TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 79.06, **Reimbursement of Travel Expenses**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish the procedure for approval of reimbursement of travel expenses for TTUHSC employees.

REVIEW: This HSC OP will be reviewed on December 1 of each odd-numbered year (ONY) by the Managing Director of Procurement Services, with recommendations for revision forwarded to the Executive Vice President for Finance and Operations.

GENERAL PROVISIONS:

This Operating Policy outlines the travel reimbursement rules and regulations for TTUHSC employees. All official travel must be for the use and benefit of the mission of the institution. It is the policy to follow guidelines as set forth by the State in *Textravel* (a web base resource designed by the State of Texas) and the General Appropriations Act (GAA) Article IX Part 5 except for items specifically regulated in this HSC OP. *Textravel* should be consulted for items not specifically covered by the HSC OP. It may be found in the Travel Section of the TTUHSC Chrome River Resources site.

1. **Objectives.**

    - Reimbursement of travel expenses incurred by a state employee to conduct official state business may be obtained by submitting a Travel Expense Report through the Emburse Enterprise System.

    - All travel regulations set forth in *Textravel* are to be followed for all travel regardless of fund source with the exception of limits specific to each fund group or as specified by a School or Department. Each institution may establish regulations more specific than those required by the State.

2. **Responsibilities of the Traveler.**

    - A state employee is responsible for knowing the travel rules and travel procedures as they comply with applicable state law as set forth in *Textravel*, account restrictions, and institutional travel policies prior to traveling. The department is responsible for communicating sufficient information to each traveler in order to comply with institutional travel policies prior to the trip. If unsure of institutional policies, the traveler and/or department must seek assistance from the Travel Office prior to the trip.

    - A state employee must seek the most cost-effective method of travel considering all relevant circumstances regardless of funding source.

    - A state employee may not seek reimbursement for travel expenses that the employee has not actually incurred and should reasonably know are not reimbursable.

    - A state agency may not reimburse a state employee for expenses incurred on behalf of a private individual or another state employee except for individuals in the custody or care of the state or as specifically provided in *Textravel.*

    - A state employee shall immediately reimburse the state for an overpayment. An overpayment is an employee's receipt of a reimbursement that exceeds: (1) the limits established by law or identified in *Textravel* or (2) the amount of travel expenses actually incurred.

- Travel Expense Reports are required to **be electronically submitted to the Travel Office via the Emburse Enterprise System within thirty (30) days of the last date of travel** for which reimbursement is requested. **If not in compliance, the trip's encumbrance will automatically expire after 75 days after the trip end date without prior notice to the traveler or the department preparer.**

- In accordance with IRS regulations, any travel expense report received by the Travel Office that is over 60 days from the trip end date will be taxable to the traveler. The Travel Office will calculate based on the trip end date and the taxable expense will be reported to Payroll.

- The traveler is to pay all of his/her single share of expenses while traveling and seek reimbursement on a travel expense report. This includes lodging accommodations shared by employees.

- Direct billing to departments for employee expenses of airfare, rental car, hotel, or other related travel charges is prohibited.

- Employees requesting a reasonable accommodation for official TTUHSC travel due to a medical condition or disability must contact their local Human Resources Office and submit their request in accordance with applicable Human Resources procedures. Human Resources will evaluate the request and determine whether a reasonable accommodation is warranted. If an accommodation is approved, Human Resources will notify the Travel Office only of the accommodation necessary to facilitate official travel and the period for which the accommodation is authorized. Medical documentation and protected health information will remain confidential and will not be shared with the Travel Office

POLICY/PROCEDURE:

3. **General Policy.**

   a. The required regulations specific for each fund group must be followed when preparing a travel expense report. If expenses are to be paid for one trip from both state and local funds, follow the regulations for each type of fund.

   b. The official dates of a meeting, event, or conference are to be included within the narrative which describes the purpose of the trip. Attach event or conference documentation that verifies dates and location to the travel expense report.

   c. State agency personnel that travel to Washington DC area for activities that involve obtaining or spending federal funds or that impact federal policies must inform the Office of State-Federal Relations (OSFR) about the trip (GAA Article IX §6.12). If an employee is traveling on state appropriated funds for this purpose, they must complete and submit the *Report of State Agency Travel to Washington DC.* The form is found at the OSFR website at http://www.osfr.state.tx.us/travelform.asp . When entering a travel pre-approval report for travel to this location on state funds through the Emburse Enterprise System, the system will automatically prompt the report creator to fill out the form and submit it to the Office of State-Federal Relations, if applicable. The completed form must be included on the travel expense report.

4. **Meals and Lodging.**

   a. Meals and lodging for overnight travel.

   An employee may be reimbursed for the actual costs of meals and lodging when the travel requires an overnight stay away from designated headquarters up to the limitations and specifications established specifically for each fund group [see (b) below] or as specified by the traveler's School or Department. If traveling with state appropriated funds, state or federal grants, the tips must be allocated to a local fund. Tips, if allowed, should not be separated from meal claims on a travel report. Allocate the total amount of tips to the local fund.

b. In state and out of state travel when using *state appropriated funds, state or federal grant funds*.

- An employee must claim the actual expenses incurred for meals and lodging not to exceed the maximum allowable rate for that location. Travelers must use the federal rates provided by the U.S. General Services Administration for both in state and out of state travel. The GSA *Per Diem Rates* listing may be found in the Travel Section of the Chrome River Resources site.

- In-State or Out of State Meals/Lodging: If the city is not listed, but the county is listed, use the daily rate of the county. For locations not listed (city or county), the daily rates are: Lodging in state/out of state: up to $110. Meals in state/out of state: up to $68.

- Actual meals and lodging expenses for travel to Alaska, Hawaii, Canada, Mexico, U.S. Possessions and foreign countries may be reimbursed according to the guidelines in the GAA, Article IX, §5.06. The travel expenses must be converted to U.S. dollars, if applicable.

- Schools or departments may have specific policies regarding caps on travel reimbursements, which should be clearly stated on each applicable travel report.

c. Prohibited Reimbursements.

- Meals or lodging expenses incurred while traveling within the designated headquarters.

- Meal expenses for travel without an overnight stay away from headquarters.

- Lodging expenses incurred at a location other than a commercial lodging establishment, i.e., apartment rentals and/or housing.

- Tips or gratuities on state appropriated funds, state and federal grant funds.

- Alcoholic beverages on all funds

- Travel insurance

- Upgrade costs incurred for personal reasons.

d. Sharing Lodging.

- When two or more employees share lodging, each employee must submit a travel voucher for his/her share of the actual lodging expense. The reimbursement to each employee may not exceed the applicable maximum lodging reimbursement rate.

e. Receipt Requirements.

- Actual itemized meal receipts are required by TTUHSC. Lost or missing meal receipts may be reimbursed up to $10 per day, on local funds only.

- Lodging receipts are required. The receipt must reflect the name of the employee, name and location of the commercial lodging establishment, the single room rate, daily itemization of the lodging charges and proof of payment with zero balance due.

- Itemized receipts are required for all other travel expense claims for reimbursement.

f. Hotel Occupancy Taxes.

- A TTUHSC employee (state employee of an institution of higher education) traveling on official state business within Texas is exempt from paying the state hotel occupancy tax but not from paying the county or local hotel occupancy tax.

The exemption is claimed by providing a properly completed *Texas Hotel Occupancy Tax Exemption Certificate* to the establishment. An employee may not be reimbursed for state hotel occupancy taxes if the employee fails to present a properly completed exemption certificate to the establishment (Attachment A).

- If the hotel refuses to accept the exemption form, notify the Travel Office of the issue. The Travel Office will notify the Texas Procurement and Support Services (TPASS) of the problem.

- An employee may be reimbursed for all mandatory hotel taxes and fees when traveling outside Texas at the maximum allowable hotel rate.

- Reimbursable hotel tax claims on state appropriated or restricted funds may not exceed the percentage of taxes charged each day, multiplied by the GSA rate for the location. A local fund will be required for any overages.

- Hotel taxes are not classified as a lodging expense for the purpose of determining the maximum daily reimbursement. It is considered an incidental expense.

- Prospective employees and Non-Employees (speakers, participants, and/or students) are not exempt from any hotel taxes when cost is paid by the individual traveler. If the lodging invoice/folio is billed directly to TTUHSC, the State hotel occupancy tax is exempt.

g. Packaged Travel Arrangements.

- When an employee purchases a package of at least two travel arrangements (i.e., meals, lodging, transportation, incidentals, and registration fees), each type is reimbursable only to the extent it would have been reimbursable had it not been included in the package. The receipt and travel expense report must separately state the cost of each type of travel arrangement. If a breakdown of cost is not provided, the travel can only be reimbursed using local funds.

5. **Transportation.**

a. General.

A TTUHSC employee may be reimbursed for transportation charges incurred while conducting state business. The employee should select the most cost-effective method of transportation available. When traveling by car, the cost-effective option should be verified i.e., rental car vs. mileage reimbursement when using personal vehicle. The employee must have a valid driver's license to claim any mileage reimbursement and it is their responsibility to properly claim the reimbursement.

b. Mileage incurred with personal vehicle.

- An employee may be reimbursed for the mileage incurred during the employee's use of a personally owned motor vehicle with the exception of those employees receiving a car allowance or an auto is provided by the institution. Mileage reimbursement covers all expenses associated with the operation of the vehicle except parking and tolls. The term "all expenses" includes damage to the employee's vehicle from any cause. The institution is not liable for the employee's insurance deductible or any other cost associated with an accident or vehicle damage.

- The mileage reimbursement must be equal to the actual miles traveled multiplied by the standard mileage rate, unless deductions due to fund restrictions and/or departmental caps are applicable.

- All employees who use their own vehicles while conducting university business should be aware of the possibility of personal liability related to such use. Personal automobile insurance will be looked to first in the event of an accident.

- The standard mileage rate is established each year by the Texas Legislature.

- A department may reduce the reimbursement for use of personal vehicles to the lessor of (1) the standard rate times miles traveled, or (2) the rental of an automobile, plus the estimated cost of fuel.

- When reimbursing an employee for personal auto mileage with **State appropriated or State Grant funds**, the State Comptroller's Rental Vehicle vs. Mileage Reimbursement Calculator should be completed and attached to the travel expense report, unless an exception to the use of contracted vehicle rental agencies applies (see OP 79.01). Only the amount of the most cost-effective method of transportation, per the calculated results, can be claimed on state or restricted funds. A local fund must be provided for overages if full mileage reimbursement is issued.

- All mileage must be itemized on a point-to-point basis and locations must be identified on the travel expense report. Point-to-point mileage may be documented by an employee's vehicle odometer reading (mileage accruals only) or by the use of the Mileage Calculator tool in the Emburse Enterprise System.

- Employees seeking reimbursement for trips taken during their performance of duties within their designated headquarters to clinics, affiliated hospitals and other in-state locations with approved outreach programs and are less than 100 miles to a location, may summarize these trips and file one travel voucher per month. Attach an *Employee Mileage Record Form (*Attachment B) to the travel expense report.

- NOTE: The fiscal year end reimbursement for local mileage trips with dates up to August 31 should be processed by the year-end deadline published by Accounting Services.

- An employee may be reimbursed for actual mileage between the employee's residence or work location and the nearest airport. The employee should utilize their actual starting point.

- Reimbursement for mileage incurred by another person while transporting the employee between the employee's residence and the nearest airport is reimbursable but is limited to the cost of one trip to and from the airport in the employee's personal vehicle plus parking at the airport.

c. Rental Vehicles.

- The state maintains rental car agency contracts, which have Loss Damage Waiver and Liability Insurance included. Contracted rental car agencies should be given priority unless a lower rate is available from another agency or a valid exception applies (see OP 79.01)

- An employee may be reimbursed for the actual cost of renting a vehicle through the contracted rental car agencies, up to a full-size vehicle class. Larger or higher-class vehicles require a business justification or valid exception for reimbursement, which must be clearly stated on the travel expense report. If no business justification or exception applies, the reimbursement will be limited to a full-size class at the contracted rate.

- Charges for liability insurance supplements, personal accident insurance, safe trip insurance and personal effects insurance are not reimbursable. TTUHSC does not assume responsibility for damages to a rental vehicle.

- Rentals not under contract rate will be limited to no more than the same size car at the contracted rate unless a valid exception applies (see HSC OP 79.01). Damage insurance on non-contracted rentals is payable but only to the extent that the daily rate and insurance rate do not exceed the contracted daily rate.

d. Commercial Air Transportation.

- An employee may be reimbursed for the actual cost of economy class commercial air transportation between the employee's headquarters and duty point. Fully refundable economy tickets will be reimbursed and will give the flexibility of changing plans without penalty charges.

- Reasonable baggage charges incurred while conducting official TTUHSC business are reimbursable. The cost of the first checked bag may be reimbursed from state, federal, or local funds, subject to applicable funding restrictions. The cost of a second checked bag may be reimbursed only when required for official business and shall be paid from local funds unless otherwise permitted by the applicable funding source. Charges for baggage that exceed standard airline allowances—including additional, oversized, or overweight baggage—are reimbursable only when the baggage is necessary for official TTUHSC business, such as transporting university equipment, research materials, or other business-related items. Charges resulting from personal belongings or personal packing decisions are not reimbursable. Departments must determine that the baggage charges are reasonable, necessary, and directly related to the business purpose of the trip.

- First-class, Business-class, Choice Extra (Southwest class), preferred seating, and main cabin fees may be reimbursed if they were the only available options. Traveler should obtain a screenshot from the time of booking that verifies no other available fares and/or seating. A statement must be made explaining the circumstances for claiming upgrades in flight and/or seating that are typically not required to travel.

- Employees may be reimbursed for expenses incurred while qualifying for discount airfares if the extra days at a duty point plus the discount airfare is less than the average coach airfare between the employee's designated headquarters and duty point (established and documented at the time of securing the reservation) and the employee can be absent from headquarters for the additional days.

- Cancelled flights can be allocated to local funds only.

e. Coordinating Travel (Four-Per-Car Rule).

When employees from the same agency travel on the same dates with the same itinerary, they must coordinate travel. Only one of the employees riding in the vehicle may be reimbursed for mileage to the duty point. Mileage incurred to meet at a location or pick up other employees may be reimbursed.

f. Parking and Tolls

- Actual parking expenses may be reimbursed for personally owned, rented or leased vehicles. Itemization must be included on the voucher.

- Actual toll fee expenses may be reimbursed for personally owned, rented, or leased vehicles. Itemization must be included on the voucher.

g. Railroad, Mass Transit, Taxi or Limousine.

- An employee may be reimbursed for the actual cost of transportation by bus, subway or other mode of mass transit or taxi. Limousine expenses may be reimbursed only if transportation by limousine was the lowest cost transportation available considering all relevant circumstances and a statement is made on the travel expense report.

- All of these expenses must be itemized on the travel voucher by date on a trip-by-trip basis. If two or more employees share expenses, only one may be reimbursed unless a specific charge is imposed for additional passenger(s).

- An employee may be reimbursed for the actual cost of rail transportation. If the fare includes sleeping accommodations or meals, the reimbursement claims for meals or lodging expenses must be adjusted and claimed accordingly.

h. Private Aircraft.

- See TTUHSC OP 79.03 for specific procedures before piloting a personal or leased aircraft. The reimbursement rate is authorized in Article IX § 5.05 (a) or (b) of the General Appropriations Act.

- There will be no travel approvals awarded after the first travel date for travel by private aircraft, i.e., no after-the-fact approvals.

- If the mode of transportation in a private aircraft has not been approved in advance by the proper Dean or Vice President, then all travel expenses will be denied for the trip and the traveler will be charged with vacation time.

i. Transportation Receipt Requirements.

- Official receipts from commercial transportation companies are required.

- The name of the employee, an itemization of the charges, the class of air travel (if applicable), and payment method must be listed on the receipt.

- If the receipt has been misplaced, a copy of the actual receipt must be obtained from the transportation company or the traveler will not be reimbursed.

6. **General Regulations.**

a. Travel While on Personal Leave.

When an employee is required to travel to an official duty point while on personal leave, the reimbursement may not exceed the lesser of (1) the amount of the travel expenses incurred while traveling to the duty point, or (2) the amount of the travel expenses incurred from the employee's headquarters to the duty point.

Only a supervisor may authorize travel reimbursement for an employee to return to headquarters from personal or compensatory leave.

b. Medical Care of Traveling State Employees.

A state agency may reimburse the employee for travel expenses incurred while obtaining medical care if the expense is incurred outside the employee's designated headquarters while in official travel status.

c. Travel Expenses Incurred Returning to Headquarters Because of Illness or Personal Emergency.

A state agency may reimburse an employee for travel expenses incurred if returning to headquarters before official state business is completed due to illness or a personal emergency.

d. Attending Funerals.

A state agency may reimburse an employee for travel expenses incurred while attending the funeral of an individual who was a state employee, a board member, or a legislator if the agency determines that the employee's attendance is appropriate and paid to the extent of conducting official state business.

e. Cancellation.

A state agency may reimburse a state employee for a cancellation charge related to a transportation expense that was paid in advance to obtain lower rates and is incurred because the employee was unable to use the transportation because of an illness or a personal emergency which must be documented on the reimbursement voucher.

7. **Registration Fees.**

a. All registration fees should be paid using the Department Purchasing Card which is the preferred method of payment (see HSC OP 72.03, Page 7, Section n.). Payment requests in TechBuy using the direct pay form – TTUHSC Registration Fees may be used for processing the payment if the Purchasing Card is not an option.

b. If registration is paid by the traveler prior to the trip, reimbursement should be claimed for reimbursement through the Direct Pay System's Employee Reimbursement Form. If registration is paid by the traveler during the trip, reimbursement can be claimed on the travel expense report when claiming all other travel expenses. Meal expenses that are part of a registration fee will be reimbursed. Entertainment and other personal expenses are not reimbursable.

c. Registration cancellation charges are reimbursable if a statement which includes the official business purpose for cancellation is documented and reimbursed on a local fund. Cancellation charges incurred for personal reasons are not reimbursable.

8. **Recruitment of Students.**

Reimbursements for travel expenses incurred while recruiting students outside Texas can only be reimbursed on local funds. (General Appropriations Act, Article III – 244 Section 7)

9. **Travel in Support of TTUHSC Alumni Activities.**

No reimbursement will be made from State appropriated funds for travel expenses incurred while an employee is traveling in support of a TTUHSC alumni organization or activity.

10. **Incidental Expenses.**

a. Reimbursable Expenses.

The following expenses are reimbursable if they are incurred for an official state business reason for which a statement is made on the travel expense report. Receipts are required.

- Fax and copy charges
- Freight charges to ship state-owned equipment or materials
- Gasoline charges for rental or state-owned vehicles
- Miscellaneous materials/books purchased at a conference.
- Official telephone calls itemized by date, purpose and amount
- Passport/visa charges, departure taxes and inoculations for foreign travel
- Repair charges when a state-owned motor vehicle is used
- Traveler's check charges only if required by the agency
- U.S. currency exchange charges for foreign currency and vice versa.

b. Non-Reimbursable Expenses.

- Alcoholic beverages on all accounts
- Baggage charges (excess) for personal belongings
- Expenses that do not relate to official state business
- Early Bird Check-in Fees with Southwest
- Expenses that are related to the operation of a personally owned vehicle, excluding parking/toll fees
- Roadside Assistance or additional insurance fees added to vehicle rental

- Hotel occupancy tax for in-state lodging when the employee does not claim the exemption
- International Health and Medical Evacuation (MEDEVAC) Insurance
- Kennel expense for a pet while on official travel
- Medical supplies i.e., aspirin, flu medication
- Personal expenses i.e., dry cleaning/laundry, movie rentals
- Tips or gratuities on all accounts except local funds