

CU Medicine  
Travel, Meals & Entertainment Policy

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## 1. POLICY OVERVIEW

Individuals conducting official company business or incurring travel or entertainment costs at company expense are expected to exercise the same care in incurring expenses as a prudent person would in spending personal funds. If an employee/member has any doubts about the appropriateness of an anticipated travel or entertainment expense, they should consult with their supervisor, this policy or CU Medicine Accounts Payable personnel in advance of incurring the expense. The company will reimburse travel, meals and entertainment expenses that comply with this policy.

All expenditures must be incurred in the ordinary and necessary conduct of business, be preapproved by the Department Chair or CU Medicine Director or his/her designee and be consistent with the missions and guidelines set forth by the CU Medicine Bylaws and Operating Agreement as stated below. In addition, all expenses for travel, meals and entertainment should be reasonable in nature and appropriate for their intended purpose and must comply with the strict guidelines and regulations established by the Internal Revenue Service (IRS) for a 501(c)3 corporation.

CU Medicine Mission Statement:

Organized for the benefit of the University of Colorado, CU Medicine serves as the centralized practice plan of the faculty of the University Of Colorado School Of Medicine. Its function is to primarily aid and support the University of Colorado in the furtherance of its charitable, scientific, educational purposes and to assist the School of Medicine in carrying out its mission of providing patient care, medical education and research.

For more detail on the mission of CU Medicine, see the CU Medicine Purposes and Objectives on page one and two of the CU Medicine Amended Bylaws, posted on the Finance page under Official Documents on the CU Medicine intranet.

Expenses incurred while traveling on CU Medicine or University of Colorado School of Medicine business are the responsibility of the traveler. Direct billing to CU Medicine is not permitted except for airfare purchased through one of the authorized CU Medicine travel agencies. Hotel reservation guarantees or deposits may be paid by submitting a CU Medicine Accounts Payable Voucher.

Payment requestors are responsible for:

- Exercising proper business judgment regarding the necessity for and reasonableness of specific travel and entertainment expenses
- Ensuring the accuracy and completeness of all expense reports
- Ensuring actual business expenses have been incurred
- Paying excess cost incurred beyond those considered reasonable under this policy
- Ensuring expense reports for travel are submitted in a timely manner

Any expense not deemed appropriate or not within the established CU Medicine Policies will be denied. If situations arise that are unusual in nature or appearance or in circumstances where an individual anticipates any issues in adhering to the policies established in this document, the Accounts Payable department should be notified before the expenses are incurred.

Any questions on the travel, meal and entertainment policies should be directed to CU Medicine Accounts Payable at [Finance-AccountsPayable@cumedicine.us](mailto:Finance-AccountsPayable@cumedicine.us).

**2. AUTHORIZATION AUTHORITY**

**For the following Account Types: Clinical/Basic Science/Deans**

Dean/Dean's Designee	Must approve all Chair reimbursements and AEF expenditures.
Chair	Must approve all Directors of Finance and Administration reimbursements AND all charitable donations.
Director of Finance and Administration	Must approve all honoraria AND all expenses greater than \$5,000

All other expenses must be approved based on the authorized signer list that has been submitted to CU Medicine Finance. Signature authority cannot be further delegated to other individuals. An authorized signer cannot approve a reimbursement to their self. Subordinates cannot sign for supervisors.

To obtain signature authorization for a new or additional individual, the individual must be submitted by the Director of Finance and Administration and approved by the Chair. This can be achieved via an email to CU Medicine Accounts Payable at [Finance-AccountsPayable@cumedicine.us](mailto:Finance-AccountsPayable@cumedicine.us).

The Director of Finance and Administration is accountable for transactions initiated by individuals with delegated signature authority.

Internal Control – To the extent practicable, departments should establish clear separation of duties, with individuals given signature authority for approval of an expense reimbursement separate and distinct from individuals both making and receiving the underlying purchase.

### **3. AUTHORIZATION AUTHORITY**

#### **For CU Medicine Administration Departments**

Effective July 1, 2011, CU Medicine Administration has a signature authorization policy that has dollar limits assigned by job category. The amounts in the table below are per voucher or purchase request. Invoices/purchases cannot be split between more than one accounts payable voucher or purchase request to circumvent the signature authorization level required.

All expenses must be approved based on the table below and the authorized signer list that has been submitted to CU Medicine Finance. Signature authority cannot be further delegated to other individuals. An authorized signer cannot approve a reimbursement to their self. Subordinates cannot sign for supervisors.

To obtain signature authorization for a new or additional individual, the individual must be submitted by the Department Director and approved by the Executive Director, Chief Operating Officer or Chief Financial Officer. This can be achieved via an email to CU Medicine Accounts Payable at [Finance-AccountsPayable@cumedicine.us](mailto:Finance-AccountsPayable@cumedicine.us).

The Directors are accountable for transactions initiated by individuals with delegated signature authority.

Internal Control – To the extent practicable, departments should establish clear separation of duties, with individuals given signature authority for approval of an expense reimbursement separate and distinct from individuals both making and receiving the underlying purchase.

Job Category	Signature Approval Expense Range
Staff	Less than \$500
Managers	\$500 - \$5,000
Directors and Sr. Managers	\$5,001 - \$25,000
COO/CFO	\$25,001 - \$100,000
Executive Director	>\$100,000

#### **4. TRAVEL ADVANCES**

Individuals traveling on official CU Medicine and University of Colorado School of Medicine business may apply for an advance of funds to cover anticipated travel expenses. Anticipated expenses must be identified on an approved Travel Advance Request form. The purpose of the trip and supporting documentation noting the dates and location of the event must be submitted with the travel advance request.

All travel advances will be viewed as personal advances and must have a properly substantiated travel expense report completed, documenting the expenses within 30 working days from the last day of the trip. Unused travel advance funds should be remitted with the travel expense report in the form of a personal check made payable to CU Medicine. Travel expense balances due to the traveler will be issued on the next scheduled accounts payable check run.

Advances may not be taken by non-members or non-employees, or for amounts under \$50, or when the travel does not create any direct expense to CU Medicine. A second advance will not be issued for another trip until the first advance has been substantiated, processed and completely cleared from the system. Each advance must be accounted for, reported, and settled individually; no "running tabs" or combining expenses for successive trips is allowed. Advances will not be issued earlier than 7 to 10 working days prior to the date that the anticipated expenditures are to be paid or incurred by the individual.

Travel advance expenses that are not substantiated and reimbursed within the 30 working days will be reported by CU Medicine as personal income for the individual incurring the expense via a W2 or IRS Form 1099- MISC for Miscellaneous Income. Once the taxable income is recorded appropriately, subsequent substantiation will not reverse this action under any circumstance. Amounts included in an employee's gross income will be subject to withholding for Federal, State, Social Security and Medicare taxes.

#### **5. DOCUMENTATION REQUIREMENTS**

All expenses greater than \$25 must be supported with adequate records proving that the expenses were in fact paid or incurred. Expenses must be substantiated as to:

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- Amount – An itemized receipt is required and the original receipt is preferred
- Time and place
- Business purpose
- For meals & entertainment, the business relationship of the person being entertained must be substantiated AND everyone attending must be listed.
- For seminars, conferences, conventions, etc., provide material (i.e. brochure or agenda) establishing the business or professional purpose.
- Reimbursement for registration to attend an event, class, seminar, etc. will not occur until after the event has taken place; however, CU Medicine can pay an organization directly before the scheduled event.

#### **6. TIME LIMITATION**

Requests for reimbursements with appropriate documentation must be submitted to the CU Medicine Accounts Payable Department within 90 days after the expense was incurred or 30 days for trips for which a travel advance was issued. Reimbursements submitted beyond the 90 day (30 day with travel advances) time limit will be reported to the respective payroll department for inclusion in the individual's paycheck as taxable income and reported to the IRS on the individual's W2. Once the taxable income is recorded appropriately, subsequent substantiation will not reverse this action under any circumstance.

#### **7. MEALS AND ENTERTAINMENT**

*Entertainment & Entertainment Meals:* The main purpose for any item with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, must be the active conduct of business. In addition, business must be conducted during the entertainment period and no expenses should be lavish or extravagant under the circumstances.

*Travel Meals:* Meals while traveling for business are reimbursable as necessary while performing your duties when traveling away from home. If travel is wholly within a single day and if the trip lasts 12 hours or more, then meal reimbursement is allowed.

Meals are reimbursable at actual cost provided the allowable limits listed below are not exceeded. As standard CU Medicine policy, meals and entertainment are limited to the following:

- Breakfast - less than or equal to \$20 / person
- Lunch - less than or equal to \$30 / person
- Dinner - less than or equal to \$80 / person

Itemized receipts must be provided for each meal exceeding \$25 for which reimbursement is being requested. Room service and hotel restaurants that are listed on the hotel bill are acceptable as meal receipts provided the meal cost was for one person/one meal. Any receipts that include non-member or non-employee portions must be divided accordingly and/or properly substantiated with purpose and who attended.

Business lunches and dinners that occur while traveling are subject to the same guidelines and restrictions as non-travel related business lunches and dinners. Spouse's meal expense may be allowed

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if protocol deems it common practice to attend. Proper substantiation includes listing everyone attending and the specific business purpose. The total cost must not exceed the limitations above.

## **8. TRAVEL EXPENSES**

As described earlier, travel expenses should be reasonable and appropriate given CU Medicine's mission and business principals and the specific rules and limitations established by the Internal Revenue Service for 501(c)3 organizations. In no circumstance should travel expenses be extravagant or of a luxury nature in the specific travel circumstances being planned.

- **8.01 Air Travel**

Travelers are expected to select the least costly direct air route, considering advance purchase rates and airline discounts that realistically meet scheduling needs. Air transportation is reimbursable at coach or economy rates only unless unavailable. Upgrades at the expense of the company are not permitted; however, upgrades are allowed at the traveler's personal expense and are the sole responsibility of the traveler. In unique situations when a travel upgrade is required, an Upgrade Air Transportation Request Form must be completed and approved by the Department Chair and one of the individuals listed here (CU Medicine Executive Director, Dean of the School of Medicine, CU Medicine Chief Financial Officer, Chief Operating Officer) in order to obtain reimbursement for the incremental cost.

In some instances lower cost travel may be available if the traveler includes a Saturday night stay or includes additional destinations in scheduling a trip without returning to their home in the interim. To determine whether these alternatives exist and would be acceptable from a planning and reimbursement perspective, the traveler should compare the total cost of the trip with the cost of a standard round trip ticket obtained from one of the approved travel agents below.

The purchase of airfare can be billed directly to CU Medicine if it is purchased through one of the authorized CU Medicine travel agencies listed below. When ordering tickets through these agencies, provide the agency with the AX account string and the purpose of the travel. The business purpose of the trip will also be stated on the agenda. The agency will bill CU Medicine directly and send the ticket and agenda to the passenger.

Individuals may purchase airline tickets on their own but cannot be reimbursed for these expenses until after the trip has taken place. The original passenger coupon portion of the airline ticket must be attached to the Travel Expense Report for reimbursement.

Custom Travel 350 Garfield St. Building A Denver, CO 80209 303-333-5471	Frosch Travel 535 15 <sup>th</sup> St. #250 Denver, CO 80202 303-595-0007
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- **8.02 Transportation**

Employees are expected to use the most economical and efficient mode of transportation appropriate under the circumstances.

Note: Limousines can only be used when the service costs are no more than other available ground transportation.

**8.2.1 Rental Cars**

The standard class of rental is an intermediate/mid-size vehicle. Rental of full size vehicles or SUVs should only be used to accommodate three or more people or when the intended use requires it. Rental of luxury or premium cars are not allowed unless obtained at no additional cost.

Collision and comprehensive insurance on the rental vehicle should be requested and is reimbursable. Personal accident insurance is not necessary and is not reimbursable.

Renting a Global Positioning System (GPS) is reimbursable if it is required due to complexity of official CU Medicine business travel, e.g., driving to multiple sites in an unfamiliar area. Business purpose and need must be clearly documented and justified when requesting reimbursement.

Receipts for gasoline are required to be submitted along with your rental car documents including an itemized receipt from the rental agency. Any personal use should be noted and deducted from the reimbursement.

Employees are personally liable for fines and penalties imposed for moving or parking law violations while operating rented vehicles. These fines and penalties are not reimbursable.

**8.2.2 Rental Car versus Personal Car Usage**

Employees traveling 100 miles or more roundtrip are allowed to rent a car based on the requirements stated in the [Rental Cars](#) section of this policy.

**8.2.3 Personal Car Use / Mileage Reimbursement**

Reimbursable miles are those driven in excess of the normal round-trip commute to an individual's primary work location. To help travelers calculate miles driven, see [www.mapquest.com](http://www.mapquest.com) or [www.maps.google.com](http://www.maps.google.com). Mileage for local travel should be detailed by listing visitation points, dates and purpose of the travel on the Travel Expense Report.

Employees may utilize personal cars for business travel when other transportation is unavailable or uneconomical. All employees are eligible for mileage reimbursement based on the current US Federal standard mileage rate (see [www.irs.gov](http://www.irs.gov)) when traveling on Company business in their own automobile. This mileage allowance covers all auto costs (e.g. gasoline, repairs, auto wear and tear, etc.). Reasonable parking and tolls are additional costs and are reimbursable.

Travelers utilizing private vehicles for company business are responsible for providing primary vehicle insurance coverage. The Company will not be responsible for damage of any kind to the employee's vehicle.

Employees are personally liable for fines and penalties imposed for moving or parking law violations while using a personal vehicle for business purposes. These fines and penalties are not reimbursable.

If a car is used for travel when air travel would have been more economical, mileage will be reimbursed up to the amount deemed reasonable and comparable to the cost for coach class airfare to the destination with a return trip. This cost must be acquired from an authorized travel agency denoting the cost for round trip airfare to the destination during the appropriate times of travel.

#### **8.2.4 Local Transportation**

Once the traveler has arrived at their destination, local transportation such as taxi, bus, subway, etc. can be used for business purposes. Any single trip totaling less than \$25 can be listed on the Travel Expense Report without further documentation. Any single trip that totals over \$25 must be supported by a receipt. Use of local transportation for personal use, such as sightseeing is not reimbursable.

- **8.03 Lodging**

Lodging expenses will be allowed for individuals when they are on company business at a distance from their usual place of work and a trip to/from their home at the beginning or end of the work day would be impossible, impractical, or not cost effective. The lodging reimbursement is limited to a reasonable standard, single room or commercial rate plus taxes and surcharges.

As described earlier, reasonable and appropriate rates should be sought for each travel destination. As a guide, consult the rates negotiated by and set for the federal government at <http://www.gsa.gov/portal/category/21287>. Although these rates may not be available to non-government travelers in all locations or at all times, it will serve as a useful benchmark in establishing the concept of reasonableness for particular cities and towns.

When travel is related to a conference, it is considered acceptable to stay in the hotel that is preferred or provided by the conference.

Extra charges such as tips, room service and meal costs should be itemized under appropriate categories. Itemized receipts for meals and room service are required for charges greater than \$25 that are included on the hotel bill.

If the individual occupies the room with his/her spouse or other non-CU Medicine persons at a double or higher rate, CU Medicine will reimburse the traveler for the single room rate only.



Hotel deposits can be paid prior to travel via an Accounts Payable Voucher. Documentation must be provided showing the event and the dates lodging is needed.

Travelers who arrange private lodging (staying with friends/family) can be reimbursed up to \$25 per day for associated costs. (No receipt required.)

- **8.04 Combined Business and Personal Travel**

Combined business and personal travel is acceptable when employees pay the incremental cost. The cost may not exceed the lowest available cost of a direct and uninterrupted route. If route is indirect or interrupted for personal convenience, any additional expenses will be the sole responsibility of the traveler. Only business-related cost of travel will be reimbursed. The calculation of lowest cost airfare must be obtained from the CU Medicine approved travel agent listed under the [Air Travel](#) section of this policy for the planned travel date.

Business trips should not be planned solely for the purpose of facilitating personal travel. Employees are responsible for fully documenting the allocation between personal and business expenses.

If travel is primarily for personal purpose and business objectives are accomplished, employees may be reimbursed only for expenses directly attributable to business. Basic transportation, lodging and other costs are not pro-ratable or reimbursable.

- **8.05 Spouse / Companion Travel**

The company will not reimburse travel and entertainment expenses incurred by a spouse or other individual accompanying an employee on business unless the spouse or companion is a company employee and on company related business.

- **8.06 Foreign Travel**

The same travel policies apply to foreign travel as have been established for domestic travel. Expenditures made in foreign currency must be reported in that currency. The travel expenditure must then be converted to U.S. dollars based upon the available published foreign exchange rate effective the date of processing at CU Medicine.

Under reasonable circumstances, a traveler can request approval for an upgrade to business or first class. An "Upgrade Air Transportation Request Form" must be completed and approved as described earlier before the purchase of the upgrade. This form must then be included in the expense report when reimbursement is requested.

Fees in connection with the issuance of passports, visas, traveler's checks, photographs for passports and visas and charges for inoculations are reimbursable if required for authorized CU Medicine travel.

- **8.07 Other Travel Expenses**

- Telephone, Internet & Fax charges: Reimbursable if for official CU Medicine business. The business nature must be stated when requesting reimbursement. One personal call home is reimbursable for every 24-hour period. The calls must be reasonable in length.
- Laundry and dry cleaning: Reimbursable if business trip lasts more than 7 consecutive days. Laundry or dry cleaning services not listed on the hotel invoice require a receipt for documentation.
- Parking fees and toll charges: Reimbursable when it is a necessary part of the trip.
- Tips: Travelers can be reimbursed for reasonable tips given under appropriate circumstances. The tips cannot exceed 20% of actual service or goods charge.
- Personal expenses: Expenses incurred for traveler's personal benefit – e.g., magazines, athletic club fees, mini-bar charges unless treated as an actual meal, movie rentals, and other entertainment – are not reimbursable.

## **9. NON-EMPLOYEE, NON-MEMBER TRAVEL**

Travel under the following situations is subject to all of the policies and procedures previously established for employee travel unless otherwise noted.

### **9.1 Prospective Employees**

Individuals brought to CU Medicine or the University of Colorado School of Medicine for possible employment may be reimbursed for the expenses they incur for the interview and any travel related expenses. A notation on the Accounts Payable Voucher or Travel Expense Report must include that expenses are for recruitment and the position for which they are being recruited. See more discussion in the Accounts Payable Policy-Recruiting & Relocation. Expenses incurred as an employee candidate are not reportable on the IRS Form 1099-MISC for Miscellaneous Income.

Once an individual has been hired, any expenses related to house hunting or relocation must be processed through the employing institution, thus CU Medicine will only reimburse for CU Medicine employees. Employees hired through the University must process this expense through the University; however a Department can still access their CU Medicine funds for this expense by utilizing the appropriate University Fund 80 account. Reimbursed expenses subject to taxation will be reported on the employee's W2. The individuals' current address and social security number must be on the reimbursement voucher.

Each department must authorize travel that includes a spouse, either for recruitment or relocation purposes. The director of the department should note what expenses are authorized, i.e. airfare and lodging only, meals, etc.

### **9.2 Honorariums/Consultants**

An honorarium generally is paid for services rendered where the primary intent is to confer distinction on an individual or to symbolize respect, esteem, or admiration for the recipient. A consulting fee generally is payment where the primary intent is to pay for services rendered. For payment of an honorarium or consulting services, refer to the Accounts Payable Policy-Purchased Services.

Travel expenses associated with these two types of payments are reimbursable at actual cost,

excluding personal expenses. The procedures for reimbursement are via an Accounts Payable Voucher. A social security number and home address are required on the voucher before payment can be issued. Reimbursement or payment to a foreign citizen must be processed through the University of Colorado. Commonly, the honorarium or consulting fee established is intended to cover the incurred travel expenses. All such payments should be charged to the honorarium or consulting expense classification and not travel.

Honorarium and consulting payments will be reported to the Internal Revenue Service (IRS) via a Form 1099-MISC for Miscellaneous income.

### **9.3 Other Non-Employee, Non-Member Travel**

Travel expenses of those functioning as employees, even though salary or wages are not paid, or a legal employee-employer relationship does not exist, are subject to the standard CU Medicine domestic and foreign travel policies and procedures. Included in this category are adjunct, associates, or affiliated appointments, holders of fellowship or traineeships, students that are asked to perform a non-local service for CU Medicine (although no compensation is involved).

## **10. CELL PHONE USAGE**

CU Medicine will reimburse an individual for business use of their personal cell phone. See the Accounts Payable Policy for explanation on how to calculate the appropriate reimbursement amount.