

BUSINESS EXPENSE MANUAL

Maintained by Payroll and Travel Services in accordance with the Business Expense Policy number 3-19 from the Manual of University Policies, Procedures and Guidelines found at https://www.cmich.edu/office_president/general_counsel/Pages/policies.aspx

Central Michigan University is considered a public body under Michigan's Freedom of Information Act (Act). Records of business expenses/purchases may be considered "public records" under the Act and so are likely to be subject to disclosure should the University receive a FOIA request for such records. The Office of General Counsel handles all FOIA requests and determines if records are responsive in accordance with the provisions of the Act.

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GENERAL POLICY

a) **Eligibility**

All employees, graduate students and undergraduate students employed by the university or representing the university in intercollegiate athletics, scholastic or music competitions and other sanctioned university events are eligible to travel and be reimbursed for legitimate CMU business expenses.

b) **Limits and Expectations**

i) Expenses

- (1) The university has limited resources to accomplish its mission of teaching, research and service. The university is held accountable by the people of the State of Michigan for economical and effective use of its resources. Responsible discretion and judgment should always be used for expending university funds.
- (2) Some employees are responsible for paying travel/entertainment related costs or purchasing supplies and equipment. Use of the CMU Business Credit Card is encouraged, whenever possible. Any employee that requires personal reimbursement must submit a CMU Business Card Reconciliation Form (if a cardholder) or an Employee Reimbursement Voucher (if not a cardholder). Reimbursements for business expenses may only be submitted once a month.
- (3) Personal reimbursement is limited to actual business expenses while traveling for the university based upon current university policies unless there is a maximum allowance for a specific expense, or there is a reimbursement limit established by the department covering the expenses. Additional costs resulting from personal travel will not be reimbursed.
- (4) If an expense is not allowable, the amount will be subtracted from the voucher (non-cardholders) or deducted from an employees' pay (cardholders). If expenses are not properly documented, the employee may either be contacted or the voucher returned to the employee for proper documentation.

ii) Someone administratively senior to the employee/university representative must sign the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form/Student and Non-Employee Travel Reimbursement Voucher.

iii) Unless subject to federal, state or local regulations, exceptions to expense policies can be made as follows; Payroll and Travel Services has the ability to grant exceptions for expenses less than \$250; if deemed necessary exception will be forwarded onto the Vice President (who reports directly to the President) or designee for approval. Exceptions for expenses greater than \$250 must be made by the appropriate Vice President (who reports directly to the President) or designee. The documentation must state the expense is an exception to the policy and the VP or designee must confirm they are approving the exception.

- (1) Designee; Each Vice President (who reports directly to the President) has the ability to authorize up to two Senior Officers to act on their behalf and approve exceptions and provide authorization for expense requiring additional approval. A list of the designees will be kept on file with Payroll and Travel Services.

iv) Sponsored programs may have expenditure and reimbursement limitations in addition to CMU policy and procedures. When incurring an expense using sponsored program accounts, contact the Office of Research and Graduate Studies at 774-6777 for allowable cost information related to a specific sponsored program.

v) All university employees follow the same policies in general but each department may have more restrictive guidelines. Employees need to be familiar with university policies as listed in this manual as well as department policies.

c) **CMU Business Credit Card**

The CMU Business Credit Card is an optional program designed to make purchasing by departments more convenient.

- i) Any university employee, approved by someone administratively senior to the employee, with responsibility for traveling on university business, entertaining guests and/or purchasing supplies or equipment is eligible to apply for the CMU Business Credit Card. Applications are available at the [Financial Services Forms website](#).
- ii) The CMU Business Credit Card is for business expenses only.
- iii) CMU employees are encouraged to contact Payroll and Travel Services, located in Warriner Hall 204, 774-3481 to inquire about the CMU Business Credit Card program.
- iv) To receive a CMU Business Credit Card, applicants must complete an application and, once approved, attend the CMU Business and Expense Training.

d) **Payroll and Travel Services**

Employees with questions concerning business expense policies, expense documentation or reimbursement procedures may contact the Travel Clerk in Payroll and Travel Services at 774-3525.

CMU business expense information is also available at the Travel website. Employees may also download the CMU Business Credit Card Reconciliation Form, the Employee Reimbursement Voucher and the Entertainment/Hosting Activities Supplemental Form from the web page.

Global Campus employees follow the same policies in general but may have more restrictive guidelines. Employees with questions concerning reimbursements should contact the Global Campus Office at 774-6944.

TRAVEL

a) **Transportation**

When traveling for the university, the most economical mode of transportation should be used. Employees should discuss travel plans with their department and determine the preferred method of transportation. Employees may be asked to provide documentation showing that their chosen method of transportation was the most cost-effective.

- i) Common Carrier (air, train, bus)
 - (1) All transportation should be at the lowest economy, coach or tourist class rates. When choosing a common carrier, time en route may be a factor in planning for the most economical form of travel.
 - (2) The itemized receipt should be provided with the reimbursement request or business credit card reconciliation form. The itemized receipt must include the passenger name, payment amount and method, ticket/confirmation number, class of service, origin and destination location and dates of travel.
 - (3) Employees are NOT required to accept 100% non-refundable tickets as a condition for meeting the lowest fares. The university will not reimburse for air travel insurance and other personal trip insurance.
 - (4) All airline coach/economy seating for which an additional fee is charged (e.g., preferred, comfort seating, exit row) is not reimbursable.
 - (a) CMU wants its employees to fly without worry of being “bumped” from flights for which they have reserved and paid for tickets. Certain airlines require travelers to pay a fee to reserve coach/economy seats or for priority boarding. Such fees are reimbursable.

- (5) Optimum pricing of airfare is typically offered 14—120 days prior to departure; therefore, employees should purchase airfare within this time frame.
- (6) Most airlines are now charging for luggage and for curbside check-in. In the event there is a charge, the university will cover one piece of luggage at or below the standard weight. Additional pieces of luggage or charges incurred for excess weight will not be reimbursed unless an appropriate business purpose explanation is approved by Payroll and Travel Services.
- (7) Travelers may travel on weekends, utilizing excursion fares, if the cost savings exceed the additional lodging and per diem costs. Document cost savings on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form by providing documentation showing what the transportation would have cost without travel on weekends.
- (8) When changes in travel plans require either cancellation or revision of reservations, alternate arrangements may be made. Please explain changes on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
- (9) Refundable tickets should be returned immediately to the airline or travel agency for the refund to be processed. Amounts refunded must be returned to the account in which the funds were originally disbursed. Credits issued for cancelled tickets must be used for future business travel. They may not be used for personal travel. Questions should be directed to Payroll and Travel Services at 774-3525.

(10) Airfare Reimbursement Prior to Travel

To encourage and assist employees in purchasing discount air fares, use of the CMU Business Credit Card is recommended. Employees are not reimbursed in advance for airfare and are limited to one reimbursement per month.

ii) Personal Vehicle

- (1) The university does not have insurance coverage for physical damage to employees' personal vehicles resulting from an accident. Employees using their personal vehicles for university business are reminded they do so at their own risk. For more information, call Risk Management, 774-3741.
- (2) Reimbursements for transportation by the employee's personal vehicle are generally authorized for in-state travel, travel in the vicinity of the approved travel destination or when one of the following situations occurs. In all situations below, the cost must not exceed the cost of round-trip economy airfare, ground transportation and vicinity mileage. The situation should be documented on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
 - (a) Common carrier services (air, train, bus) are not available without undue loss of time.
 - (b) Multiple employees are traveling together and it is more economical to drive.
 - (c) Use of a car will permit the traveler to perform his/her duties more effectively.
 - (d) It will cost the university no more than common carrier (i.e., lowest available discount airfare). Documentation must be provided when requesting reimbursement showing that use of a personal vehicle would cost less than the lowest available discount airfare. The employee must provide documentation showing the current rate of airfare to travel to the destination as well as any additional expense incurred when flying.

- (3) Travel using the employee's personal vehicle will be reimbursed at the current established university mileage rate per official map based on the Rand McNally Standard Highway Mileage Guide.
 - (a) For your convenience, use the [official mileage table](#)
 - (b) The location leaving from, such as office, city and state; the location driven to, such as office, city and state; and the total number of miles driven should be noted on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
 - (c) Actual mileage will be reimbursed. The mileage reimbursed cannot exceed the mileage from the place of employment to the destination. Travel from home to your regular place of business is considered commuting and it is not reimbursable. Employees working from multiple locations must have a primary office location which is determined by the supervisor.
 - (i) In the event the employee works out of their home and this is considered their official office location, the mileage reimbursed cannot exceed the mileage from the home to the destination. Home address should be indicated on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
 - (4) Vicinity mileage is an allowable expense when driving is required within the vicinity of the original destination.
 - (a) Requests for reimbursement of actual mileage driven within a given city or surrounding areas must be completely documented on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form for each day vicinity mileage was driven.
 - (b) Undocumented requests will be subject to the maximum university allowance of the round trip for one car.
 - (5) Travelers using more than one car, where one would be sufficient, may receive a proportionate share of the reimbursement for one car.
 - (6) Expenses for insurance, gasoline, repairs, towing, etc. are included in the mileage allowance. Expenses for parking, storage, tolls and ferries are separate reimbursable expenses.
- iii) Rented Vehicles
- (1) Under certain circumstances, the use of a rental car may be necessary:
 - (a) The university has agreements with rental car agencies that give a discount to employees for business travel. Employees are encouraged to contact Contracting and Purchasing Services, 774-3048 or visit their [website](#) prior to making reservations.
 - (b) Rental cars should be economy/compact class whenever available.
 - (c) When traveling in groups, sharing of cars is required to minimize costs.
 - (d) The use of 15 passenger vans is not an acceptable mode of travel for CMU business purposes (including class trips, intercollegiate sports, academic trips, research travel, etc.).
 - (e) University-owned, rented or leased vehicles may not be used by Student Clubs / Sports Clubs and/or Registered Student Organizations (RSO's).

- (2) Coverage details are available on Risk Management's website www.cmich.edu/rm.

Any vehicle rented for business use must have Physical Damage (collision) Insurance (CDW/LDW). Your options are:

1. Paying with a CMU Business Credit Card. Additional information is provided in section 3.
2. Insurance through a personal credit card. Employees are advised to contact their credit card company regarding available auto rental insurance.
3. Purchase insurance through the Rental/Leasing Agency if option 1 and 2 are not available. Please be advised there may be times when collision insurance (CDW/LDW) is already included in a bundled rate.

CMU will only cover Physical Damage (collision) Insurance (CDW/LDW). Additional liability and other personal insurance are non-reimbursable.

- (3) Auto Rental Collision Damage Waiver coverage (CDW and LDW) is available for employees who use their CMU Business Credit Card to rent vehicles. You are encouraged to review the [Auto Rental Collision Damage Waiver](#) prior to renting a vehicle to be familiar with the terms and conditions.

When paying with a CMU Business Credit Card, you must decline the collision damage waiver coverage (CDW/LDW). Coverage is available to the enrolled cardholder and named additional driver. Vehicles and minivans designed to accommodate 8 or fewer passengers are covered.

Because regulations vary outside the United States, we recommend you call the 800 number on the back of the card before you travel to verify the Visa Auto Rental CDW coverage will apply.

The coverage does not apply to vans or cargo vehicles. Coverage details are available on Risk Management website www.cmich.edu/rm.

If an accident occurs with an automobile rented with a CMU Business Credit Card, the claim should be reported to credit card claims department using the 800 number on the back of the card.

- (4) The employee must list car rental expenses on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form and must include the original customer copy of the rental voucher/agreement showing the amount paid.

iv) Taxi and Other Ground Transportation

Taxi, shuttle, bus or limousine services incurred in connection with business expenses are allowable.

v) Air Charter Service

Air charter service may be authorized when it reduces travel costs and travel time. Due to potential liability concerns and contractual issues, all air charter services must be handled through Contracting and Purchasing Services. Contracting for air service is handled in the following manner.

- (1) Departments requiring air charter services will initiate their request by forwarding a purchase requisition to Contracting and Purchasing Services. The requisition should include in the description portion:
 - (a) Individuals who will be traveling
 - (b) The departure and destination cities
 - (c) Beginning and ending travel dates

- (d) Departure and arrival times for both directions
 - (e) Any other specific information that the department wants Contracting and Purchasing Services to include when negotiating the air charter service contract
- (2) Contracting and Purchasing Services will follow standard procurement policies related to travel. That is, it will obtain competitive prices and then contact the department with scheduling information prior to contracting with the air charter service.

b) Non-employee Travel

Non-employees, such as students, guest speakers or candidates for faculty or staff positions, invited to the university or asked to travel for the university may request personal reimbursement for travel expenses. The administrator responsible for the cost center reimbursing the expenses must approve non-employee travel. One of the following options may be utilized when processing non-employee travel arrangements:

- i) The traveler may process and pay for his/her travel arrangements.
 - (1) The traveler should provide original itemized receipts to the CMU departmental representative reimbursing the traveler.
 - (2) The department should complete a Student and Non-Employee Travel Reimbursement Voucher according to university policy requesting reimbursement to the traveler and submit it to the Payable Accounting Office, Warriner Hall 302.
 - (3) In the event expenses are not properly substantiated, (i.e., original receipts are not provided) the reimbursements will be treated as taxable income. A 1099-MISC form will be produced for unsubstantiated travel reimbursements when the reimbursements aggregate at least \$600.00 for the calendar year. If no receipts are provided the travel will not be reimbursed.
 - (a) The traveler's full name and permanent address are required information and must be provided on the Student and Non-Employee Travel Reimbursement Voucher prior to processing reimbursement for unsubstantiated travel expenses.
- ii) A CMU employee may process travel arrangements for the non-employee traveler, charging the expenses to the employee's CMU Business Credit Card. The employee may seek reimbursement according to university policies if the expenses were paid for out of pocket.

c) **International Travel**

- i) All international travel (excluding Faculty Led Study Abroad Programs and Volunteer Center Programs) must be approved by the appropriate Vice President or designee prior to making any travel arrangements.
- ii) All travel policies must be adhered to while traveling abroad.
- iii) Rate of exchange

Employees traveling outside the United States must submit information on exchange rates for that time of travel. Note the current rate of exchange on the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.

iv) **Meals and Incidental Expenses**

If you are traveling outside of the United States, the per diem rates listed on the [US Department of State](#) website can be used if permitted by your department. Under the Current and Prior Year Rates, select Foreign Per Diem Rates by Location. Then select the correct country from the drop down list. Click from the Previous Rates drop down list for the correct date of travel. The M & IE Column show the maximum per diem amount. Meals and incidental expenses will be reimbursed at the lesser of actual cost or the maximum allowance. Incidental expenses include: fees and tips for porters, baggage carriers, bellhops, hotel room attendants, service attendants and others on ships, and hotel employees in foreign countries, etc.

v) **Extended Travel**

If foreign travel is over 45 days or is part of the international study abroad programs, see the Travel Advance section. (page 17)

vi) **Miscellaneous Expenses that are covered for international travel include;**

- (1) Fees for conversion of foreign currency
- (2) Passport and/visa fees
- (3) Costs of photographs for passports and visas
- (4) Foreign country entry/exit fees
- (5) Fees for required vaccinations

d) **Lodging**

- i) Actual lodging costs are reimbursed for each day of lodging away from home that is required or approved for university business purposes.
- ii) Lodging accommodations should be the single room rate. Employees will receive reimbursement equal to the single room rate when staying in a room costing more than the single room rate and when the other person/s in the room are not employees.
- iii) The original itemized receipt showing itemized charges must be submitted with the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form. Employees must list anyone that is lodging with them in their documentation.
- iv) When a CMU employee is traveling on university business and chooses to lodge with friends or family instead of at a hotel, it is permitted for that employee to purchase dinner(s) for the host(ess) as long as the cost is less than the cost of the lodging and not more than \$40 per person.

- v) CMU Business Credit Card policy permits cardholders to only charge airfare or conference fees for fellow CMU employees. If one employee pays for all travelers' lodging costs from his/her personal credit card account, that employee should list the employees on his or her documentation and submit the total amount and receipt.

Employees are responsible for paying for their own lodging or lodging for students. Employees are permitted to pay for fellow CMU employees lodging on their CMU Business Credit Card IF lodging is paid in full prior to the trip. No incidental expenses for the fellow employees are allowed to be added to that lodging expense during or after the trip. Cardholders are responsible for all incidentals charged to their credit card.

- vi) In limited circumstances, lodging and business meals (within per diem) for large groups may be charged to one employee's business card. This is only allowable for candidate search committees, set up crews for out of town events put on by University Events, theater/performing groups and Gear Up when traveling with large numbers of young children and chaperones. This does not include business conference travel and requires prior approval from Payroll and Travel Services.
- vii) Due to potential liability concerns and contractual issues, the rental of condos, houses or rooms in private residences must be handled through Contracting and Purchasing Services.
- viii) When employees share a hotel room and each employee pays for his or her portion, each employee should request individual receipts.

TRAVEL MEALS, BUSINESS MEALS/ENTERTAINMENT ACTIVITIES

a) General Information

- i) University programs and activities should be held at university facilities or public venues whenever possible. For on campus catered functions, Campus Dining shall be utilized. While meals and other activities may take place off campus, use of campus facilities is strongly encouraged. Due to potential liability concerns, employees should contact Risk Management, 774-3741, when considering holding events at their home.
- ii) Employee participation in university business functions should be limited to those persons required to conduct business. Expenses should be reasonable.
- iii) Business functions may be held in other cities.
- iv) Expenses for business meals, business meetings and entertainment activities should be paid on a CMU Business Credit Card whenever possible or can be reimbursed at cost when supported by original itemized receipts for each expenditure. When submitting these expenses an Entertainment/Hosting Activities Supplement must provide documentation of the date, item, place (city/state), firm/guest, business relationships and purpose. This must be attached to an Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
- v) Reimbursements for alcohol consumed on campus, at locations other than approved areas, will not be approved for payment. Approved areas include Bovee University Center, the President's residence or locations as designated by the President. The purchase of alcohol is allowed for business meetings, development events and activities funded from ticket sales (Lem Tucker, golf outings, fundraisers). Alcohol (including any sales tax that was charged) may not be purchased from any general fund or sponsored program account (i.e., 1xxxx; 2xxxx; 3xxxx; 6xxxx; 7xxxx, 6xxxxx (WBS)).

b) **Travel Meals**

i) Per Diems

Meals taken by employees while traveling on university business away from home are reimbursable on a per diem basis. Meals and associated tips will be reimbursed at actual cost or the maximum allowance, whichever is less. Receipts are not required. See the [meal per diem chart](#) for reimbursement rates.

ii) Times

To claim and be reimbursed for the cost of meals the employee must be traveling on university business away from home before and after the following times: Breakfast 7:00am to 8:30am; Lunch 11:30am to 2:00pm; and Dinner 5:30pm to 7:00pm.

iii) Taxable Meals

Meals not accompanied by an overnight stay are taxable and will be included in the employee's taxable income.

iv) Conference Meals

Conference meals that are not included in the conference fee but are preset and exceed the established maximum allowance will be reimbursed at cost. A receipt or copy of the program indicating the cost of the meal is required.

c) **Business Meals/ Entertainment Activities**

- i) When it is in the best interest of the university, reasonable entertainment expenses are reimbursable when they are documented appropriately and authorized by the appropriate account administrator and/or a senior administrator as noted below. Examples of such functions may include appreciation or holiday parties, receptions, dinners and luncheons. See details below for criteria of specific events.

When it is in the best interest of the university, business meals may be purchased for customers, vendors and others with whom the university has business dealings. (Examples of such situations include, but are not limited to, recruiting meals, potential donor meals, visiting speakers, and committee meetings.) Expenses for business meals are reimbursable at cost when supported by original itemized receipts for each expenditure.

- ii) The cost of meals, where only CMU employees are present, are generally not permitted. In situations where employees from multiple campus units can only meet during a meal period it is permissible to charge the cost of the meal to university funds. Good judgment should be used when expending university funds in this manner. Original itemized receipts are required.

(1) The meal per diem policy is in effect while traveling. Consequently, a meal involving only employees traveling together may not be claimed as a business meal at actual cost, unless the cost is less than the individual per diem amount.

- iii) A college or administrative division may host a reception for the purpose of meeting new faculty and staff members. Spouses or significant others may be invited to this type of reception.
- iv) A college or administrative division may hold ceremonial receptions for the general public. Such receptions may include the opening of a new building, the unveiling of artwork, etc.

- v) Holiday functions are permitted. The cost of such functions must be reasonable (normally, less than \$20 per person) and may not be charged against any general fund or sponsored program account (i.e., 1xxxx; 2xxxx; 3xxxx; 6xxxx; 7xxxx, 6xxxxx (WBS)). It is permissible to include spouses or other eligible individuals (OEI) in these events.

- vi) Retirement/Separation Receptions

Departments may host a reception for employees retiring or separating from the university (one per employee). This does not include events for employees that are transferring departments within the university. Reasonable expenditures, under \$250, are permitted. Events costing in excess of \$250 must have prior approval of the appropriate Vice President or designee.

- vii) Departmental Appreciation Events

A department may hold events during the year to show appreciation for employee efforts. The cost of the event should be reasonable (normally, less than \$20 per person). Spouses or other eligible individuals (OEI) may be invited to appreciation events. The appropriate Vice President or Dean must approve all employee appreciation events.

- viii) Department/Staff Retreats, Workshops and Staff Meetings

Campus facilities should be used whenever possible. Beverages/refreshments (coffee, juice, soda, donuts, bagels, cookies, fruit, etc.) for retreats, workshops and staff meetings are permissible when occasional or unusual in frequency. Providing refreshments at a weekly or monthly staff meeting is not normally appropriate and potentially taxable. Meals may be provided when appropriate for the time and duration of the event (normally, less than \$20 per person). Spouses or other eligible individuals (OEI) expenses are not acceptable at department retreats. Any event held off campus including an overnight stay must have an itinerary and prior approval of the appropriate Vice President or Dean.

- ix) Beverages/Food Items

Supplies of coffee, water, soda, and juice may be purchased and provided to university guests and employees. Beverages and food items may not be provided to employees on a routine basis.

- x) Meal expenditures related to spouse (or other eligible individuals (OEI)) involvement in development activities, athlete recruitment and employment interviews are permitted when university guest has corresponding spouse (or other eligible individuals (OEI)) in attendance. Expenditures for spouse (or other eligible individuals (OEI)) travel (meals, airfare, etc.) are not permitted. The appropriate Vice President or designee must approve exceptions to the spouse travel policy in advance, unless there is no additional cost.

CONFERENCE/WORKSHOPS

Fees should be paid in advance whenever possible on a CMU Business Credit Card. The name of the conference, the dates and location must be attached to the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.

PHONE CALLS

a) Cellular Telephones

In some instances the use of a cell phone is essential to the ability of an employee to meet the demands of his/her job at the university. In such cases, the employee may request a phone from the appropriate cost center manager. Simple convenience is not a criterion for such expenses. Expenses may be authorized if at least one of the following criteria is met:

- i) The job function of the employee (during normal working hours) requires considerable time outside of the assigned office or work area and it is important to the university that the employee is accessible during this time.
- ii) The job function of the employee requires them to be accessible outside of the scheduled or normal working hours (while at home, out of town, etc).

With appropriate business need and departmental approval, allowances for cell phone service will be added to the employee's pay, paid bi-weekly or semi-monthly based on their pay cycle. This allowance does not increase the employee's base salary and will not be included in the calculation of any university benefits. This allowance is subject to all applicable taxes. The original completed [Cell Phone Allowance Agreement](#) must be kept on file in the employee's department and a copy sent to Payroll and Travel Services, WA 204. The policy can be found [here](#).

A Q & A page to help answer some of the questions can be viewed on the [Financial Services website](#).

b) Business Calls

Properly documented business calls (name of person called and business reason for the call) will be fully reimbursed. When traveling abroad, business related international calls will be reimbursed at actual cost. Proper documentation is required regardless of the billing method used.

c) Personal Calls

In general, personal telephone calls will not be reimbursed. If an international business trip exceeds six days, personal telephone calls (limited to \$10.00 for each subsequent seven-day period) may be reimbursed.

TIPS

a) **Baggage Tips**

Tips for handling baggage (whether at the airport, hotel, etc.) should not exceed \$10.00 for the first day and \$10.00 for the last day of each occupancy/lodging venue.

b) **Housekeeping Tips**

Housekeeping tips should not exceed \$5.00 per night per room.

NON-REIMBURSABLE EXPENSES

It is the university's policy to reimburse the employee for all reasonable and necessary expenses incurred in transacting the business of the university; however, there are specific types of expenses which are considered to be of a truly personal nature and are non-allowable including but not limited to:

a) **Air travel insurance and other personal trip insurance**

b) **Entertainment expenses (such as airline headsets, movies and sporting events) for the employees while traveling, unless incurred providing reasonable entertainment for customers or others.**

c) **Repairs, maintenance or insurance on personal cars**

d) **Theater, golf or other personal amusements**

e) **Traffic fines, parking tickets and court costs**

f) **Graduation apparel**

The rental of caps and gowns for faculty and staff who are participating in CMU commencement ceremonies is permitted. Graduation apparel must be rented at the CMU Bookstore located in the University Center. The cost must be charged to a CMU departmental account at the time of renting.

g) **Laundry/dry cleaning**

h) **Employee's share of CMU parking costs**

i) **CMU Sponsored Events**

During the course of the year, campus departments sponsor a variety of fund-raising activities, e.g. Lem Tucker, Opus. University funds may be used to purchase tickets for guests when an appropriate business purpose exists, e.g. development efforts. While faculty and staff participation is encouraged and appreciated, it is generally not appropriate to purchase tickets for employees (or family members) with university funds. Questions should be directed to Payroll and Travel Services at 774-3525.

j) **Charitable Contributions**

As a part of the State of Michigan, governed by the Michigan State Constitution, Central Michigan University is not permitted to give charitable contributions/donations to any person or organization. If you are interested in sponsoring an event, please see "sponsorships" on page 16.

OTHER REIMBURSABLE EXPENSES

a) **Flowers/Plants**

The purchase of funeral flowers is permitted. The Office of Student Affairs will purchase flowers for the funerals of students. A supervisor within the individuals department may purchase flowers for funerals of faculty/staff and their spouse, other eligible individuals (OEI) and children/step-children/children of OEI. An employee reimbursement voucher should be completed and signed by someone administratively senior in order to receive reimbursement.

Flowers/plants may not be purchased for individual faculty, staff or students for any reason other than funerals (as outlined above). Flowers/plants may not be purchased for decorations for offices of individuals or the events held at a personal residence.

Flowers/plants may be purchased as part of a development effort. The appropriate development officer and/or Dean must approve these purchases.

Flowers/plants may be purchased for decorations at university events open to the public. Examples include commencement, the all university retirement reception, campus award ceremonies, homecoming, conferences and other special events.

b) **Gifts, Gift Cards and Prizes**

Gifts and prizes include cash payments, gift cards, and non-cash gifts paid for with university funds. Gifts and prizes may only be purchased for specific purposes and must be distributed within 30 days of purchase. They may not be purchased in bulk and set aside for future use.

It may be appropriate to purchase gifts for visitors to CMU, e.g., international visitors, volunteers, speakers, guests. The cost of any gift must be modest (normally, less than \$50 per individual). Gifts of more than \$250.00 are not allowed. Gifts (regardless of value) may not be purchased for students, employees or members of their immediate families.

Gifts may be purchased for donors as part of a development activity. The appropriate development officer and/or Dean must approve these purchases.

Prizes are allowed for organized contests and drawings, department surveys, etc. The cost of any prize must be modest (normally, less than \$50 per individual). Some prizes given to employees are reportable as taxable income. Some prizes awarded to students (who are not employees) are required to be reported to the Scholarships and Financial Aid Office. If questions, call Payroll and Travel Services.

For gifts or prizes, the name, value and business purpose needs to be reported to Payroll and Travel Services as part of the monthly reconciliation/documentation process. Any gift or prize given to non-university recipients with a value of more than \$50 will need to complete IRS Form W-9 Request for Taxpayer Identification Number and Certification. Departments must also get a statement signed and dated by the recipient stating the amount of the gift they received. The forms must be submitted to Payroll and Travel Services as part of the monthly reconciliation/documentation process.

Payment for research participation approved through the IRB is not considered a gift. For more information, please see the policy and procedure titled [Payments to Research Subjects](#).

Plaques, service awards, departmental apparel or other similar promotional items are not considered gifts for purposes of this policy. Any college, department or unit purchasing apparel for employees must have a university approved CMU logo AND its college, department or unit name imprinted on the apparel. Acceptable documentation must include receipts for purchase of apparel and imprinting costs.

c) **Marketing/Promotional Items**

CMU marketing/promotional materials (pens, mugs, etc.) of nominal value (normally, less than \$10) may be purchased under this policy in appropriate quantities for distribution to potential students, donors, customers, etc. . Any college, department or unit purchasing apparel for employees must have a university approved CMU logo AND its college, department or unit name imprinted on the apparel. Acceptable documentation must include receipts for purchase of apparel and imprinting costs.

d) **Holiday Cards and Decorations**

The purchase of holiday cards and decorations must be directly related to development activities.

e) **Sponsorships**

Sponsorships or underwriting are only permissible if given in exchange for consideration (e.g. advertising or services) and must be approved in advance by the appropriate Vice President or designee. Due to the difficulty of determining fair market value and the potential public criticism for this type of activity, departments are expected to carefully review these expenditures.

f) **Gas Cards**

Gas cards are only allowed to be used for CMU owned vehicles. Employees must contact Contracting and Purchasing Services, 774-3118, to obtain a gas card.

CASH ADVANCES

a) **CMU Business Credit Card Cash Advances**

i) General Information

- (1) Although the use of the CMU Business Credit Card substantially reduces the need for travel/entertainment advance funds, cash advances are available to CMU Business Credit Cardholders for travel and entertainment-related expenses. Cash advances can be obtained at the Cashiers Office in the Student Service Court, Bovee University Center.
- (2) The advances will be billed to the cardholder's CMU Business Credit Card.

ii) Obtaining an Advance

- (1) Cash advances may be obtained by presenting the CMU Business Credit Card to the Cashier's Office personnel in the Student Service Court, Bovee University Center 119. Office hours are 9:00am to 5:00pm on Monday, 8:00am to 5:00pm, Tuesday through Friday, 774-3618.
- (2) Cash advances may be obtained up to \$200 per trip. Any exceptions to this limit must be approved by Payroll and Travel Services.
- (3) Cash advance requests exceeding \$2,500 require a minimum three days' notice to the Cashier's Office to assure cash availability.

iii) Reporting Cash Advances

- (1) All Business Credit Card cash advances are billed to the cardholder's monthly credit card statement and are the responsibility of the cardholder to document business details on the appropriate Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.

- (2) A CMU Business Credit Card Reconciliation Form, substantiating the cash advance, should be completed and submitted to Payroll and Travel Services when the advance appears on their monthly bank statement.

b) Travel Advances

i) Qualifications

- (1) Employees may qualify for a travel advance if traveling more than 45 consecutive days or traveling outside the United States. Faculty Personnel Services - Warriner Hall 308 or Human Resources – Rowe 109, must approve the advance.
- (2) Employees traveling to other countries as a result of study abroad programs may qualify for a travel advance. The Office of Study Abroad, Ronan Hall 330, must approve the advance.

ii) Expectations

- (1) The travel advance amount will be no more than the amount of the estimated travel expenses.
- (2) Allow sufficient time to request a travel advance (as early as four weeks).

iii) Obtaining a Travel Advance

- (1) Submit the completed invoice voucher to the appropriate office (see qualifications above) that will determine if the employee qualifies. Employees must provide a breakdown indicating the purpose/use of the travel advance (i.e. \$200 transportation, \$500 meals, etc.).
- (2) Qualified vouchers are forwarded to Payroll and Travel Services, Warriner Hall 204, for processing.
 - (a) Allow sufficient time for an ACH payment to be issued (normally seven working days).
 - (b) ACH payments for travel advances will not be issued to a traveler more than 21 days prior to the departure date of travel.

iv) Substantiation of Travel Advance

- (1) Upon returning from the extended travel, the employee must submit the appropriate documentation to support the estimated travel expenses:
 - (a) Documentation should be submitted on a completed Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.
 - (b) The Employee Reimbursement Voucher/Business Credit Card Reconciliation Form should reference receipt of a travel advance and indicate the amount to be subtracted from the total reimbursed.
 - (c) Additional documented expenses that exceed the travel advance amount may be reimbursed to the employee within travel policies if authorized by someone administratively senior to the employee.
 - (d) Unused or undocumented travel advance funds will be deposited by the employee into the cost center originally charged for the travel advance or payroll deducted for CMU Business Credit Cardholders. Attach proof of deposit to documentation.
- (2) If the employee fails to submit the appropriate documentation within 5 weeks from the return date of travel, the amount advanced will be reported as taxable income on the employee's W-2 form. The amount will be reported the same calendar year in which the travel ends. Reimbursements for future travel will be withheld until proper documentation is submitted.

BUSINESS EXPENSE REPORTING

a) General Information

- i) University policy on documentation of business expenses is intended to satisfy the responsibilities of all university employees and comply with Internal Revenue Service guidelines. Proper completion of the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form and supporting documents will provide adequate documentation. See the Employee Reimbursement Voucher/Business Credit Card Reconciliation Form instructions at [Financial Services Forms](#) for requirements.
- ii) The IRS requires documentation of date, item, place [city/state], firm/guest business relationships and purpose, and must be substantiated with original itemized receipts, when applicable.
- iii) Inadequately documented vouchers/forms will be returned to the employee for additional information.
- iv) If an expense is not allowable, the amount will be subtracted from the voucher (non-cardholders) or deducted from an employee's pay (cardholders). If expenses are not properly documented, the employee may either be contacted or the voucher returned to the employee for proper documentation.

b) Employee Expense Reimbursement/ Reconciliation Process

Under the CMU Business Credit Card program, Payroll and Travel Services provides two options for employee business expense reimbursements; 1) CMU Business Credit Cardholder, 2) CMU Non-Business Cardholder or Non-CMU.

- i) Employee Reimbursement Voucher for Non-Cardholder and the CMU Business Credit Card Reconciliation Form for CMU Business Credit Cardholders

To request reimbursement, submit expenses on an Employee Reimbursement Voucher (non-cardholder)/CMU Business Credit Card Reconciliation Form (cardholder), available at [Financial Services Forms](#). Expense claims should be itemized in the expense reimbursement section of the voucher. Attach all original itemized receipts and, if applicable, a completed Entertainment/Hosting Activities Supplemental Attachment. Vouchers/forms must be signed by the employee and someone administratively senior to the employee.

Employees with out of pocket expenses AND Business Credit Card transactions need to submit documentation once per month; no later than the 15th of the current month for expenses and charges made through the 24th of the prior month. For example: business expenses for January 25th through February 24th (statement cycle) are due no later than March 15th. If the 24th falls on a holiday or weekend, the billing cycle will end on the following business day.

Employees with only out of pocket expenses can submit their documentation at any time during the month but only one form should be submitted per month.

- (1) Each employee must submit a separate Employee Reimbursement Voucher/CMU Business Credit Card Reconciliation Form for his or her own expenses unless another individual paid for those expenses.
- (2) Employees will be notified from Payroll and Travel Services if an Employee Reimbursement Voucher has not been submitted within thirty days of the return date of travel for an extended travel advance.

- ii) Preparation of Employee Reimbursement Voucher/CMU Business Credit Card Reconciliation Form
- (1) Employee Reimbursement Vouchers/ CMU Business Credit Card Reconciliation Forms must be typed or printed clearly. The complete name, Campus ID number and campus office address of the employee must be included and must conform to requirements established by the campus mail service.
 - (2) The Employee Reimbursement Voucher/ CMU Business Credit Card Reconciliation Form must show complete information, including itemization of the travel and the type and cost of the accommodations used. Instructions can be found within the Employee Reimbursement Voucher/ CMU Business Credit Card Reconciliation Form.
 - (3) All required original itemized receipts should be attached to the original Employee Reimbursement Voucher /CMU Business Credit Card Reconciliation Form or taped to a sheet of paper that is attached to the voucher/form.
 - (4) Employees traveling outside the United States must submit information on exchange rates for that time of travel.
 - (5) If more than one account number is to be charged for out of pocket expenses, the various costs claimed should be totaled and indicated for the appropriate cost center. Authorized signatures for each cost center should appear on the voucher. The total amount in the “Reimbursement Claim” cell must match the total broken out by cost center at the bottom of the form.
 - (6) Send completed Employee Reimbursement Vouchers/ CMU Business Credit Card Reconciliation Forms to Payroll and Travel Services, Warriner Hall 204.
 - (7) Employees can normally expect receipt of their reimbursement within 10 working days. Electronic Funds Transfer (EFT) direct deposit is required for reimbursement. The direct deposit form can be found at [Financial Services Forms](#). Form with missing information will take longer to process.

ADDENDUM A – ATHLETIC DEPARTMENT TEAM TRAVEL RELATED EXPENSES

INTRODUCTION

Central Michigan University's Athletic Department will adhere to the business expense policies documented in the Business Expense Manual. Listed below are additional guidelines for team travel. The university will cover all business expenses related to team travel including transportation, lodging, and meals for the essential travelers. In order to avoid additional administrative burden associated with taxation, team travel generally should be limited to essential travelers and those with a bona fide business purpose only.

Reservations for team travel should be handled by the travel coordinators in the Athletic Department. A complete list of all individuals traveling should be provided to Risk Management and Purchasing (if being paid for on a purchase order) prior to travel. The list must include names of ALL individuals, their status (essential or non-essential traveler) and their affiliation and/or relationship to the university.

DEFINITIONS

Essential travelers are those who are pertinent to the actual competition and have a business purpose for traveling with the team, this would include but is not limited to:

- Travel squads (these team members are specifically named in the applicable conference handbook for each sport)
- Coaches including assistant and NCAA approved volunteer coaches
- Trainers and Team Physicians
- Team Managers
- Designated Athletic Administrators
- Sports Information Personnel
- Equipment Personnel
- Designated Police Personnel

Travelers with bona fide business purpose. These expenses will be documented by the Advancement Office and should be paid out of an advancement account with approval coming from the Vice President of Advancement and Athletic Director. This would include:

- Official Party (individuals expected to attend based on their role at the university, such as the President, Board Members, etc.)
- Major Donors and Prospects (donating a lump sum greater than or equal to \$25,000)
- Sponsorship and Marketing Affiliates (such as IMG).

Non-essential travelers include, but not limited to, spouses or other eligible individuals (OEI) and dependents. These travelers should only be included if no additional expenses are incurred (airfare, ground transportation, hotels, and meals) by the university.

Spouse/OEI would be considered to have a business purpose if they have a significant role in the event proceedings or make an important contribution to the success of the event. The expenses of these individuals will be allowed. Documentation (such as an NCAA event agenda or a formal request) must be submitted to substantiate the business purpose of the travel.

PROCEDURE

TAXATION OF EXPENSES INCURRED BY NON-ESSENTIAL TRAVELERS

Central Michigan University needs to determine if there is taxable income attributable to any person's expenses, paid by the university to cover travel, room, meals, tickets, etc. It is the responsibility of the Athletic Department to provide the manifest to Payroll and Travel Services when submitting the CMU Business Credit Card Reconciliation Form. The manifest should include names of ALL individuals, their status (essential or non-essential traveler) and their affiliation and/or relationship to the university. The Athletic Department should notify employees, prior to travel, of the possibility of taxation for these expenses. Non-essential travelers, with a bona fide business purpose to travel, will not be taxed. Amounts expended on behalf of the employees' spouse/OEI or dependent will be included as taxable income to the employee.

Airfare

When chartering an aircraft, the size of the aircraft should be determined by the number of essential travelers (as referenced above) and travelers with a bona fide business purpose. If additional seats are available, they can be filled by non-essential travelers as determined by the Athletic Department's prioritization list. Per IRS rules, as long as essential travelers and non-essential travelers with a bona fide business purpose occupy more than 50% of the seats, the value of the seats filled by non-essential employee travelers (and their spouse/OEI or dependent) will not be taxable. The taxation will be based on the value of a regular commercial flight.

NOTE: When more than one aircraft is used the 50% capacity for essential travelers will need to be calculated using all planes. Example: two planes are used, one seats 100 and one seats 150. Plane one (100) has 50 essential travelers and plane two (150) has 75 essential travelers. Combined, they have 50% capacity, but all 125 essential travelers could fly on one plane that has 150 seats available with 25 additional seats and the second plane would not be needed. If this occurs, all non-essential travelers will be taxed.

Ground Transportation

When no additional cost for ground transportation is incurred, there is no taxable value assessed. If additional charges are incurred for spouses/OEIs or dependents who do not have a business purpose, such amounts will be included in the employee's taxable income.

Hotel

Incremental costs associated with non-essential travelers will be included in the employee's taxable income, such as additional cost for a double room. The employee will not be taxed if the cost of a hotel room is the same for a single or double room and the employee's spouse/OEI or dependents accompanies him/her for a non-business purpose.

Event and Game Tickets

The cost of tickets for a spouse/OEI or dependents who do not have a business purpose for attending the game or event will be included in the employee's taxable income if that ticket is not included in the university allotment of free tickets.

Meal Reimbursement

No additional meal costs should be incurred for non-essential travelers.

Entertainment and hosting is acceptable for donors as part of an advancement activity. The appropriate Advancement Officer and/or Vice President of Advancement must approve these purchases. When submitting these expenses an Entertainment/Hosting Activities Supplement must provide documentation of the date, item, place (city/state), firm/guest, business relationships and purpose. This must be attached to an Employee Reimbursement Voucher/Business Credit Card Reconciliation Form.