payments.

E. EXCEPTIONS

The Chancellor, campus president, or their designees may approve exceptions to the CSU Travel policy and/or these procedures. Any delegation of such authority by the Chancellor or President must be made in writing.

III. PAYMENT OF TRAVEL

A. PREPAID EXPENSES AND DIRECT CHARGES

The University may choose to pay travel related expenses directly. If so, the University must have documented procedures designed to ensure that any disallowed expenses are recovered. Furthermore, the University must have procedures that inform travelers that policy prohibits duplicate payment for a cost that was directly billed to the University.

B. PERSONAL LIABILITY TRAVEL CARDS

Under procedures established by campuses, personal liability travel cards may be issued to employees who travel on official University business. Any traveler issued such a credit card is **strongly encouraged** to 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. In this way, the University can document expenditures in order to negotiate for favorable rates with vendors and preferred suppliers.

The cardholder will be billed directly by the card issuing company for all expenses charged to the credit card. The cardholder is personally responsible for paying all charges on the card and for keeping the card current and available for University business use. ***The University will not reimburse or pay late fee charges incurred in connection with this credit card.*** Travel card payment delinquencies may result in the cancellation of the traveler's card or other corrective action.

The personal liability 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 University upon termination of employment.

C. CASH ADVANCES AND PRE-PAID EXPENSES

Cash advances and pre-paid expenses may be authorized when these methods are more cost effective than the normal method of payment in arrears.

In order to document the business purpose for which a cash advance was issued or a pre-paid expense was reimbursed, the traveler must receive the advance within 30 days of incurring the expense and must submit a Travel Expense Claim not later than 60 days after the expenses were paid or incurred even if he or she is not owed any additional reimbursement.

Section IX. Reporting Travel Expenses contains information on substantiation of travel expenses and returning excess cash advance amounts. Section VII.A.4 Visiting Academic Appointees details special requirements related to handling advances for such appointees.

1. Cash Advances

In accordance with the procedures established by the campus, travelers may request cash advances from the University to cover estimated out of pocket expenses.

Cash advances should not be authorized under the following circumstances:

- More than 60 days have elapsed since a prior trip and no Travel Claim has been submitted,
- The CSU issued travel card cannot be used due to the traveler’s failure to meet the payment terms of the card; or

- The CSU issued travel card has been lost. Lost cards should be reported to the appropriate credit card company immediately and arrangements made for issuance of a replacement card.

Since a traveler should have no more than one outstanding cash advance at a time, each cash advance should be accounted for before another cash advance is granted.

2. Pre-Paid Expense Reimbursement

Employees may also request reimbursement for costs incurred prior to the actual dates of travel by submitting a travel advance request or travel claim form for reimbursement. This includes situations where credit card expenses must be paid before a trip is completed or when the travel requires special handling, such as international travel, group travel for athletics, bowl games and student groups.

3. Cancelled or Postponed Trips

A cash advance must be returned immediately if a trip is cancelled or indefinitely postponed.

Funds paid on behalf of or reimbursed to the traveler for expenses incurred prior to the actual dates of travel should be returned to the department. Refunds should be requested for registration fees paid directly to a vendor unless applied to another participant from the department. A non- refundable ticket associated with a cancelled trip must be used for the employee's next trip.

4. Recovery Procedures

Travel advances cannot be recovered using payroll deduction. CSU Policy 3130.01 Accounts Receivable Management limits the collections by payroll deduction to receivables resulting from payroll overpayments.

a) Cash Advances

Sixty days (60) after a trip is expected to be completed, the Accounting Office should initiate proceedings for the recovery of any outstanding cash advances. Recovery procedures may include reminder letters and notification to the appropriate Administrator.

If an employee fails to substantiate expenses and return any unused travel 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, regardless of the amount.

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.

Receivables resulting from cash advances that cannot be recovered from the traveler shall be cleared by charging the account indicated on the Travel Advance Request or Check Request form, or as otherwise designated by the accounting office.

b) University Paid Expenses

Travel payments, such as registration fees, and airline tickets, issued to a third party by the CSU on behalf of an employee who has not submitted a Travel Expense Claim within the 120-day period are not reportable as income to the employee, provided the expenses are ordinary and necessary business expenses. This requirement will be satisfied if the payment procedures (e.g., check request form) substantiate the time, place, and business purpose of the trip.

D. PAYMENT OF EXPENSES ON BEHALF OF OTHERS

University travelers normally shall not be reimbursed for expenses paid on behalf of other persons, except 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.D. Payment of Group Subsistence Expenses for more information.

E. CANCELLATION OF RESERVATIONS

If a trip must be cancelled or changed, the traveler must make every effort to cancel/change any travel reservations. Fees incurred as a result of cancelling/changing a trip will be covered if the cancelation/change was work related or due to unforeseen circumstances out of the control of the traveler. A business justification must be submitted and approved by the approving authority

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

Charges or lost refunds resulting from failure to cancel reservations, registrations, etc. 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.

IV. TRANSPORTATION EXPENSES

Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the purpose of the trip.

A. GENERAL

1. Definition

Transportation expenses include charges for commercial carrier fares, travel agency service fees, car and aircraft rental charges including fuel for rentals, 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.

2. 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 from the campus contract travel agency. Travelers

will not be reimbursed for non-cash certificates used for the purchase of transportation tickets, e.g., frequent flyer miles.

3. 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.

4. Indirect or Interrupted Itineraries

Any resulting additional expenses resulting from an indirect route or interrupted travel for other than University business shall be borne by the traveler. Reimbursement of expenses shall be limited to the lessor of actual costs incurred or the charges that would have been incurred via a usually traveled route.

Any resulting excess travel time will not be considered work time, and will be charged to the appropriate type of leave. The employee shall be responsible for accurate reporting of such leave time.

5. 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.

Such costs, however, 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. Documentation demonstrating the cost of regular coach in effect at the time of travel should be included with the travel claim form.

6. 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 these procedures).

Such expenses, which include lodging, car rental, meals and incidental expenses (subject to the reimbursement caps set forth in Appendix C) 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.

B. AIR TRAVEL

1. Commercial Airlines

a) Coach or Economy Class

Coach or any other discounted economy-class fare shall be used whenever ticketing restrictions are reasonable. This applies to all travel (domestic or international, or any combination thereof) regardless of the purpose or fund source.

b) Business or First Class

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. A documented cost comparison must be attached to the Travel Expense Claim.

Use of business or first-class, pre-boarding or other higher-cost services may be authorized by the approving authority under the circumstances listed below. Documentation of such circumstances must be provided on the Travel Expense Claim.

1) Business or first-class is the only service offered between two points;
2) 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;
3) An itinerary involves overnight travel without an opportunity for normal rest before the commencement of working hours; or
4) When necessary to reasonably accommodate a disability or medical need of a traveler.

c) Baggage Fees

The University will pay the cost for checked baggage that is considered reasonable and necessary for the business purpose and length of the trip. The approving authority is responsible for determining if the fees are appropriate.

d) Airline memberships

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.

e) U.S. Flag Air Carriers

Under the Fly America Act, only U.S. carriers shall be used for travel reimbursed from federal grants and contracts, unless one of the following exceptions applies:

1) Use of U.S. carrier service would extend travel time, including delay at origin, by 24 hours or more;
2) U.S. carriers do not offer nonstop or direct service between origin and destination. However, a U.S. carrier must be used on every portion of the route where it provides service unless, when compared to using an international air carrier, such use would:
    a. Increase the number of aircraft changes outside the United States by two or more; or
    b. Extend travel time by at least 6 hours or more; or
    c. Require a connecting time of 4 hours or more at an overseas interchange point.
3) When the costs of transportation are reimbursed in full by a third party, such as an international government or an international agency.

Code-sharing agreements with international air carriers, whereby American carriers purchase or have the right to sell a block of tickets on an international 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.

Reimbursement of travel on an international air carrier may be denied in the absence of such justification.

2. Private Aircraft

a) 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 Executive Vice Chancellor/Chief Financial Officer or President. In addition, the following requirements must be met:

1) The pilot must have a valid private license;
2) 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;
3) 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.
4) A current pilot history form and a certificate of insurance must be on file with the campus risk management office; and
5) Evidence must be provided of Aviation Liability Insurance coverage with the Trustees named as additional insured and a minimum combined single limit as specified in Section VIII.D. Privately Owned Aircraft, Boats and Motorcycles.

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.

b) 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:

1) Private Aircraft Option: An amount for mileage using the private reimbursement rate per mile shown in Appendix B, 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.
2) 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.

3. Chartered Aircraft

The actual expenses of chartering an aircraft are allowable; however, prior approval must be obtained from the Executive Vice Chancellor/Chief Financial Officer or President.

C. AUTOMOBILE

Vehicles shall be used in accordance with established campus procedures. See the CSU Guidelines for Use of University & Private Vehicles for requirements.

Persons travelling by automobile for University business must possess a valid driver's license or pending application for a California driver's license. Visitors to or new residents of California should refer to Driver License Information located at: http://www.dmv.ca.gov/portal/dmv/dmv/dl. All persons operating a vehicle for official business travel are required to comply with California State laws.

When using a private vehicle for University business, CSU employees must have a current State of California form STD. 261: Authorization to Use Privately Owned Vehicles on State Business on file. See Section VIII.C. Travel Related Insurance, Private Vehicles for insurance requirements.

Individuals receiving a car allowance:

- Are precluded from mileage reimbursement for university-related travel when using their personal vehicle.
- May be reimbursed for renting a car when there is a valid business purpose.

1. Campus Vehicles

University vehicles, if available, should be used by employees for transportation while conducting university business.

2. Rental Cars

When renting a vehicle, travelers are expected to utilize rental agencies with which the State of California or the University have negotiated contracts that include insurance coverage. Renting vehicles from a non-contracted vendor is prohibited, unless vehicles are unavailable from a contracted vendor. See Section VIII.B. Travel Related Insurance, Rental Vehicles.

a) 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 an economy or intermediate class vehicle requested. These classes should be used unless a no-cost upgrade is provided or if the recommended sizes are not adequate to meet the business purposes of the trip.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. The discount negotiated with car rental agencies should be requested when available.

The rental car agency's University identification number should be given to the agency at the time of rental in order to secure the contract rate and ensure that the vehicle is covered by physical damage insurance.

b) Fuel Requirements

Travelers are strongly encouraged to return their rental cars with a full tank of gas purchased prior to dropping off the vehicle. Gas should not be purchased from the rental car agency due to the increased cost and additional fees that may be applicable. Pre-purchasing fuel is not recommended because the traveler is charged for a full tank of gas regardless how much gas is actually used.

c) Additional Options

Charges for additional options including, but not limited to, items such ski racks, GPS devices, car seats, and satellite radio will not be reimbursed unless the traveler provides a business related requirement for the equipment.

d) Payment Options

Rental Cars may be booked directly with the individual rental car company or through a designated travel agency.

The recognized forms of payment for Commercial Rental Car contracts with Enterprise and National are:

1) Direct Bill via the Car Rental Business Travel Account (CRBTA)
2) A CSU travel card issued to employees; and
3) Personal credit cards

Cash and personal checks are not authorized forms of payment for the commercial rental car contracts.

A campus may establish a Car Rental Business Travel Account (CRBTA) by contacting their assigned corporate credit card representative.

3. Private Vehicles

When using a private vehicle, qualified drivers are responsible for carrying and maintaining liability insurance. Refer to Section VIII.C. Travel Related Insurance, Private Vehicles for insurance requirements and allowable reimbursements in case of an accident.

Individuals requesting mileage reimbursement are certifying the number of miles driven is accurate. When two or more persons on University business share a private vehicle, only the driver may claim reimbursement for mileage.

The following applies to all domestic travel:

a) Allowable Mileage Expense – With Overnight Stay

Mileage shall ordinarily be computed between the traveler's normal work location and the common carrier or destination.

Mileage expenses may be allowed between the traveler's residence and the common carrier or destination if University business travel occurs during the traveler's non-working hours, or 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:

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

b) Allowable Mileage Expense – No Overnight Stay

If an employee has an assignment away from their normal work location, (e.g., single day workshop, local conference, training, assignments at more than one location, etc.) which does not require an overnight stay, reimbursement shall be made for mileage expenses as follows:

1) Mileage between Home and a Single Assignment Location

   Reimbursement shall be made for round-trip mileage between home and the assignment location, or between the normal work location and the assignment location, whichever is less.

2) Mileage between Home and Multiple Assignment Locations

   Reimbursement shall be made for round-trip mileage between the normal work location (not home) and the first assignment location visited and round-trip mileage between successive assignment locations visited.

3) Mileage between Normal Work Location and an Assignment location

   Reimbursement shall be made for round-trip mileage between the normal work location and the assignment location.

4) Mileage between Home, Normal Work Location and then on to a Single Assignment Location (or any combination thereof):

   Reimbursement shall be made for round-trip mileage between the normal work location and the assignment location.

5) Mileage between Home, Normal Work Location and then on to Multiple Assignment Locations (or any combination thereof):

   Reimbursement shall be made for round-trip mileage between the normal work location and the first assignment location visited and round-trip mileage between successive assignment locations visited.

c) Standard Rate

The standard business reimbursement rate per mile is published annually by the Internal Revenue Service. This rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, maintenance and repairs, tires, depreciation, vehicle registration, and insurance.

According to IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

d) 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. 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 incurred higher operating costs associated with a specially equipped vehicle. 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. The form is available from the following IRS web site: https://apps.irs.gov/app/picklist/list/formsInstructions.html.

4. Miscellaneous Automobile-related Expenses

The vehicle operator may claim charges for ferries, bridges, tunnels, or toll roads. 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:

a. Day parking on trips away from an employee's normal work location;
b. Day and all night parking on overnight trips away from an employee's normal work location or residence if free overnight parking is not available; and
c. Parking charges incurred when an employee without a parking permit is occasionally required to drive to and from their normal work location.

D. 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 IV.A.5 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.

E. PASSENGER 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. Subsistence Expenses. A full explanation of the circumstances that necessitated such expenses must be submitted with the Travel Expense Claim.

F. OTHER FORMS OF TRANSPORTATION

1. 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 public transportation or airport shuttle service is impractical or not available. The cost must be reasonable in relation to personal car use costs, including parking, tolls, etc.

2. Motorcycles

Motorcycles, except those of University police department employees on motorcycle assignment, shall not be authorized for use on official University business, nor shall any reimbursement be made for the use of such vehicles.

3. 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 Executive Vice Chancellor/Chief Financial Officer or President has established a blanket authorization for this type of 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.

V. SUBSISTENCE EXPENSES

For purposes of determining the applicability of this section, an official University business trip begins when the traveler leaves his/her residence or normal work location, whichever occurs last, and ends when the traveler returns to his/her residence or normal work location, whichever occurs first. Subsistence expenses for travel within 25 miles of an employee's headquarters or residence shall not be reimbursed.

Subsistence expenses incurred while on travel status consist of charges for lodging and meals and incidental expenses. Incidentals includes fees and tips given to porters, baggage carriers, bellhops, hotel housekeepers, stewards or stewardesses and others in 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 the mailing cost associated with filing travel expense claims and payment of employer-sponsored charge card billings. For additional information, refer to Appendix C: Reporting Incidental Expenses. Actual expenses must be documented in accordance with Section IX.B.2 Documentation Requirements to be eligible for reimbursement.

If the traveler is unable to provide a required receipt, they must include a statement with the Travel Claim explaining why a receipt is not available.

No expenses for meals or incidentals will be reimbursed for travel of less than 12 hours except under the circumstances listed below in Section C. Travel of Less Than 24 Hours.

A. LODGING

Travelers may secure lodging when traveling on business more than 25 miles (one way) from their normal work location or home whichever is closer. Refer to Sections XII. Travel to Alaska, Hawaii or the U.S. Possessions and XIII. International Travel for guidance regarding lodging outside the contiguous United States.

1. Maximum Limits for Reimbursing the Costs of Lodging

The nightly lodging rate for domestic travel may not exceed $275 per night, not included taxes and other related charges. University employees are always expected to seek the best value whenever they obtain lodging.

2. California City and County Transient Occupancy Taxes Exemption

In some 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 upon arrival. The traveler may be required to complete an exemption certificate. The option to grant the exemption is at the discretion of the hotel.

State of California Form STD 236, Hotel/Motel Transient Occupancy Tax Waiver (Exemption Certificate for State Agencies) may be found at: http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std236.pdf. The hotel/motel may use an adapted version of the form.

3. 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 lodging rate for the appropriate geographic area (see Appendix D).

4. 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 type of gift provided should be in compliance with the use rules surrounding the funds used for reimbursement. The actual cost of such a gift may be reimbursed up to $75. Only one reimbursable gift per stay may be provided to a host.

B. MEALS WHILE TRAVELING

The reimbursement of daily meal and incidental expenses for travel within the contiguous United States will be based on actual amounts incurred subject to the daily maximum reimbursement cap set forth in Appendix D. The meals reimbursement cap should not be treated as a per diem. The definition of Meals and Incidental Expenses Reimbursement Cap may be found in Appendix A Definitions. Expenditures above the cap are the responsibility of the traveler unless a documented exception is approved.

Reimbursement procedures relating to travel outside the contiguous United States are found in Section XII Travel to Alaska, Hawaii or the U.S. Possessions and XIII International Travel.

1. Meals Provided as Part of the Event

In the event the traveler must forego the provided meal for health or business reasons, an explanation for the purchase of the meal replacement must accompany the claim. Supporting documentation may be requested and required.

2. Hospitality Meals

Expenses for meals incurred by employees who provided hospitality while on travel status are reimbursable in accordance with ICSUAM Policy 1301.00 Hospitality, Payment or Reimbursement of Expenses.

C. TRAVEL OF LESS THAN 24 HOURS

When the entire length of a trip is less than 24 hours, Internal Revenue Service regulations state that meals and incidental expenses shall not be reimbursed unless the travel includes an "overnight stay" as supported by a lodging receipt. The overnight-stay requirement does not apply to meal reimbursements authorized under ICSUAM 1301.00 Hospitality, Payment or Reimbursement of Expenses. If the traveler is unable to provide a lodging receipt, he or she 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).

For a trip of less than 24 hours within the contiguous U.S. that includes an overnight stay, reimbursement shall be authorized for the actual cost of lodging, and meals and incidental expenses subject to the daily maximum amount set forth in Appendix D for 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 workdays.

Meal reimbursements associated with trips without an overnight stay must be reported to the IRS as taxable income. The amount will be reported to Payroll and included in Box 1 of the employee's W-2 form. Under no circumstances will expenses for lunch be reimbursed for travel of less than 24 hours.

Appendix E provides additional information and examples on the reimbursement of meals and incidental expenses for travel of less than 24 hours.

D. 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. Group travelers may claim reimbursement of such expenses 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.

When negotiated agreements are not feasible or where a university-issued charge card cannot be used, similar to ICSUAM 1205.00 - Group Travel (for student athletes), the University may issue cash advances to Faculty and/or Staff to pay for student meals related to group student travel. Cash distributed to students by the group leader must be acknowledged in writing by the students at the time of receipt and this acknowledgement must be attached to the travel claim filed by the recipient for the cash advance. This acknowledgement will also serve as substantiation of the expenditure, in lieu of actual receipts. The cash distribution is to the students only and does not apply to those individuals employed by the University.

VI. MISCELLANEOUS TRAVEL EXPENSES

Miscellaneous expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. Following is a non-exhaustive list of reimbursable and non-reimbursable travel related expenses.

A. TIPS

The University will reimburse reasonable and customary gratuities (generally up to 20% of the total bill) for items such as shuttle driver tips. Meal tips are reimbursed as part of the meal expense; taxi tips are reimbursed as part of the taxi expense; valet tips are reimbursed as part of the parking fee. Refer to Appendix C: Reporting Incidental Expenses.

Tips and gratuities for extended travel or travel outside the contiguous U.S. that are over and above tips reimbursed as part of the per diem are reimbursable if reasonable and incurred while traveling on official University business.

B. BUSINESS RELATED EXPENSES

Such expenses include, but are not limited to: internet and travel booking fees; 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; and laundering, cleaning, or pressing of clothing if a trip exceeds six days

C. REGISTRATION/EVENT FEES

These include fees for attendance at conferences, conventions, or meetings of professional or learned societies.

D. NON-REIMBURSABLE EXPENSES

This section identifies various expenses not addressed elsewhere in this policy that are not permitted using University funds. Non-reimburseable expenditures can be characterized as those with a personal purpose and will not be reimbursed by the University. Per California Government Code § 8314 (b)(1), "'Personal purpose' means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business."

The following non-reimburseable expenditures are only meant to provide examples of expenses that will not be reimbursed by the University. Such expenses include but are not limited to personal domestic ATM/credit card fees; fines/citations; clothing and accessories; frequent traveler program participation; account fees or deposits for FastTrack (or equivalent) that are not related to individual toll charges; club membership fees; luggage (lost luggage may be covered, see Section VIII.E. Personal Property or Baggage Loss); personal entertainment; personal care; and dependent/pet care.

VII. SPECIAL TRAVEL SITUATIONS

A. EMPLOYEE TRAVELERS

Travelers in this category include faculty members on sabbatical leave, school site teacher candidate supervisors, athletic coaches, visiting academic appointees, post-doctorates, if employed by the university, and employees on

temporary assignments. Travel expenses for these travelers must be paid, reimbursed, and reported in accordance these procedures.

1. 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/her 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. For more information on temporary travel refer to Sections XI. Travel within the Contiguous United States - 30 Days or More; XII. Travel to Alaska, Hawaii or the U.S. Possessions and XIII. International Travel for guidance regarding lodging outside the contiguous United States.

Any sabbatical travel expenses allocable to a spouse or dependent(s) are considered taxable; accordingly, such expenses may not be reimbursed. See Section VII.B.7. Spouse or Registered Domestic Partner Travel.

2. School Site Teacher Candidate Supervisors

In their roles as School Site Teacher Candidate Supervisors, faculty will be reimbursed in accordance with the Memorandum of Understanding between the California Faculty Association and California State University. This Memorandum may be found at http://www.calstate.edu/LaborRel/Contracts_HTML/current_cba.shtml.

3. Athletic Coaches

Travel expenses incurred by Athletic Department personnel, including coaches, for the purpose of recruiting will be reimbursed in accordance with these procedures. These employees are responsible for compliance with pertinent NCAA and conference rules regarding student recruits.

4. Visiting Academic Appointees

a) General

An academic appointee with a Visiting title who is employed on a full-time, temporary basis may be reimbursed for travel and related expenses incurred by reason of his/her appointment.

b) Authorized Advances

The amount of any authorized advance may not exceed the actual cost of transportation (which may be prepaid) plus 80% 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.

5. Post-Doctorates

Post-Doctoral fellows, if employed by the university, 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. Travel funded under a scholarship or fellowship is subject to IRS reporting as set forth in Internal Revenue Code and Regulations: Section 117, Qualified Scholarships and Sections 162, Trade or Business Expenses. Refer to IRS Publication 970: Tax Benefits for Education.

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.

6. Temporary Work Assignments

Employees given temporary work assignments that take them away from their normal work location for a period of time not expected to exceed 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:

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

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

Expenses to be reimbursed for temporary assignments are subject to the reporting and substantiation rules outlined in these procedures, including those for extended length of stay and locations outside of the contiguous United States. Refer to Sections XI, XII and XIII for additional information.

B. NON-EMPLOYEE TRAVELERS

Travelers in this category include prospective employees, independent contractors and consultants, students and non-degree candidates, volunteers, foreign visiting scholars, spouses and registered Domestic Partners.

A Vendor Data 204 Form for each non-employee traveler is required to be on file with the university prior to making a payment. This is required by California State Revenue and Taxation Code, Section 18646 to facilitate tax compliance and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a).

It is mandatory for vendors to furnish the information requested. Federal law requires that payments for which the requested information is not provided may be subject to federal withholding.

Allowable travel expenses for non-employee travelers are subject to the provisions of these procedures. A Travel Expense Claim must be submitted for a non-employee traveler in accordance with the requirements set forth in Section IX., Reporting Travel Expenses.

1. Prospective Employees

a) 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 Executive Vice Chancellor/Chief Financial Officer or President's discretion, actual travel expenses may be reimbursed for spouses who accompany candidates for faculty or high-level administrative positions, including Manager and Senior Professional positions, on final interviews.

b) 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. The department through the campus' designated travel agency should make such travel arrangements.

2. Independent Contractors and Consultants

Reasonable travel expenses incurred by University-retained independent contractors or consultants are reimbursable in accordance with these procedures. Such reimbursements are not taxable, provided the amounts claimed are properly substantiated. Unsubstantiated amounts must be reported as income to the contractor, on the appropriate IRS instrument (e.g. Form 1099, Form 1042-S, etc.).

3. Students and Non-Degree Candidates

A student may be reimbursed for travel expenses when there is a direct connection between the expense and the business purposes of the University. Refer to Executive Order 1041 for the Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims requirement. 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, e.g. attend a conference; visit a field site or laboratory facility, 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.D. Payment of Group Subsistence 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. Refer to CSU Policy 1201.00 Intercollegiate Athletics Administration and 1205.00 Group Travel for additional information.

4. Volunteers

Volunteers who are performing services on behalf of the university may be reimbursed for actual travel expenses provided the expenses are properly substantiated. If the reimbursement does not exceed the substantiated expenses, such payments are not subject to withholding or reporting.

5. Witnesses

The University may reimburse the actual travel expenses related to interviewing witnesses or other parties involved in litigation matters, when such expenses are necessary to acquire key information for legal purposes. Authorization shall be obtained before any commitment to reimburse travel expenses is made to the individuals.

6. 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 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 the campus Non-Resident Alien Tax coordinator for more information.

7. Spouse or Registered Domestic Partner Travel

Travel expenses of a spouse or registered domestic partner who accompanies a University business traveler (e.g., the Chancellor, Provost, Executive Vice Chancellor, Presidents, Vice Presidents, Principal Officers of The Trustees, or other employees as approved by the Chancellor or President) are reimbursable under these procedures, provided it can be established that the significant other's presence serves a bona fide University business purpose. A domestic partnership is established when persons meeting the criteria specified by Family Code section 297 file a Declaration of Domestic Partnership (Form NP/SF DP-1) with the California Secretary of State.

Under IRS regulations, the travel expenses of a spouse or registered domestic partner are not taxable, provided it can be established that his/her presence serves a bona fide business purpose. A spouse or registered domestic partner who attends a function is considered to have a business purpose if he or she has 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 registered 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 registered 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 registered domestic partner attend the meeting or event).

If a spouse or registered 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.

8. Athletic Travel – Spouse/Domestic Partner and Other Family Members

Travel by a spouse or registered 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 in situations where the NCAA or potential donors expect that certain high-ranking members of the athletic department, and their spouses or registered domestic partners, will participate in events associated with these athletic activities.

The travel expenses of a spouse or registered domestic partner 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.

VIII. TRAVEL RELATED INSURANCE

A. EMPLOYEES

All University employees, including those engaged by the University in connection with research grants and contracts, are routinely covered 24 hours a day, worldwide, against accidental death or dismemberment while on an official University business trip or while engaged in designated extra- hazardous activities on behalf of the University.

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

Employees who travel internationally on CSU business are required to use the Foreign Travel Insurance Program (FTIP) provided by the California State University Risk Management Authority (CSURMA). Refer to the information under International Travel Resources located at: http://www.calstate.edu/risk_management/rm/ or contact your campus Risk Management Office.

For insurance coverage purposes, an official University business trip begins when the traveler leaves his/her residence or normal work location, whichever occurs last, and ends when the traveler returns to his/her residence or normal work location, whichever occurs first.

Refer to the following web site for information on University insurance coverage for employees: http://www.calstate.edu/risk_management/rm/. Specific questions should be directed to the campus Risk Management office.

B. RENTAL VEHICLES

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

1) For contract rental vehicles used in the contiguous United States, charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).
2) 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.
3) The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions, and foreign countries, is allowable.
4) 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: http://www.dgs.ca.gov/orim/Home.aspx. The campus risk management office should be contacted for information on campus-specific contracts or insurance coverage.

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. The amount reimbursed may be charged to the traveler's department, the department sponsoring the traveler, or to an account designated by the Executive Vice Chancellor/Chief Financial Officer or President, 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. PRIVATE VEHICLES

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. Regular use is defined as more than four trips per calendar month.

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:

- $15,000 for personal injury to, or death of, one person;
- $30,000 for injury to, or death of, two or more persons in one accident; and
- $5,000 for property damage.

When a privately owned vehicle operated by an employee is damaged by collision or receives other accidental damage, reasonable reimbursement for repairs incurred by the employee shall be allowed under the following conditions:

- The damage occurred while the vehicle was being used on official state business with the authorization of the employing University.
- The vehicle was damaged through no fault of the employee.
- The amount claimed is an actual loss to the employee, which is not recoverable either directly from or through the insurance coverage of any of the parties involved in the accident.
- The amount of the loss claimed does not result from a decision of an employee not to maintain collision coverage.
- The claim is processed in accordance with prescribed procedures.

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 approved the travel.

Additional information may be found in the Use of University and Private Vehicles Policy Guidelines published by the CSU Offices of Risk Management, Human Resources and General Counsel. This document may be found at: http://www.calstate.edu/risk_management/documents/VehicleUseGuideBook.pdf

D. PRIVATELY OWNED AIRCRAFT, BOATS, MOTORCYCLES

Traveler must obtain prior approval and is required to provide evidence of personal liability insurance if using privately owned aircraft or boats for the purpose of conducting CSU business.

Motorcycle use is not allowed.

When private aircraft are used on University business, the appropriate campus officials are responsible for requiring that employees have adequate Bodily Injury, Property Damage, and Passenger Liability insurance coverage. The minimum prescribed liability insurance coverage is as follows:

1. Fixed Wing General Aviation Aircraft
   Maximum seating capacity of 6
   Aircraft Liability Insurance with $10,000,000 Combined Single Limit per occurrence.
2. Rotor Wing General Aviation Aircraft with crew
   Maximum seating capacity of 6
   Aircraft Liability Insurance with $10,000,000 Combined Single Limit per occurrence.
3. Fixed Wing General Aviation Aircraft with or without crew
   Maximum seating capacity of 20 but not less than 7
   Aircraft Liability Insurance with $50,000,000 Combined Single Limit per occurrence.

E. PERSONAL PROPERTY OR BAGGAGE LOSS

If an employee incurs a loss to personal belongings, the first common carrier is typically responsible for reimbursement of losses, and the employee should file an appropriate claim as instructed by the common carrier.

If the common carrier does not provide full reimbursement to the employee for personal effects, then an "equity claim" may be filed with the University Risk Management/Insurance officer. Documentation to substantiate the claim is required. The claim form may be found at: http://www.calstate.edu/risk_management/claims/

F. EMERGENCIES

In case of emergencies while on travel status, the traveler should first contact emergency responders at their location. The traveler's appropriate administrator and University Risk Management/Insurance officer should be informed as soon as possible.

Employees covered by the CSU Group Life insurance plan through Standard Insurance Company are also covered by the MEDEX Travel Assist program (Group #7088) when traveling at least 100 miles from home or in a foreign country. For more information see your University Payroll/Benefits office.

Additional information about coverage can be found at:
http://www.calstate.edu/Benefits/life_add/basic.page.shtml.

IX. REPORTING TRAVEL EXPENSES

A Travel Expense Claim (Form STD 262 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. Electronic expense reports are considered equivalent to the Travel Expense Claim.

When properly completed and approved, this form is used to reimburse the traveler for any additional amounts due. For direct billing arrangements that have been approved in advance, a Claim must still be processed as verification that the expense was incurred even if no reimbursement is due the traveler.

A. REPORTING PERIOD

The Travel Expense Claim must be submitted to the campus Travel Reimbursement office within 60 days of the end of a trip unless there is recurrent local travel, in which case Claims may be aggregated and submitted monthly. When a trip lasts more than 90 days, the traveler must submit a quarterly report of expenditures to the campus accounting office.

B. 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. Previously reimbursed amounts related to the trip should be detailed on the claim. Supplemental Claims may be submitted if necessary, but must be clearly marked "Supplemental" and must identify the original Claim submitted in connection with the travel.

1. Substantiation of Expenses

Substantiation must include the following:

a. 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.
b. The purpose for the travel or the nature of the business benefit derived as a result of the travel.
c. The amount of each expenditure listed by date and location.
d. 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 Section V.D., Payment of Group Subsistence Expenses.
e. If needed for calculating meal/incidental reimbursements, the claim package must contain documentation to discern the date and time of departure from and return to the traveler's normal work location or residence.
f. If any personal leave is taken while on official travel status, the dates of personal leave must be specified within the claim package.

2. Documentation Requirements

a) Receipts

An itemized receipt:

1) Demonstrates the cost (shows what was purchased), and
2) Provides proof of payment (shows how it was paid)
3) Itemized receipts for all expenses in excess of $75 dollars must be submitted with the Travel Expense Claim

b) 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 or 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.

c) 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.

The approving authority must approve the travel claim form for the expense. In the absence of a satisfactory explanation or administrator approval, the amount involved will not be reimbursed.

C. CERTIFICATION OF TRAVEL EXPENSES

The traveler must certify that the amounts claimed are a true statement of the expenses incurred while on official University business and that the original of all required receipts has been submitted. For expenses where a receipt is not required, the employee's signature is substantiation for that expense.

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:

1) Identify the traveler who is submitting the electronic form;
2) Authenticate and verify the submission; and
3) Be the final entry in the submission.

D. RETURN OF EXCESS ADVANCE AMOUNTS

If the amount of an advance exceeds the reimbursable expenses, payment or a cashier's receipt for the amount due shall be submitted with the Travel Expense Claim. Checks must be made payable to the Trustees of the CSU or the Campus.

X. APPROVAL OF TRAVEL EXPENSE CLAIM

The approving signature provides additional substantiation. Approvers may request receipts or additional documentation. For example, travelers should be required to submit meal receipts if it appears they are treating the meal and incidental reimbursement cap as a per diem by routinely claiming the maximum amount of the cap.

A person who reports directly or indirectly to the traveler may not approve the Travel Expense Claim. 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, registered domestic partner, significant other, child, or parent.

The campus Chief Financial Officer must approve travel expenses for the campus President, including a spouse, registered domestic partner, or an associate of the President.

Travel expenses incurred by Vice Presidents and Deans may be approved by a Vice President (or other responsible administrator) designated by the President. The President may designate more than one approving Vice President.

In lieu of reviewing and approving each Travel Expense Claim, the designee may:

1) Appoint a high-level individual on his/her staff who is knowledgeable about the travel regulations to review and approve the Travel Expense Claim for policy compliance, and
2) Review and sign a periodic report (produced no less frequently than monthly), which details the business purpose for each trip taken. A copy of this report should be attached to the relevant travel expense claim.

Authority delegated to the designated Vice President may not be re-delegated to another individual, except when the Vice President is not available due to business travel, vacation, illness, or other leave. The President or his/her designee must approve travel expenses of the designated Vice President, provided that the designee does not report to the Vice President.

Similar procedures should be established for the approval of travel expenses incurred by the Chancellor, Principal Officers of The Board of Trustees, and other officers within the Office of the Chancellor.

XI. TRAVEL WITHIN THE CONTIGUOUS UNITED STATES – 30 DAYS OR MORE

A 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.

For domestic travel assignments of 30 days or more within the contiguous United States, an authorized per diem allowance for lodging (excluding taxes), meals and incidentals should be determined by the authorized approver based on an estimate of actual daily expenses.

The agreed upon rate for reimbursement shall not exceed the maximum applicable federal per diem rate for the destination as published by the General Services Administration at http://www.gsa.gov/portal/category/21287.

The daily expense rate is computed by dividing the monthly lodging costs (determined by estimating actual expenses) plus an appropriate amount for meals and incidental expenses (not to exceed the amounts specified in Appendix C), by the number of days of occupancy in the rental period. Receipts are not required for meals and incidental expenses when applying the daily expense rate.

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.

Actual costs paid for lodging taxes, which are not included in the published per diem rates, may be reimbursed as a miscellaneous expense.

A. 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 related travel expenses reimbursed during that period must be treated as taxable income subject to withholding for income and employment taxes (e.g., 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:

1) 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;
2) The subsistence reimbursement must be paid through the payroll system as additional income subject to withholding;
3) The reimbursement for such assignments shall be limited to 2 years. An exception may be granted by the President to extend the reimbursement for a longer period of time; and
4) The cost of moving the employee to and from the location of the indefinite assignment shall be reimbursed in accordance with University moving policies per Human Resources Coded Memoranda.

To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for subsistence expenses may be increased up to 150% of the per diem rate that has been negotiated for domestic travel of 30 days or more.

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 G for examples based on the IRS Tax Gross Up Formula.

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

1. 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.

2. 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.

3. Indefinite Assignment Interrupted by Trips to Former Residence or to Normal work location

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

XII. TRAVEL TO ALASKA, HAWAII OR THE U.S. POSSESSIONS

A. ASSIGNMENTS OF LESS THAN 30 DAYS

Costs are generally higher in areas outside the 48 contiguous United States, including domestic areas such as Alaska, Hawaii and U.S. possessions. Travelers to these areas will receive a fixed amount per diem for meals and incidentals based on the Federal Per Diem rate for the destination of travel. Lodging shall be reimbursed based on actual costs incurred as supported by an original itemized receipt up to the maximum daily lodging rate set forth in Appendix D.

The Department of Travel Management Office (DTMO) publishes rates for Overseas Non-Foreign areas (e.g., Alaska, Hawaii, Guam, Puerto Rico etc.) at least once a year. These rates, available at http://www.defensetravel.dod.mil/site/perdiemCalc.cfm are recognized by the IRS and are in effect on the date of travel.

B. TRAVEL LESS THAN 24 HOURS

The actual, necessary and non-extravagant cost of lodging for an overnight stay associated with travel of less than 24 hours within Alaska, Hawaii and U.S. possessions shall be reimbursed when supported by an original receipt or a statement explaining why a receipt is not available.

The reimbursement of meals and incidental expenses shall be calculated in multiples of the applicable non-foreign area per diem rate based on the total number of hours between the time of arrival at the Alaskan, Hawaiian or U.S. Possessions location and the time of departure.

For partial days, hours should be rounded to the nearest quarter day as follows:

- 3 hours up to 9 hours equals 1/4 day or 25%;
- 9 hours up to 15 hours equals 1/2 day or 50%;
- 15 hours up to 21 hours equals 3/4 day or 75%; and
- 21 hours up to 24 hours equals 1 day or 100%.

C. TRAVEL OVER 30 DAYS

The per diem allowance for travel assignments of 30 days or more within Alaska, Hawaii and U.S. possessions should be determined by the traveler's management based on an estimate of actual daily expenses. Refer to Section XI. Travel within the Contiguous United States – 30 Days or More for instructions on calculating the daily expense rate.

The rate for reimbursement shall not exceed the maximum non-foreign locality per diem rate applicable for the destination as published by The Department of Travel Management Office or DTMO (see Appendix D). 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.

Actual costs paid for lodging taxes, which are not included in the published per diem rates, may be reimbursed as a miscellaneous expense.

D. ADJUSTMENT FOR MEALS PROVIDED WITHOUT CHARGE

When meal expenses are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge (e.g. conferences, professional meetings, etc.), the maximum per diem rate authorized for Alaska and Hawaii travel must be adjusted.

If a meal is provided, the meals and incidentals rate must be reduced by the value of the furnished meal. If the actual value of the meal is not known, the traveler may provide an estimated cost. A breakdown by meal is available for every per diem amount at: https://aoprals.state.gov/

Situations that may require an adjustment include, but are not limited to, the following:

- Meals furnished as part of a conference or professional meeting,
- Meals are furnished as part of official University entertainment,
- Meal expenses are included in the event registration fee,
- Group expenses are billed directly to the University.

Travelers may not request reimbursement of actual meal expenses for one portion of a trip and per diem for the remainder. The method selected must be used for the entire trip.

The method provided in Appendix F may be used to prorate per diems when travel to more than one location occurs. This method may not be used if an alternative method is contractually mandated by the funding source.

Refer to Section V.D. Payment of Group Subsistence Expenses for more information on claiming group expenses.

XIII. INTERNATIONAL TRAVEL

Employees planning to travel to foreign destinations must request approval from their campus President prior to making any travel arrangements and should contact their campus Risk Management Office for guidance. Travel to countries on the **US Department of State, Bureau of Consular Affairs Current Travel Warning List** or those deemed high hazard risk requires approval from the Chancellor's Office. Effective January 1, 2015, Chancellor White delegated additional authority to campus presidents, or their designee, for approval of foreign travel. Campuses have authority to approve travel to high hazard areas, countries on the U.S. State Department Travel Warning List and the CSURMA High Hazard Country List. It is recommended that authority only be delegated on occasions wherein the president is not on campus. President travel to high hazard areas will continue to be approved by the Chancellor or his designee. Campuses must refer to the Chancellor's Office for approval for travel to countries designated as "war risk" by the Foreign Travel Insurance Program (FTIP) underwriters. Refer to the information provided by System wide Risk Management under International Travel Resources located at: http://www.calstate.edu/risk_management/rm/

A. ASSIGNMENTS OF LESS THAN 30 DAYS

Travelers to foreign destinations will receive a fixed amount per diem for lodging, meals and incidentals in accordance with the Federal Maximum Travel Per Diem Allowances for Foreign Areas published monthly by the U.S. Department of State Office of Allowances. These rates may be found at https://aoprals.state.gov/ Receipts will not be required for reimbursement.

See also Appendix D: Lodging and Meals & Incidentals Reimbursement Caps, and Receipt Requirements.

If actual expenses 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 IX.B.2 Documentation Requirements.

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

1) 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;
2) 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
3) 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.

B. TRAVEL LESS THAN 24 HOURS

The actual, necessary and non-extravagant cost of lodging for an overnight stay associated with international travel of less than 24 hours shall be reimbursed when supported by an original receipt or a statement explaining why a receipt is not available.

The reimbursement of meals and incidental 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 location and the time of departure.

For partial days, hours should be rounded to the nearest quarter day as follows:

- 3 hours up to 9 hours equals 1/4 day or 25%;
- 9 hours up to 15 hours equals 1/2 day or 50%;
- 15 hours up to 21 hours equals 3/4 day or 75%; and
- 21 hours up to 24 hours equals 1 day or 100%.

C. ASSIGNMENTS OF 30 DAYS OR MORE

The per diem allowance for travel assignments of 30 days or more for international travel should be determined by the traveler's management based on an estimate of actual daily expenses. Refer to Section XI. Travel within the Contiguous United States – 30 Days or More for instructions on calculating the daily expense rate.

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. The rate for reimbursement shall not exceed the maximum Federal Per Diem rate applicable for the destination as published monthly by the U.S. Department of State Office of Allowances and located at https://aoprals.state.gov/.

See also Appendix D: Lodging and Meals & Incidentals Reimbursement Caps, and Receipt Requirements.

Actual costs paid for lodging taxes, which are not included in the published per diem rates, may be reimbursed as a miscellaneous expense.

D. INDEFINITE ASSIGNMENTS THAT EXCEED ONE YEAR

The rules for domestic indefinite travel set forth in Section XI.A. Indefinite Travel - Assignments that Exceed One Year, also apply to the reimbursement of travel expenses incurred in connection with indefinite international assignments of one year or more, with the following exceptions:

1) To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for subsistence expenses may be increased by up to 150% of the applicable federal per diem rate authorized for long-term travel.
2) 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.

E. ADJUSTMENT OF INTERNATIONAL PER DIEM RATES

Travelers may not request reimbursement of actual foreign expenses for one portion of a trip and per diem for the remainder. The method selected must be used for the entire foreign portion of the trip. However, a per diem may be used for meals and incidental expenses and actual costs used for lodging.

1. Adjustment for Multiple Locations

The method provided in Appendix F may be used to prorate per diems when travel to more than one foreign location occurs. This method may not be used if an alternative method is contractually mandated by the funding source.

2. Adjustment for Partial Days

The reimbursement of subsistence expenses shall be calculated as outlined in Section XIII.B. Travel Less than 24 Hours.

3. Adjustment for International Lodging or Meals Provided Without Charge

When international lodging or meal expenses are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the maximum per diem rate authorized for international travel must be adjusted. A breakdown by meal for every per diem amount is available at: https://aoprals.state.gov/.

When lodging is provided without charge, only the meals and incidentals portion of the maximum per diem will be reimbursed. If a meal is provided, the meals and incidentals rate must be reduced by the value of the furnished meal. If the actual value of the meal is not known, the traveler may provide an estimated cost.

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 V.D. Payment of Group Subsistence Expenses for more information on claiming group expenses.

F. TAXABILITY OF INTERNATIONAL TRAVEL WITH PERSONAL USE

Travel Deemed Entirely for Business - Nontaxable

The Internal Revenue Service (IRS) allows a deduction of all travel expenses to get to and from a business destination when the travel is international and considered ***entirely*** for business. When an employee spends a portion of his/her time on personal travel, any employer reimbursement applicable to the personal portion of the trip is taxable unless an exception applies. https://www.law.cornell.edu/cfr/text/26/1.274-4 and IRS Publication 463 (2015), page 7, summarize these rules.

The value of an employee's international flight will be considered entirely a business cost, and thus completely nontaxable, when any one of 4 exceptions applies:

1) The employee does not have *substantial control* over arranging the trip;
2) Travel outside of the U.S., combining business and personal time, is for one week or less;
3) Less than 25% of total time is spent on personal activities; ***or***
4) Vacation is not a major consideration in planning the trip.

Under exceptions 1) and 4), the trip will be deemed entirely for business purposes if a) the employee did not have substantial control over arranging the trip, or (b) the employee can establish that vacation was not a major consideration in arranging the trip. If the employee's primary purpose for travel outside of the U.S. is vacation, then the flight is fully taxable, and only the reimbursed business expenses incurred while on the trip are nontaxable.

The IRS defines "substantial control" as follows: *The fact that you control the timing of your trip does not, by itself, mean that you have substantial control over arranging your trip. You do not have substantial control over your trip if you are an employee who was reimbursed or paid a travel expense allowance and you are not related to your employer, or are not a managing executive.*

A "managing executive" is an employee who has the authority and responsibility, without being subject to the veto of another, to decide on the need for business travel.

Travel Primarily for Business – Allocation Rules

If none of the four exceptions listed above applies, then an employee's travel outside the U.S. is ***primarily*** for business. Only the business portion of the cost of getting to and from the destination is nontaxable. To determine the nontaxable amount of the round-trip flight, apply the following ratio to the total cost of the flight: total number of business days outside the U.S. (numerator) / total number of business and nonbusiness days of travel (denominator). When a travel day consists of both business and personal time, the day will be classified as a business day in order to determine the percentage of personal time associated with the trip.

The rules set forth in this section are limited to the cost of the transportation to and from an international destination, defined as outside the 50 United States and the District of Columbia. To determine the taxability of

other travel expenses reimbursed by the employer, besides transportation, refer to the relevant part of this manual for meals, lodging, etc.

Travel associated with sabbaticals will be treated as official University business.

See Appendix H for examples of international travel mixed with a personal component.

G. SPECIAL FEES FOR INTERNATIONAL TRAVEL

Travelers may be reimbursed for unique costs associated with international travel will be reimbursed, such as: the actual cost of obtaining or renewing a passport, visa, tourist card, and necessary photographs; cost for certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion, ATM and check cashing fees outside the U.S.; 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.

XIV. REFERENCES

A. EXECUTIVE ORDERS

EO – 37, Authorization and Appointment of State College Presidents to Approve Sabbatical Leaves
EO – 181, Provisions for Extension and Summer Sessions Independent Study Programs Involving Foreign Travel
EO - 688, Delegation of Authority – Approval of Travel Requests
EO – 731, Designation of Chief Financial Officer
EO - 760, Procurement Cards
EO – 842, Competitive Bid of Goods & Services
EO – 1000, Delegation of Fiscal Authority and Responsibility
EO - 1041, CSU Student Travel PolicyEO – 1069, Risk Management

B. INTEGRATED CSU ADMINSTRATIVE MANUAL

Policy 1201.00, Intercollegiate Athletics Administration Policy 1205.00, Group Travel
Policy 1301.00, Hospitality, Payment or Reimbursement of Expenses
Policy 3130.01, Accounts Receivable Management
Policy 3601.01, Travel Policy
Policy 5251.00, Corporate Cards
Policy 8100.0, Electronic and Digital Signatures

C. CODED MEMORANDA

AA 2002-24, System-wide Evaluation of Teacher Preparation Programs
AA 2003-27, System-wide Committee Representative Travel Procedures
HR/Benefits Administration 2010-15, Tax Information Changes to Moving and Relocation Expenses
HR 2012-02, Updated Moving and Relocation Policy and Updated CSU Internal Procedures Governing Moving and Relocation Expenses
Memo RM 2014-01- International Travel Approval Process & Requirement to Purchase Insurance 10/27/2014 (PDF)

D. COLLECTIVE BARGAINING AGREEMENTS

Unit 1: Union of American Physicians and Dentists – UAPD
Unit 2, 5, 7 and 9: California State University Employees Union – CSUEU
Unit 3: California Faculty Association – CFA
Unit 4: Academic Professionals of California - APC
Unit 6: State Employees Trades Council – SETC
Unit 8: Statewide University Police Association - SUPA
Unit 10: International Union of Operating Engineers Unit 11: UAW - Academic Student Employees
Unit 12: SEIU – Head Start
Unit 13: English Language Program Instructors, CSU Los Angeles

E. 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 Continental US, GSA Office of Government-wide Policy Official Department of Defense Overseas/Other than Continental U.S. Per Diem Rates, Per Diem, Travel and Transportation Allowance Committee

F. INTERNAL REVENUE SERVICE (IRS)

IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits for tax reporting requirements
IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses

IRS Publication 463 (2015), page 7 – International travel when there is both a personal and a business purpose
IRS Publication 970, Tax Benefits for Education
IRS Revenue Procedure 98-25, 1998-1 CB 689, Automated Records (supersedes IRS Revenue Procedure 91-59, 1991-2 CB 841, Automatic Data Processing Records)
IRS Revenue Procedure 97-22, 1997-13IRB, Electronic Record Retention Rules
IRS Revenue Code, Title 26, Section 117, Qualified Scholarships
IRS Revenue Code, Title 26, Section 162, Trade or Business Expenses

G. OTHER

CSU Use of University & Private Vehicles Policy Guideline
Conflict of Interest Handbook
The CalStateTEACH Faculty Handbook
CSU Volunteer Policy
CSU Office of General Counsel University Volunteers Handbook
California Government Code § 8314 (b)(1)

APPENDIXES

APPENDIX A - DEFINITIONS

For the purposes of these procedures, the following definitions shall apply:

Administrator -- the University Executive Vice Chancellor/Chief Financial Officer or President or University employees who have been re-delegated authority by the Executive Vice Chancellor/Chief Financial Officer or President to approve requests for travel.

Approving Authority -- the Approving Authority is defined as a person to whom authority has been delegated in writing to approve expenses in accordance with University policy.

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, or public service. It is the primary reason the employee must incur travel related expenses.

Campus -- the campus or other official University location including the Chancellor's Office under the jurisdiction of a President or the Chancellor.

Cash Advances -- cash (or cash equivalents) given to a traveler in advance of a trip.

Contiguous States – refers to the 48 states that do not include Alaska or Hawaii.

Daily – that which occurs on a calendar day

Delegation of Authority –the Executive Vice Chancellor/CFO and University Presidents have been delegated authority and responsibility for effective oversight of all funds held by the University.

Incidental Expenses -- the incidental expenses portion of the federal per diem rate includes fees and tips given to porters, baggage carriers, bellhops, stewards or stewardesses and others on ships, and hotel staff in foreign countries; transportation between places of lodging or business and places where meals are taken; and mailing costs associated with filing travel claims and payment of University-sponsored charge card billings.

Maximum Lodging Rate – the maximum amount allowed per night, excluding taxes, for overnight sleeping facilities. Does not include accommodations on airplanes, trains, buses, or ships, which are included in the cost of transportation.

Meals and Incidental Expenses (M&IE) Reimbursement Cap -- the maximum amount authorized for reimbursement of actual daily meal and incidental expenses for travel within the contiguous United States. Travelers may only seek reimbursement for their actual expenses up to the cap amount. This reimbursement cap shall not be treated as a per diem. For purposes of the reimbursement cap, incidental expenses include tips and fees for services, e.g., for waiters, baggage handlers, etc.

Non-Degree Candidate -- students who are not currently matriculated into a degree program.

Normal Work Location -- is defined as the place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments. The employee's department determines what constitutes an individual employee's work location for the purpose of these procedures consistent with the definition above.

Official University Business Travel -- to be considered Official University Business Travel, at least one of the following criteria must apply:

- A trip is certified by the President or designees to be essential to University operations;
- The trip relates directly to University programs including professional development activities and objectives;
- The trip is to a meeting of a professional association or society to deliver a paper, to serve as moderator or group leader, to serve on a panel, or to fulfill obligations as an association or society officer; or
- The trip has as its primary purpose recruitment of faculty or administrative personnel.

Out of Pocket Expenses -- expenses that are incurred and paid for by the traveler using cash or other mechanisms with traveler liability (e.g., a credit card in which the traveler is liable).

Per Diem -- the daily subsistence allowance to cover the cost of lodging, meals and certain incidental expenses authorized under the GSA and Federal per diem rates. The amount varies based on destination of travel.

The payment of a per diem does not require supporting receipts. Per diems are authorized for all international travel; travel meals within Alaska, Hawaii, and United States possessions; domestic travel assignments of 30 days or more; and domestic travel assignments that exceed one year (see Appendix D).

For purposes of per diem, incidental expenses include tips and fees for services, e.g., for waiters, baggage handlers, etc. Federal per diem rates do not include taxes on lodging, which may be reimbursed separately.

President -- the chief executive officer of the campus. For the purposes of these procedures, the authorities and responsibilities assigned to the President are also assigned to the Executive Vice Chancellor and Chief Financial Officer; and the Principal Officers of The Trustees.

Primary Agreement -- an agreement between the California State University and an awarded supplier for a specific service or commodity, which 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.

Receipt -- a written acknowledgment of money received. For substantiation of an expense, a receipt indicates what was purchased, the amount due, the form of payment and preferably a zero balance.

Registered Domestic Partner -- A domestic partnership is established when persons meeting the criteria specified by Family Code section 297 file a Declaration of Domestic Partnership (Form NP/SF DP-1) with the Secretary of State.

Reporting Period -- the thirty day period within which a Travel Expense Claim must be submitted after the end of a trip. Refer to Section IX.A. 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/her permanent residence because of official travel away from normal work location, such residence may still be considered permanent if it is unreasonable to expect the employee to move his/her permanent residence to the temporary job location.

Subsistence Expenses -- Expenses such as (1) lodging, including taxes and service charges; (2) meals, including taxes and tips; and (3) incidental expenses (see Incidental Expenses above).

Substantiated Expense – Generally, a traveler must be able to substantiate claimed expenses by adequate records and/or sufficient evidence corroborating the traveler's own written statement as to (1) amount, (2) time and place, (3) business purpose, and (4) name(s) for whom the expense was incurred.

Travel Advances – payment provided to an employee in advance of travel to offset anticipated out of pocket expenses. Advances also include reimbursement of travel related expenses incurred prior to the dates of travel.

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 IV. Transportation Expenses, Section V. Subsistence Expenses, and Section VI. Miscellaneous Travel Expenses.

Travel Status – the period during which a traveler is traveling on official University business.

Valid Driver's License - A driver's license shows that you have been given permission to drive on public roadways. Licenses are valid until the date indicated. A license is not valid if it has been suspended, cancelled or revoked.

Work Day -- the work day refers to the hours an employee is scheduled for work on any one calendar day, or may consist of consecutive hours an employee is scheduled to work over two (2) consecutive calendar days when the scheduled hours cross midnight.

APPENDIX B - MILEAGE REIMBURSEMENT RATES

The following mileage reimbursement rates shall be used to reimburse travelers who use an automobile loaned to the University for assignment to employees or aircraft on official University business:

		Per Mile
A.	Automobiles – employee-owned or procured, including vans	Current IRS Standard Rate
B.	Standard Rate for travel in connection with move or relocation	Current IRS Standard Rate
C.	Automobiles and vans Loaned to the University for assignment to University employee. Refer to IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits for tax reporting requirements	23.5¢
D.	Aircraft	99.5¢

APPENDIX C - REPORTING INCIDENTAL EXPENSES

Incidental expenses shall be reimbursed up to the daily total specified in Appendix D and only when travel includes an overnight stay. The University will reimburse reasonable and customary gratuities, generally up to 20% of the total expense. The following chart summarizes the applicable reimbursement method for miscellaneous expenses incurred while on travel status.

Description	Type of Expense	Report on Travel Claim
Tips to bellhops; baggage carriers; porters; hotel housekeepers; stewards or stewardesses; other ship personnel; and hotel servants in foreign countries.	Incidental Expense	Actual cost incurred. Any single expense of $75 or more requires a receipt.
Alaska, Hawaii and the U.S. Possessions Daily M&IE	Incidental Expense	The Published Federal Government amount for the geographic location. No receipts required.
International Daily M&IE and Lodging	Incidental Expense	The Published Federal Government amount for the geographic location. No receipts required.
The following expenses are not considered to be incidental expenses and should be reported as indicated.		
Tips for Meals	Include as part of actual expense for meal.	Actual total cost incurred and meal type (e.g. breakfast, lunch, dinner) Any single expense of $75 or more requires a receipt.
Tips to shuttle or taxi drivers	Include as part of actual expense for shuttle or taxi fare.	Actual total cost incurred and type used. (e.g. taxi, shuttle, etc.) Any single expense of $75 or more requires a receipt.
Valet tips	Include as part of actual expense for parking fee.	Actual total cost incurred. Any single expense of $75 or more requires a receipt.

APPENDIX D - LODGING AND MEALS & INCIDENTALS REIMBURSEMENT CAPS, AND RECEIPT REQUIREMENTS

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:

Location	Less Than 30 Days with Overnight Stay	30 Days or More	In Excess of One Year
Travel within the 48 contiguous United States Daily M&IE	Actual meal expenses up to $55/calendar day plus actual incidental expenses up to $7/calendar day.	Maximum Meals and Lodging Per Diem determined by Authorized Approver cannot exceed Federal Per Diem for area.	Per Diem up to 150% of 30 day per diem.
Lodging	Actual lodging cost not to exceed $275 per night. Receipts required for expenses of $75 or more	No receipts required	No receipts required.
Travel within Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and possessions of the United States Daily M&IE	Published Federal Government Per Diem for specific location. No receipts required.	Maximum Meals and Lodging Per Diem determined by Authorized Approver cannot exceed Federal Per Diem for area.	Per Diem up to 150% of 30-day per diem.
Lodging	Actual lodging cost not to exceed $275 per night. Receipts required for expenses of $75 or more.	No receipts required.	No receipts required.
International Daily M&IE and Lodging	Published Federal Government Per Diem for specific location. No receipts required.	Maximum Per Diem determined by Authorized Approver cannot exceed Federal Per Diem for area. No receipts required.	Per Diem up to 150% of 30-day per diem. No receipts required.
Non-Commercial Facility Daily Lodging Expenses	Actual expenses up to 100% of Published Federal Government Per Diem for specific location. Receipts required for non-international travel.	Maximum Per Diem Determined by Authorized Approver cannot exceed Federal per diem. No receipts required.	Per Diem up to 150% of 30-day per diem. No receipts required.

Federal Per-diem rates for all locations: http://www.gsa.gov/portal/category/21287

APPENDIX E - TRAVEL OF LESS THAN 24 HOURS - MEALS & INCIDENTALS EXPENSE 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.C. Travel of Less Than 24 Hours does not allow for the reimbursement of meal expenses for travel of less than 24 hours unless the traveler is away from his/her 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 leaves home at 6:30 a.m. and does not return until midnight. During the day, she stops in a rest area and closes her eyes for 20 minutes to refresh herself for the drive. She cannot deduct the cost of her meals on these trips because she is 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 leaves home at 11:00 a.m. on Monday, with plans to return home the same day. She is unable to complete the project on Monday, so she spends the night in Madison. After completing the project the next day, she returns 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 met the "away from home" rule because she spent the night away from her 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 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 considered to have met the "sleep and rest" rule. Reimbursements for meals and lodging are not taxable to the employee.

APPENDIX F - 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 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 as follows:

- 3 hours up to 9 hours equals 1/4 day or 25%;
- 9 hours up to 15 hours equals 1/2 day or 50%;
- 15 hours up to 21 hours equals 3/4 day or 75%; and
- 21 hours up to 24 hours equals 1 day or 100%.

Example: A trip that involved three locations with three different per diem rates took a total of 237 hours, excluding air travel time from normal work location to the first business location and the traveler's return from the last travel location to normal work location. 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	2.25 (or 2-1/4)	$140.00	$315.00
Location 2	145	6	$152.00	$912.00
Location 3	39	1.75 or (1-3/4)	$168.00	$294.00
TOTAL	237			$1,521.00

APPENDIX G - IRS TAX 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. Refer to Section V. Subsistence Expenses.

Following are two examples of the gross up procedure for a trip of more than one year to X. In both examples, a $91 daily reimbursement rate is assumed to be the final per diem rate.

The Gross Up Formula is applied to the $91 daily reimbursement rate as follows: W = Gross Up Amount

1. 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

$$w = (daily\ reimbursement\ rate)/(1 - applicable\ tax\ rates)$$

$$w = (\$91)/(1 - 0.15 - 0.0510 - 0.0765)$$

$$w = (\$91)/(0.7225)$$

$w =$ $125.96 or 138% of the daily reimbursement rate

2. 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

$$w = (daily\ reimbursement\ rate)/(1 - applicable\ tax\ rates)$$

$$w = (\$91)/(1 - 0.28 - 0.0670 - 0.0145)$$

$$w = (\$91)/(0.6385)$$

$w =$ $142.53 or 157% of the daily reimbursement rate

APPENDIX H - TAXABILITY OF INTERNATIONAL TRAVEL WITH PERSONAL USE

Reimbursements for international travel that have both a business and a personal component may be subject to tax.

An employee's international travel will be considered entirely for business, and thus completely nontaxable, when any one of 4 exceptions applies:

1) The employee does not have *substantial control* over arranging the trip;
2) Travel outside of the U.S., combining business and personal time, is for one week or less;
3) Less than 25% of total time is spent on personal activities; ***or***
4) Vacation is not a major consideration in planning the trip.

Five examples of international travel with a personal component are provided below.

Example 1: Trip with a Taxable Event

An employee plans a personal vacation to coincide with a business conference in London. He travels to London for 10 days, of which 7 days are business-related and 3 days are personal; 70% of the trip is business and 30% is personal. The employee is a managing executive who does not need authorization for travel.

The traveler is reimbursed for airfare and 7 days of meals and lodging. The other 3 days of meals and lodging are considered personal and are not reimbursed.

Since none of the four exceptions applies: 1) the employee did exercise substantial control in arranging the trip, 2) the trip was longer than one week, 3) at least 25% of the time outside the U.S. was spent on personal activities, and 4) vacation was a major consideration in planning the trip, the employee must be taxed on 30% of the airfare, which is considered personal use under IRS regulations. (Personal Component: 3 days/10 days = 30%)

Example 2: Trip with No Taxable Event Due to Exception 3

An employee travels to London for 10 days, of which 8 days are business-related and 2 days are personal; 80% of the trip is business and 20% is personal.

The traveler is reimbursed for airfare and 8 days of meals and lodging. The other 2 days of meals and lodging are considered personal and are not reimbursed.

The cost of airfare, even though it is reimbursed to the traveler, is not taxable since the personal component is not equal to or greater than 25% of the trip. (Personal Component: 2 days/10 days = 20%)

In this circumstance, because one of the exceptions is met, we don't need to examine the other 3 exceptions for applicability.

Example 3: Trip with No Taxable Event Due to Exception 1

An employee who is neither a managing executive of, nor related to, Y Company, travels to Japan for a business conference on behalf of his employer, Y Company. The employee is reimbursed by Y for his traveling expense to and from the conference location.

The trip took more than a week and the employee took advantage of the opportunity to enjoy a personal vacation which exceeded 25 percent of the total time on the trip. Since the employee, traveling under a reimbursement arrangement, is not a managing executive of, or related to, Y Company, he is not considered to have substantial control over the arranging of the business trip, and the travel expenses shall be considered fully allocable to business activity.

Example 4: Trip with No Taxable Event Due to Exception 4

A managing executive and principal shareholder of X Company, travels from New York to Stockholm, Sweden, to attend a series of business meetings. At the conclusion of the series of meetings, which last 1 week, E spends 1 week on a personal vacation in Stockholm. If E establishes either that he did not have substantial control over arrangingthe trip or that a major consideration in his determining to make the trip was not to provide an opportunity for taking a personal vacation, the entire travel expense to and from Stockholm shall be considered fully allocable to business activity.

Example 5: Trip with No Taxable Event Due to Exception 2

Employee flew from New York to Paris where he conducted business for 1 day. He spent the next 2 days sightseeing in Paris and then flew back to New York. The entire trip, including 2 days for travel en route, took 5 days.

Since the time outside the United States away from home during the trip did not exceed 1 week, the entire travel expense to and from Paris shall be considered fully allocable to business activity.

REVISION CONTROL

Revision and Approval History

Section(s) Revised	Summary of Revisions	Revised By	Reviewed by	Approved by	Revision Date
Section B, Part F	Update taxability of International travel with both personal and business purpose.	K. Helfrick	Roberta McNeil	Steve Relyea	10/20/2016
Section II, E 'Exceptions'	Clerical Correction where procedures were not consistant with policy. Removed "Executive Vice Chancellor/Chief Financial Office" and replace it with "Chancellor" to match the Travel Policy.	K. Randig	K. Cox	M. Ek	7/3/2017
Section XIV, Part C.	Link updated to reflect that RM 2013-01 was superceded by RM 2014-01	K. Randig	R. Skidmore	M. Ek	7/3/2017
Section VIII, Part E.	Regarding Personal Property or Baggage Loss, updated verbiage and link to file a claim.	K. Randig	R. Skidmore	M. Ek	7/3/2017
Section VI, Part D.	To further clarify non-reimbursable expenses, the definition of "personal purpose" per California Government Code § 8314 (b)(1) was added to this section.	K. Randig	K. Cox		11/1/2017
Section III. Part D.	Group Subsistence Expenses – Students. As an exception to other payment mentions, allows Cash Advances to be issued to Faculty and/or Staff to pay for student meals related to group student travel, similar to language included in ICSUAM 1205.00 – Group Travel (student athletes)	K. Randig	K. Cox	M. Ek	1/4/2018