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I. PURPOSE OF POLICY

This document is an abbreviated version of the University’s Travel Policy and highlights the spending restrictions for travel, business meals and entertainment. This document is not intended to replace the University’s Travel and Entertainment Policy but rather to:

- Ensure a clear and consistent understanding of the University’s policies for travel, entertainment, and business meal expenses and promote consistent spending across the FAS.
- Highlight two areas where FAS policy differs from the University’s: lodging maxima and meal and reception limits.
- Ensure sound business practices and proper reporting in compliance with external regulations, including tax regulations under the Internal Revenue Code, federal cost principles under OMB Circular A-21, and donor and sponsor guidelines.

Changes from the last revision (September 1, 2009) are highlighted.

Topics not specifically addressed in this document shall be governed by the University’s Travel Policy.



II. POLICY OVERVIEW

General Principles – FAS funds may be used by employees and non-employees for necessary and reasonable travel, entertainment, and business meal expenses incurred while conducting University business. This document is intended to ensure that all expenses are fair and equitable for both the individual and the FAS. Individuals who incur business expenses should neither gain nor lose personal funds as a result of their travel or other business transactions.

Sponsored Projects – Travel, business meal and entertainment expenses charged to sponsored projects should follow the guidelines set forth in this document, unless the funding agency imposes greater restrictions.

Department and Local Unit Guidelines – At their discretion, FAS local units may impose more restrictive guidelines for budgetary or control reasons, but they may not be less restrictive than the guidelines stated in this policy.

III. ROLES & RESPONSIBILITIES

Department, center, and tub administrators are responsible for:

- Ensuring that faculty, staff and others as appropriate are aware of, and will abide by, the **University's Travel Policy** and the guidelines outlined in this document.
- Assigning a hierarchy of responsibility within the department for the review and approval of travel, entertainment and business meal spending in accordance with the University and FAS policies.
- Consulting with the FAS Office of Finance on questions related to these guidelines or University policies.

Authorized approvers are responsible for verifying that expenses meet the following criteria:

- The expenses were incurred while conducting FAS or University business.
- The information contained on the receipt report or Universal Expense Form and any accompanying documentation is accurate and in accordance with related University policies and these guidelines.
- The expenses meet sponsor guidelines and/or donor terms, if applicable.
- The expenses are charged to the proper general ledger account(s).

Travelers/reimbursees are responsible for:

- **Reading and understanding the University's Travel Policy and these FAS guidelines.**
- Spending funds prudently and complying with the spending policy as described herein.
- Consulting with their local financial offices to ensure adherence to University and FAS policies and sponsor guidelines.



IV. SPENDING GUIDELINES

A. AIR TRAVEL

1. *LOWEST AVAILABLE AIRFARE*

All FAS faculty, staff, students, non-employees, and visitors traveling on FAS business are expected to purchase the lowest-cost airfare **available at the time of booking**. When determining the lowest-cost airfare, travelers should use the following criteria:

- Select airport of choice
- Select desired travel time (morning/afternoon/evening)
- Select a non-stop flight if desired by traveler (circuitous routing and stopovers are not required)

Frequent-flyer programs should not influence travelers to select a flight that is not the lowest-priced fare.

2. *AIRLINE CLASS OF SERVICE*

a) Domestic Air Travel

Domestic air travel includes flights within and between any of the United States and its territories and possessions, Canada, and Mexico.

When flying inside the contiguous 48 United States, travelers are expected to purchase the lowest-priced, coach-class airfare available at the time of booking. Business-class is not allowed for flights inside the contiguous 48 United States.

When traveling to, from, or between a U.S. state, territory, or possession outside the contiguous 48 United States; Canada; or Mexico and a non-stop flight (or all legs of a multi-stop itinerary), is six (6) hours or less, travelers must purchase the lowest-priced, coach-class airfare available at the time of booking. If a non-stop flight (or any single leg of a multi-stop itinerary) to, from, or between a U.S. state, territory, or possession outside the contiguous 48 United States; Canada; or Mexico is more than six (6) hours, travelers may purchase the lowest-priced, business-class airfare available at the time of booking, if funds are available.

b) International Air Travel

International air travel Travel includes travel to, from, or between any destination outside the United States and its territories and possessions, with the exception of Canada and Mexico, which are considered domestic as described above. Travelers may purchase the lowest-priced, business-class airfare available at the time of booking, if funds are available. For international travel on federal funds, see section 3, below.



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c) First Class Travel

First-class travel is not allowed. Under extenuating circumstances, such as documented medical reasons, business-class or first-class flights may be reimbursable where it is normally prohibited, provided the expense is approved by the FAS Office of Finance. If an exception is approved, the difference between the first-class and coach-class fares must be charged separately to object code 8450 ("items ineligible for Federal reimbursement"). Further, the differential may not be charged to federal funds.

3. FEDERALLY FUNDED AIRFARE

All travel expenses charged to federally sponsored projects are governed by the cost principles of OMB Circular A-21. Therefore, charges must pass the following three tests:

- The cost must be **allowable** under both the provisions of A-21 AND under the terms of a specific award AND
- The cost must be **allocable**; that is, the expense can be associated to a project with a high degree of accuracy AND
- The cost must be **reasonable**, that is, the cost reflects what a "prudent person" would pay in a like circumstance.

a) Domestic Air Travel

To comply with federal regulations, Harvard travelers who purchase domestic airfares (defined above) using federal funds (fund range 100000-199999) are required to travel on an economy or coach-class ticket, on US Flag Carriers only, as detailed in the federal travel regulations, available at http://www.access.gpo.gov/nara/cfr/waisidx_01/41cfr301-10_01.html.

b) International Air Travel

Harvard travelers who use federal funds (fund range 100000-199999) to purchase international airfares (defined above) should follow all the International Air Travel Guidelines noted above, with the following exceptions:

- For single flights of six (6) hours or less, economy or coach-class must be purchased;
- For single flights greater than six (6) hours, business-class may be purchased;
- International travelers ***must fly on US Flag Carriers when departing from the U.S. and where available while abroad***, even though less costly foreign flag carriers are available, unless other circumstances described in the Federal Awards Travel Reimbursement Exception Form FATREF (<http://vpf->



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[web.harvard.edu/osp/docs/FEDERAL_AWARDS TRAVEL REIMBURSEMENT EXCEPTION FORM draft 2.doc](http://web.harvard.edu/osp/docs/FEDERAL_AWARDS_TRAVEL_REIMBURSEMENT_EXCEPTION_FORM_draft_2.doc)) apply.

- For international air travel completed completely outside the U.S., foreign carriers may be used ***only when no U.S. Flag Carriers provide service in the area of travel or when use of foreign carriers is a matter of necessity as defined by the U.S. General Services Administration's Federal Travel Regulation Part 301-10.***

4. PREFERRED TRAVEL AGENCIES

Harvard has developed strategic partnerships with several preferred travel agencies that provide Harvard travelers with high-quality, customized travel services and offer airfares at competitive prices that are often equal to or better than non-preferred travel agencies. The University and the FAS Office of Finance strongly recommend that Harvard travelers take advantage of Harvard's negotiated airfares available through Harvard's preferred travel agencies (http://vpf-web.harvard.edu/ofs/travel/tra_exp.shtml):

- Harvard Travel/BCD
- Egencia (Expedia Corporate Travel)
- Oriental Tours and Travel
- HT&T Travel
- Travel Collaborative
- Great International Travel

The University has also negotiated special rates with the US Air Shuttle for flights from Boston to New York and Washington DC. **To sign up:**

1. Send an e-mail with the following information to stacey_clifton@harvard.edu and ask to be enrolled in ShuttlePro
 - Name (First and Last, Middle is optional)
 - Full Address (can be either work or home)
 - Phone (can be either work or home but indicate which it is)
 - US Airways Dividend Miles #

When you are enrolled, you will receive a notification e-mail with your username and password. You will then be able to setup your own profile so you can ticket at the Shuttle kiosk using Harvard's negotiated discount.

2. Log in to ShuttlePro and register the credit card you will use for US Airways Shuttle ticket purchase. Alternative credit cards may be used for purchase; however, you must have a valid credit card in your profile for recognition at the kiosk.
 - Login to your account at <https://shuttlepro.usairways.com>
 - Set your three security questions
 - Change your password



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- Add a credit card (for recognition at the kiosk) to your profile
- If you experience any problems registering for ShuttlePro, email shuttleaccounts@usairways.com.

5. UPGRADE, BAGGAGE, CANCELLATION & CHANGE FEES

Travelers may use their personal frequent-flyer miles to upgrade on University business trips as long as the original airfare complies with these guidelines and there is no additional cost to the University. All upgrades using frequent-flyer miles must be noted on the expense report. The University:

- Does reimburse for costs associated with issuing a frequent-flyer ticket for a business trip, such as taxes, agency, or airline services fees.
- Does not reimburse for any costs associated with frequent-flyer upgrades.
- Does not reimburse for the purchase of frequent-flyer miles.

Fees resulting from a seat upgrade within coach class (e.g. standard seat to premium seat) are reimbursable up to \$75 per flight. If a business trip qualifies for business-class airfare, travelers who purchase upgradeable, coach-class airfare may be reimbursed for the cost of upgrading to business-class service.

Most airlines charge fees for checked baggage. Such fees will be reimbursable when they are necessary and reasonable. Excessive baggage fees necessary for business travel must be clearly documented on the expense report to be reimbursed. The University will not reimburse for personal items lost or damaged while traveling on business, nor will the University replace lost or damaged personal items. Such claims must be addressed to the responsible airline.

If for any valid reason, such as a business-trip cancellation or a medical emergency, a paid airline ticket is not used by a traveler, the traveler must contact the relevant travel agency or airline, depending on who issued the ticket, as soon as possible. The traveler must inquire about obtaining a refund or, if the ticket is non-refundable, applying the cost of the unused ticket to a future trip.

Travelers are expected to obtain the maximum value possible from an unused ticket. In most cases, the original ticket will need to be returned to the issuer to obtain a refund. Any ultimate cancellation or change fees incurred as a result will be reimbursed provided there is a bona fide business reason for the cancellation or change of the ticket.

Dues or fees for participation in frequent-flyer programs, airline club memberships, or other airport club memberships are not reimbursable.



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B. CAR RENTAL

1. RENTAL CAR GUIDELINES

FAS travelers may rent up to and including a full-size vehicle

To a destination when:

- Driving is more convenient than airline or rail travel; or
- Driving is necessary to transport large or bulky materials for business

At a destination when:

- Renting is less expensive than other transportation modes, such as taxis, airport van services, airport shuttles, and train service

2. PREFERRED RENTAL CAR COMPANIES

Travelers should take advantage of the University's negotiated rates by renting from Harvard's preferred rental agencies using the Corporate ID Numbers listed for each agency.

For more information, go to

http://vpf-web.harvard.edu/ofs/travel/security/exc_car.jsp.

3. INSURANCE

To ensure that all drivers traveling on University business are covered by the required insurance, and to ensure that those drivers only elect insurance options that are considered reimbursable by the University, travelers must refer to the Car Rental Insurance Guidelines located on the travel website prior to making a reservation. The guidelines are listed at <http://vpf-web.harvard.edu/ofs/travel/security/carinsgrd.pdf>. The University requires that travelers purchase \$250,000 of Supplemental Liability Insurance (SLI), for which they can be reimbursed. Travelers will not be reimbursed for the purchase of unnecessary coverage.

4. RENTAL CAR CLUB MEMBERSHIPS

Membership fees for rental car club programs are not reimbursable.

C. PERSONAL CAR USAGE

Travelers may use their personal cars for University business if it is less expensive than other means of transportation. Travelers will be reimbursed for personal car usage at the federal mileage allowance. This rate covers the use of the vehicle and gasoline, and can be found at

<http://www.gsa.gov/mileage>. At their discretion, FAS departments, centers, or tubs may reimburse for personal car usage at a rate less than the federal mileage allowance. The University will not reimburse travelers for gas expenses in lieu of mileage.

For long-distance travel in a personal car, travelers will be required to provide a flight cost comparison to the University Travel Office in order to be reimbursed for mileage. If the mileage rate is higher than the cost of the flight, an Exception Approval is required from the FAS Office of



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Finance. Requests will be evaluated on the basis of the business reason given for choosing the more expensive option.

Mileage calculations should be done from the home or the office, whichever is closer, to the business destination. Normal commuting miles should not be included in the calculation. When driving to and from the airport, total miles can be calculated from home if:

- The traveler normally takes public transportation to work; and
- The traveler works from home for all or part of the work week; and
- The cost of taxis or airport van shuttles greatly exceeds the total cost of mileage, tolls and parking combined.

Commuting expenses, repairs, and traffic violations are not reimbursable. Travelers are expected to carry adequate insurance coverage for their own protection and for the protection of any passengers. Travelers will not be reimbursed for collision losses that occur during business use of a personal car if that car is not insured for collision damage.

D. OTHER GROUND TRANSPORTATION

1. TAXI & SEDAN SERVICE

The most economical mode of ground transportation should be used. Because private sedan services are normally more expensive than taxis and airport van services, FAS travelers should use sedan services only when valid business reasons preclude the use of more economical modes of transportation. An example of a valid business reason is travel with the President, Dean, major donor, or dignitary. The use of private sedan or car services to attend meetings on or around Harvard campuses is prohibited. Use of limousines is strictly prohibited by the University.

2. RAIL TRAVEL

Travelers are expected to purchase the lowest-cost rail travel that offers reserved seating. For rail travel over six (6) hours, or where first-class is the only option for reserved seating (regardless of duration), first-class service is reimbursable. For most international rail travel, reserved seating is available only in first class.

For information on negotiated rates for the Acela Express go to http://vpf-web.harvard.edu/ofs/travel/security/exc_amt.jsp.

3. ZIP CAR

Zip cars may be used for documented University business. Departmental accounts through the University's Zip Car CommuterChoice Program (<http://www.commuterchoice.harvard.edu/zipcar.shtml>) require pre-approval from the FAS Office of Finance. Departments, centers, or tubs should consult with the FAS Office of



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Finance before applying for a Zip Car membership. To obtain approval, departments must provide the following information:

- Business purpose which precludes the use of public transportation and/or proof of savings
- Name of employee(s) using service
- Intended procedures for monitoring and approving trips

Annual membership fees cannot be charged to sponsored funds. An individual trip may be charged to sponsored funds if a documented business purpose is provided that clearly relates to the project. **Students are not allowed to utilize departmental Zip Car accounts, but may be reimbursed for actual use from personal accounts (per trip, not including any personal Zip Car account fees) when there is a bona fide business purpose.**

E. LODGING

1. *LODGING RATE GUIDELINES*

All travelers on FAS business are expected to purchase a standard room using either Harvard's negotiated rates at Partner Hotels or the following rate guidelines:

- Corporate Travel Index (for select cities) – includes taxes
- Federal Per Diem Rate (for all other cities) – does not include taxes

If the nightly rate exceeds either of the above rate schedules by more than 40%, an FAS Exception Approval is needed.

2. *PARTNER HOTELS & RATE INFORMATION*

A list of cities with Partner Hotels plus their rates and Harvard reservation information can be found at http://vpf-web.harvard.edu/ofs/travel/security/exc_hot.jsp. Corporate Travel Index rates for select domestic and international cities can be found at <http://www.finance.fas.harvard.edu/accounting/travel-reimbursement.html>. The Federal per diem rates for all other cities can be found at <http://www.gsa.gov/perdiem>.

3. *SPONSORED PROJECTS LODGING*

When traveling on Federal or other sponsored projects, travelers should check with the sponsoring agency's guidelines before booking their lodging to see if any additional restrictions apply.

4. *UPGRADES, FREQUENT-GUEST PROGRAMS & CANCELLATIONS*

Room upgrade fees and/or rooms purchased with frequent-guest-program points are not reimbursable expenses. Travelers may use personal, frequent-guest-program points to upgrade a room, provided there is no additional cost to the University. All free upgrades



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must be noted on the expense report to avoid confusion when auditing. Frequent-guest-program fees are not reimbursable.

Travelers are responsible for canceling room reservations when necessary; cancellation or "no-show" fees are not reimbursable.

5. USE OF LODGING PER DIEM

Reimbursement for lodging is primarily made on the basis of actual expenses incurred. However, special circumstances, such as travel to foreign countries where receipts are difficult to obtain, may warrant use of per diem by University employees; non-employees and visitors should submit actual lodging receipts or Missing Receipt Affidavits. Use of lodging per diem for domestic travel is rarely warranted. For foreign travel where hotel receipts are available, per diem should not be used. Per diem amounts requested must not be higher than the published Federal per diem rates located at <http://www.gsa.gov/perdiem>.

6. USE OF PRIVATE RESIDENCES

Travelers who stay in their own residence or in a private residence with relatives or friends while traveling on business may not claim lodging per diem for their stay. Travelers can be reimbursed for actual expenses incurred to extend appreciation to friends or relatives for their hospitality. Per stay, such expenses are limited to one gift of up to \$75. Meals for appreciation are no longer reimbursable expenses.

All gifts of appreciation must be coded to object code 8450 and can never be charged to federally sponsored projects. For some departments, prior approval is needed for any token of appreciation to be given to friends or relatives. FAS travelers should check with their department, center, or tub administrator or financial officer prior to actual travel so no misunderstandings occur.

7. LODGING FOR CONFERENCES

Travelers should stay in a standard room using the identified conference hotel. If there are several conference hotels, FAS travelers should choose a non-luxury hotel if possible.

8. RENTAL ACCOMMODATIONS

Depending on the length of the business trip, it may be more economical for a traveler to stay in rental accommodations. Lodging in rental accommodations must be pre-approved by the department, center, or tub administrator or financial officer. If approved, the landlord of the rental accommodations or rental agency must be paid via Web Voucher (not Web Voucher Reimbursement) so that the payment can be reported on an IRS Form 1099, if required. Paying by Web Voucher requires that the landlord or rental agency be setup in the accounts payable and vendor systems, which requires that the landlord or rental agency provide basic information, including U.S. tax identification number, where applicable, to the



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department. Payment for rental accommodations must not be made via a Harvard-issued credit card, directly by the traveler, or by any other method except Web Voucher.

9. ONE-DAY TRAVEL

In general, trips of less than 50 miles one way from the traveler's place of work do not qualify for lodging reimbursement.

10. SABBATICAL LODGING

Sabbatical lodging expenses may be reimbursed from faculty support funds, where available, only if the faculty member incurs two sets of living expenses simultaneously. A faculty member may be reimbursed for additional lodging expenses incurred at the sabbatical location, less any income received by the faculty member for renting out his or her primary residence, provided there is a stated business purpose for the additional lodging expenses and there are adequate faculty support fund resources.

F. MEALS – TRAVEL, BUSINESS & ENTERTAINMENT

1. BUSINESS MEALS ARE DEFINED AS

- Meals with faculty, staff, students, donors, or other external parties during which specific documented business discussions take place; or
- Reasonable individual meal expenses incurred while traveling on University business.

Individuals should exercise fiscal responsibility when choosing restaurants. High-end establishments must be avoided unless circumstances dictate that such a choice is appropriate, such as when conducting University business with a major donor or foreign dignitary. Additionally, the number of business meals should be limited. Non-travel-related business meals should not occur on a daily or several-days-per-week basis, except under extraordinary circumstances. Whenever possible, meetings should be conducted during normal working hours of the business day. Excessive meal costs that are not substantiated with a business purpose will not be reimbursed.

Per IRS regulations, the University does not reimburse meal expenses for one-day travel of twelve (12) hours or less.

2. FAS MEAL GUIDELINES

Payments and reimbursements for business meals, including meals incurred while traveling on university business, will be processed up to the following limits:

- Breakfast \$20 per person, including tax and tip
- Lunch \$45 per person, including tax and tip
- Dinner \$100 per person, including tax and tip



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As a general rule, tips should not exceed 20% of the bill. **Departments, centers, or tubs may, at their discretion, impose lower meal limits than these (but not higher limits) for budgetary purposes.**

3. *RECEPTIONS & GROUP GATHERINGS*

Expenses for receptions and group gatherings should not exceed \$35/person for food and beverages. Receptions and events exceeding \$5,000 in total must be approved in advance **by the relevant Divisional Administrative Dean** and the FAS Office of Finance using the FAS Event Request Form (located at <http://www.finance.fas.harvard.edu/accounting/travel-reimbursement.html>) and e-mailed to fasevent@fas.harvard.edu. The Office of Finance may choose to delegate approval authority in certain instances. Examples of receptions and group gatherings include graduation parties, beginning-of-the-school-year celebrations, receptions following a lecture, and holiday parties.

Meals and receptions that are social in nature (reward/recognition/holiday gatherings) must be coded to object code 8450. For additional guidance, please consult the University's General Policy on Employee Gifts and Celebratory Events at http://vpf-web.harvard.edu/ofs/policies/documents/emplo_gifts_celeb_event.pdf.

4. *ALCOHOL*

The purchase and use of alcohol places significant legal exposure on the University. Therefore the use of alcohol for business meals and entertainment purposes should be kept to a minimum.

All alcohol should be coded to object code 8450 and can never be charged to federally sponsored projects. Any meal receipts being submitted for reimbursement through a federal grant should have all alcohol clearly identified by the traveler.

5. *DOCUMENTATION*

Specific documentation in the "Business Purpose" section of all transaction records is required for a meal to qualify as "business" under IRS regulations. Documentation includes information on When, Where, Who, What & Why (Topic Discussed, Business Activity or Agenda). For more detailed information, see *Appendix C: Substantiation of Business, Travel and Entertainment Meals*.

It is important to note for IRS purposes that if there are 2-5 attendees, the names and affiliations of all participants are required; for groups over 5, you may list the number of participants by group and affiliation. For example: 10 Chemistry graduate students and 7 Chemistry Faculty (as opposed to 17 people, or 10 students and 7 faculty).



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6. *PER DIEM MEALS*

For meals while traveling on university business, **employees** must choose to file either actual meal receipts or claim meal per diem based on the federal Meal & Incidental Expense ("M&IE") rates. Combining actual and per diem reimbursement methods for the same trip is not allowed. Both actual and per diem meal amounts are subject to the limits set in the FAS guidelines outlined in F.2 above. **According to University policy, only University employees may claim per diem meals and incidentals; non-employees and visitors should request reimbursement for actual meal and incidental expenses.**

IRS regulations require prorating of per diems under certain circumstances:

- For trips more than 12 hours but less than 24 hours, use 75% of M&IE per diem rate
- For trips over 24 hours, use 75% of M&IE per diem rate for first and last day of trip
- When conference fees include meals; the US General Service Administration website provides the dollar amount by which the per diem must be reduced. Go to <http://www.gsa.gov/mie>.

7. *REPETITIVE FOOD & TRAVEL EXPENSES*

IRS regulations require that any payment made for repetitive expenses for an employee's routine food (e.g. lunches and coffee breaks), lodging, and commuting to the place of employment are considered taxable income.

G. *SPOUSAL/FAMILY TRAVEL & MEAL EXPENSES*

An employee's spouse or family travel and meal expenses are not reimbursable unless pre-approved directly by the FAS Financial Dean. The University does not reimburse for childcare or pet sitting.

IRS regulations state: if a spouse or family member accompanies an employee and has no significant role or performs only incidental duties (clerical or medical in nature), the spouse/family member's attendance does not constitute a legitimate business purpose. Roles must be professionally significant or related to fund-raising activities.

If FAS Financial Dean's Approval is granted and expenses are considered incidental according to IRS regulations, the department should inform the traveler that the spouse/family member's expenses will be reportable to the IRS and taxes on the value of the travel will be withheld from the traveler's reimbursement check.

H. *BUSINESS TRAVEL INSURANCE*

The University maintains a business travel insurance policy that provides worldwide coverage for accidental death or dismemberment while an employee is traveling on official University business. Because this coverage has a maximum payout limit per conveyance employees are encouraged to travel in groups of no more than four. Students and non-employees are not covered by University



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business travel insurance. The University maintains no insurance for loss or damage to personal property.

Any additional travel insurance purchased is not a reimbursable expense. Other travel insurance expenses not addressed in this policy, including but not limited to, life insurance, flight insurance, baggage insurance, and trip-cancellation insurance, are not reimbursable expenses.

I. STUDENT TRAVEL/FELLOWSHIPS

If student travel is related to a fellowship then that travel is not considered University business. A fellowship is any amount paid to, allowed, or for the benefit of an individual in the pursuit of individual study or individual research. A fellowship may take the form of payments to the recipient, such as stipend or award payments, or reimbursements for supplies, or non-University travel expenses. These expenses must be processed via Web Voucher through the University's Accounts Payable system, and not processed via Web Voucher Reimbursement. The recipients are not employees performing services and therefore cannot satisfy the business-purpose requirement under an "accountable plan" as defined by the Internal Revenue Service.

J. COMBINING PERSONAL WITH BUSINESS TRAVEL

Per IRS regulations, travel expenses to and from a destination are fully reimbursable when the trip is related entirely to University business. For international travel that combines personal purposes with business purposes, please refer to *Appendix E – Guidance on Determining Primary Purpose of Travel: Business versus Personal Trip* to determine what travel costs can be reimbursed. If a trip that combines personal purposes with business purposes is deemed primarily personal by the local approver or by the FAS Office of Finance, the University will not reimburse for airfare, car rental, personal car expenses, or rail fare. In such cases, the University can reimburse the traveler only for business-related expenses incurred on business days.

K. TELEPHONE USAGE WHILE TRAVELING

Travelers will be reimbursed for business phone calls that are reasonable and necessary for conducting business when the itemized hotel bill or an original phone bill with itemized calls is attached to the expense report. This includes reimbursement for personal telephone calls allowing the traveler to stay in reasonable contact with their family. Use of air phones will not be reimbursed except in emergencies or extenuating circumstances. An explanation must be noted on the expense report.

L. PASSPORTS, VISAS, AND VACCINATIONS

Expenses related to visas, passports, and/or vaccinations required for business travel are reimbursable. The University will not reimburse a traveler for the cost of an existing valid visa, passport, and/or vaccinations purchased for reasons unrelated to a University business trip.



V. EXCEPTIONS TO POLICY

A. FUNDRAISING AND FACULTY RECRUITMENT

The University and the FAS recognize the unique nature of certain travel and entertainment expenses incurred for fundraising, development, or faculty recruitment activities. If these activities necessitate a deviation from this spending policy, individuals should obtain approval for the exception prior to incurring the expense whenever possible.

In the case of fundraising or development, an email explaining the exception should be sent to the FAS Development Office (contact Deb Sweeney at dsweeney@harvard.edu) and written approval from that office should be attached to the completed Expense Report before submission to the Travel Office.

In the case of faculty recruitment, an email explaining the exception should be sent to the FAS Faculty Development Office (contact Korin Watras at kwatras@fas.harvard.edu) and written approval from that office should be attached to the completed Expense Report before submission to the Travel Office.

If the procedures above are followed, an exception approval from the FAS Office of Finance for fundraising or recruitment expense reporting is not required, except in the case of first-class travel.

B. AIR TRAVEL

The FAS Office of Finance will evaluate exception requests for air fares in excess of the standard of lowest-priced, non-stop coach class airfare (or business-class, where allowed) when documented extenuating circumstances are provided by the traveler.

First-class airfare is prohibited for all destinations unless an exception request, documenting medical reasons or extenuating circumstances that require such service, is approved by the FAS Financial Dean (see University-Wide Business Expense Policy for more details.)

For travel on federally-sponsored fund using a non-U.S.-flag air carrier

- Traveler must certify, by completing the Federal Awards Travel Reimbursement Exception Form FATREF that no U.S.-flag carriers were available at the time of the trip and that traveling on a foreign air carrier was a matter of necessity. Please note that the FATREF includes a list of criteria for determining the non-availability of a U.S. flag carrier. ***Lower cost and personal convenience are not acceptable criteria for justifying the non-availability of a U.S. flag carrier.***
- Failure to complete and certify the FATREF or to attach other travel documentation that provides sufficient evidence of non-availability of a U.S. flag carrier will result in the expense report being returned to the department. The airfare will need to be charged to a non-sponsored account.



The FAS Office of Finance cannot grant any exceptions to federal travel requirements.

C. CAR RENTAL

Travelers must request an Exception Approval from the FAS Finance Office for rental of a vehicle that exceeds the full-size vehicle standard. The request must include the business purpose justification for the use of a larger vehicle.

D. PERSONAL CAR USAGE

Travelers must receive an Exception Approval from the FAS Finance Office when the proposed mileage reimbursement rate is higher than the cost of a flight from the same destination. The request should include an acceptable reason as to why the more expensive option is necessary.

E. LODGING

Travelers must receive Exception Approval from the FAS Office of Finance when their nightly lodging rates exceed by more than 40% either the Corporate Travel Index or the Federal Per Diem Rate, depending on the city. Requests where rates are deemed excessive and unrelated to the stated business purpose will be denied. If approval is sought after the trip is complete, travelers risk being reimbursed for only that portion of the actual costs which is equivalent to the guideline rates.

If a conference is being held at a property whose rates exceed the guidelines, FAS travelers may stay at that hotel without obtaining an exception from the FAS Office of Finance.

F. BUSINESS, TRAVEL, AND ENTERTAINMENT MEALS

Requests for approval where the business and entertainment meal guidelines have been or are expected to be exceeded must be submitted to the FAS Finance Office. Requests where meal/reception expenses are deemed excessive and unrelated to the stated business purpose will be denied.

G. SPOUSAL TRAVEL & MEAL EXPENSES

An employee's spouse or family travel or meal expenses are not reimbursable unless pre-approved by the FAS Financial Dean.

VI. PROCESSING EXCEPTIONS

Requests for Exception Approval are handled by the FAS Office of Finance through an Exception Request Form. The form and instructions can be found on the FAS Office of Finance website at <http://www.finance.fas.harvard.edu/accounting/travel-reimbursement.html>. Completed forms must be forwarded electronically only by Department/Center Administrators or Financial Officers to finxcept@fas.harvard.edu for approval. Each request will be evaluated individually on the basis of this policy, University policies and external regulations. The FAS Office of Finance cannot grant any exceptions to federal travel requirements.



Requests for pre-approval of spouse or family travel and meal expenses should be sent directly to the FAS Financial Dean, Eric Kopstain via email to kopstain@fas.harvard.edu.

VII. PROCESSING REIMBURSEMENTS

The previous sections concern specific spending guidelines for the Faculty of Arts and Sciences. For details on processing actual expense reports, refer to ABLE (<http://able.harvard.edu/>) and/or the University Travel Office website - <http://vpf-web.harvard.edu/ofs/travel>. For information on the 60-day policy and the Massachusetts Tax Withholding policy as they relate to processing reimbursements, refer to the Policy and Procedures for Reimbursements at <http://www.finance.fas.harvard.edu/accounting/travel-reimbursement.html>.

VIII. EMERGENCY TRAVEL ASSISTANCE PROGRAM

The University has contracted with a company called International SOS to provide 24 hour worldwide emergency medical and evacuation assistance for Harvard employees and students traveling for University-related activities. To learn more about the program prior to traveling, go to http://www.internationalsos.com/members_home/login/login.cfm?CFID=7990726&CFTOKEN=58646717.

IX. CONTACT

Michael Jackson, Director of Accounting Operations 495-1526 (mjackson@fas.harvard.edu)

X. APPENDIX A: QUICK REFERENCE GUIDE FOR AIR TRAVEL

REQUIREMENT FOR ALL FLIGHTS: Must select lowest-cost airfare available at time of booking using the following selection criteria:

- Non-Stop Flight (if desired)
- Desired Travel Time (morning/afternoon/evening)
- Desired Airport

TYPE OF FLIGHT	CLASS OF SERVICE	CARRIER RESTRICTIONS	TRAVEL AGENCY
Federally Sponsored Projects			
<u>Domestic</u> ¹ – all origins and destinations	Economy/Coach	U.S.-Flag Carriers Only	Preferred Travel Agency Strongly Recommended
<u>International</u> – to, from, or between destinations outside of the United States and its territories and possessions, excluding Canada and Mexico	Economy/Coach – if a single flight is 6 hours or less. Business Class allowed if a single, non-stop flight is more than six (6) hours	U.S.-Flag Carriers when departing from the U.S. U.S.-Flag Carriers where available Abroad, even if more costly	Preferred Travel Agency Strongly Recommended
Airfare paid from all other funding sources			
<u>Domestic</u> ¹ – <i>inside</i> contiguous 48 United States	Economy/Coach	Any Carrier	Preferred Travel Agency Strongly Recommended
<u>Domestic</u> ¹ – destinations or origins <i>outside</i> contiguous 48 United States, Canada, & Mexico	Economy/Coach Business-class allowed if a single flight is more than 6 hours	Any Carrier	Preferred Travel Agency Strongly Recommended
<u>International</u> – to, from, or between destinations outside of the United States and its territories and possessions, excluding Canada and Mexico	Business Class allowed if funds are available	Any Carrier	Preferred Travel Agency Strongly Recommended

¹ Domestic air travel includes flights within and between any of the United States and its territories and possessions, Canada, and Mexico.

XI. APPENDIX B: QUICK REFERENCE GUIDE FOR LODGING

REQUIREMENT FOR LODGING: Select a Standard Room Using Following Selection Criteria:

- Traveler Safety
- Location
- Hotel Business Amenities

HOTEL LOCATION	NIGHTLY RATES	TYPE OF HOTEL	FLUCTUATION ALLOWED	HOTEL FOLIO REQUIRED	COMMENTS
Cambridge	Harvard Negotiated Rates	Harvard Partner Hotels	N/A	Yes	<ul style="list-style-type: none"> • Harvard also has Partner Hotels in a number of other cities.
Cities listed in Corporate Travel Index	Corporate Travel Index	Non-Luxury Hotel	Up to 40% of Corporate Travel Index	Yes	<ul style="list-style-type: none"> • Traveler is allowed up to a 40% fluctuation but must provide a business justification for the higher rate. • If nightly rate exceeds 40%, FAS Exception Approval is needed.
All Other Cities	Actual Rate Up to Federal Per Diem Rate	Non- Luxury Hotel	Up to 40% of Per Diem Rate	Yes	<ul style="list-style-type: none"> • Traveler is allowed up to a 40% fluctuation but must provide a business justification for the higher rate. • If nightly rate exceeds 40%, FAS Exception Approval is needed.
Any City	Federal Per Diem Rate	N/A	No	Yes (See Comments)	<ul style="list-style-type: none"> • Use of lodging per diem only in special circumstances, where receipts difficult to obtain.
Conferences	Conference Rate (Standard Room)	Conference Hotel	No	Yes	<ul style="list-style-type: none"> • If choice of several hotels, traveler should choose non-luxury hotel factoring in selection criteria noted above.

Additional Information:

- Travelers staying in private residences may not request lodging per diems for their stay – see guidelines for FAS limits on gifts of appreciation.
- A list of Harvard Partner Hotels and their rates, as well as the Corporate Travel Index by city can be found at <http://vpf-web.harvard.edu/ofs/travel/index.shtml>
- If travel is funded by a federally sponsored award, please check sponsoring agency guidelines for any additional restrictions before booking.
- Non-Luxury Hotels are hotels that are four-star or less.

XII. APPENDIX C: SUBSTANTIATION OF BUSINESS, TRAVEL, & ENTERTAINMENT MEALS

Specific documentation is required to substantiate business travel, meals and entertainment expenses under IRS regulations. Expense documentation must include the following information:

- ✓ **When** – The date the travel, meal or entertainment occurred.
- ✓ **Where** – The location including city/state/country.
- ✓ **Who** – The name of individual who incurred the expense.
- ✓ **Who Else** – The names of the other individuals who attended & institutional affiliations.
- ✓ **What** – What the expense entailed (business lunch, travel dinner, reception, etc.)
- ✓ **Why** -- Topic Discussed, Business Activity or Agenda and how it relates to Harvard/fund charged.

Why's Below Are Not Sufficient	Why's Below Do Meet IRS Requirements	Who/What Meet Requirements (Must clearly relate to the Why)
"discussed finances"	"discussed University's fiscal year-end procedures to compare with another institution's procedures"	Jane Doe, Vice President of Finance at MIT
"discussed upcoming economics conference"	"discussed possible keynote speaker and presenters for Economics Conference with Conference co-chair"	Ellen White, Economics Professor from Stanford University
"staff luncheon"	"staff luncheon to celebrate the holidays in connection with Christmas and Chanukah"	Religion Department staff: Joe Claus, Jane Holly, Mike Bell and Candy Cane
"attended ABC Conference in early April"	"attended American Bottle Cappers Conference in Boulder, Colorado from April 1 – 7, 2006 to present paper on loss of carbonation from loose caps"	John Coors, Busch Professor of Chemistry Conference expenses charged to NSF grant on effervescence Hotel, airfare, travel meals, taxis
"traveled to New York to meet with Peter Parker"	"traveled to New York City to meet with Peter Parker for collaboration on the impact of spider webs on inner-city street congestion, October 31, 2005"	Betty White, Marvel Professor of Entomology
"reception"	"Public reception in Emerson Hall on July 1, 2006 following the Abraham Lincoln lecture on 'The Historical Significance of Stovepipe Hats'"	Since this was a reception open to the public, not necessary to document those in attendance. Account charged should be related in some capacity to the lecture.

XIII. APPENDIX D: INFORMATIONAL HANDOUT FOR VISITORS

Dear [Visitor's Name]

We are delighted that you will be [visiting, attending, participating in] the [department name, program name, event] on [date]. Below is important information concerning Harvard's travel and reimbursement policies.

Airfare and other Transportation

Since Harvard uses several preferred travel agencies with competitive pricing, we will be happy to make flight arrangements on your behalf. If you wish to use one of the Harvard agencies, please contact [contact name and info].

If you would like to make your own airfare arrangements, you must obtain from the airline or travel agency a receipt showing class of service and proof of payment - not a boarding pass. For electronic tickets, you must obtain a receipt - not a confirmation - showing: passenger name, issue date, ticket number or other proof of payment, total cost, class of service, itinerary or routing of flights, and payment type. Per the federal Fly America Act, if your travel will be reimbursed by federally-sponsored funding, you must use an airline designated as a U.S.-flag carrier. There are some exceptions for international flights. If you are unsure of the funding source, whether your flight qualifies under the Fly America Act, or what airlines are U.S.-flag carriers, please contact [contact name] and we will be happy to answer your questions. Harvard will reimburse for economy class, round-trip airfare for domestic flights. If you are traveling internationally or require different arrangements, please contact [contact name] before making flight plans to determine which class of service will be allowed. First-class service is prohibited to and from all destinations.

If you choose to take the train, Harvard will reimburse the cost of a round-trip, standard-rate, reserved-seating ticket. If the itinerary is longer than six hours, please contact [contact name] to determine if first class will be allowed.

Harvard will reimburse for the cost of round-trip cab fare between Boston's Logan Airport and your hotel or [department name]. You may also be reimbursed for the cost of public transportation. If you need to make other transportation arrangements, please contact [contact name].

Lodging

[We have made lodging arrangements for you at [hotel name, location]...]

[If you choose to make your own lodging arrangements, Harvard will reimburse for the cost of a standard hotel room in the Cambridge/Boston area. Attached are suggested hotels. Please be sure upon check-out to obtain a detailed hotel folio or receipt showing daily rates, taxes and fees. If you use an on-line agency - such as Expedia, Orbitz, or Hotels.com, please be sure that you receive from the on-line agency a receipt showing: name and address of hotel, guest name, number of guests, check-in and check-out dates, number of rooms, number of nights, daily rate, taxes and fees, total cost, proof of payment, and date purchased.] Harvard policy does not allow reimbursement for personal hotel items such as mini-bar charges, in-room spa services, or pay-per-view movies.

Meals & Incidentals

Harvard will reimburse for meals taken while traveling and incidental expenses, such as tips. [The Faculty of Arts & Sciences meal limits are \$45 for lunch and \$100 for dinner, *including* tips and taxes.] Harvard cannot reimburse for personal items while traveling, such as newspapers or books.

Reimbursement

Before you leave, please turn in all receipts to [contact name] and sign a Harvard Universal Expense Form (copy attached). If you are not a U.S. citizen or permanent resident, you will need to complete a Foreign National Information Form if you have not done so within the past year (copy attached). Any receipts generated upon your return home, such as taxi service from airport to home, should be submitted within 15 days to the contact and address shown below.

[If you are receiving an honoraria payment, please see the attached information on required Massachusetts tax withholding.] Feel free to contact [contact name, phone number, email, mailing address] with any questions

XIV. APPENDIX E: GUIDANCE ON DETERMINING PRIMARY PURPOSE OF TRAVEL: BUSINESS VERSUS PERSONAL TRIP

To help travelers and department, center, and tub administrators determine the primary purpose of travel, the FAS Office of Finance has created these guidelines. These bring together University policy and information from the relevant portion of IRS publication 463 (available at <http://www.irs.gov/pub/irs-pdf/p463.pdf>). Travelers and administrators may consult with the FAS Office of Finance for further guidance or clarification on determining the primary purpose of travel and what may and may not be reimbursable expenses.

IRS Publication 463 categorizes travel as 1) travel in the United States and 2) travel outside the United States. Travel in the United States, for the purposes of this discussion, includes the 50 United States and the District of Columbia. Travel outside the United States, for the purposes of this discussion, includes all other destinations outside of the 50 United States and the District of Columbia.

A. NO PERSONAL DAYS INCLUDED IN A TRIP

If a traveler spends the entire time of a trip on business-related activities, either in the United States or outside the United States, all business-related expenses, including travel costs to and from the business destination, are reimbursable expenses.

Example 1: Department Administrator Joyce travels on Monday morning to attend a conference that runs from the afternoon of Monday through noon on Wednesday. She then returns on Wednesday afternoon after the conference ends. This trip is entirely for business, and all travel costs to and from the destination and all business-related expenses incurred during the conference period are reimbursable expenses.

B. PERSONAL DAYS INCLUDED IN A TRIP

1. TRAVEL IN THE UNITED STATES

a) Entirely for business purposes

For travel in the United States, travel would be considered entirely for business if the total number of days spent in business-related activities (conference attendance, research, meetings) exceeds the total number of days spent in personal activities.

Example 2: Professor John attends a three-day conference in Denver and extends his stay for two days for personal reasons. This trip would be considered entirely for business; the travel costs to/from Denver and any business-related expenses incurred during the conference days are reimbursable. Non-business-related expenses incurred after the conference dates would not be reimbursable expenses.

b) Primarily for personal purposes

For travel in the United States, travel would be considered primarily for personal purposes if the total number of days spent in non-business-related or personal activities exceeds the total number of days spent in business-related activities.

Example 3: Administrator Bob attends a two-day seminar in Orlando and extends his stay for one week to take vacation with his family. This trip would be considered primarily personal; the travel costs to/from Orlando would not be reimbursable expenses. However, any business-related expenses incurred during the seminar days are reimbursable.

2. TRAVEL OUTSIDE THE UNITED STATES

a) Determination of business days

The day of departure from the United States and the day of return to the United States are both counted as days outside the United States. A traveler's business days include transportation days, days the traveler's presence is required, days the traveler spends on business-related activities, and certain weekends and holidays.

- (1) Transportation Days – any day spent traveling to or from a business destination. However, if because of a non-business activity the traveler does not travel by a direct route, the business days are the days it would take to travel a reasonably direct route to the business destination. Extra days for side trips or non-business activities cannot be counted as business days.
- (2) Presence Required – any day a traveler's presence is required at a particular place for a specific business purpose. Count as a business day even if most of the day is spent on non-business activities.
- (3) Day spent on business-related activities – if the principal activity during working hours is pursuit of business count as a business day. Also, any day a traveler is prevented from working because of circumstances beyond his or her control is counted as a business day.
- (4) Certain weekends and holidays – weekends, holidays, and other necessary standby days can be counted as business days if they fall between business days. If they follow a business activity and the traveler remains at the business destination for non-business or personal reasons, they cannot be counted as business days.

b) Entirely for business purposes

If a trip outside the United States includes personal days that in total do not exceed the total number of business days, then the trip may be considered entirely for business purposes. In this case, full travel expenses to and from the business destination may be reimbursed.

Example 4: Professor Bill travels from Boston to Brazil on August 1 to conduct research. In Brazil the research ends on August 15. Bill extends his trip to August 20 to include four days for personal activities before returning to Boston. This trip can be considered entirely for business purposes because the number of business days (16) exceeds the number of personal days (4). Travel costs to/from the business destination and business-related expenses during the period of the research can be reimbursed.

c) Primarily for business purposes

If a trip outside the United States includes personal days that in total do not *significantly* exceed the total number of business days, then the trip may be considered primarily for business purposes

(but not entirely for business purposes). Travel expenses from the United States to the business destination and to the United States from the business destination must be prorated for reimbursement based on the following formula:

$$\frac{\text{Total Number of Business Days Outside the United States}}{\text{Total Number of Days Outside the United States}}$$

Example 5: Professor Caroline travels from Boston to Berlin on August 1 to attend a seven-day conference. The conference runs from August 2 to noon on August 8. After the conference ends, Caroline travels to Dublin to vacation with family until August 20 before returning to Boston. Since this trip combines business and personal days, and the total number of personal days (11) does not **significantly** exceed the total number of business days (9), it is considered primarily for business purposes. The business days of this trip are August 1 through August 8 and August 20; the personal days are August 9 through August 19. Caroline can be reimbursed for business-related expenses incurred during the 9 business days. She cannot be reimbursed for personal expenses incurred during the 11 personal days.

Caroline paid \$1200 in airfare. Her prorated airfare reimbursement would be 45% (9 business days/20 total days = 45%) to account for the personal time during the trip. Her airfare reimbursement would be \$540 (\$1200 - \$660).

d) Primarily for personal purposes

Travel outside the United States where the total number of personal days **significantly** exceeds the total number of business days will be considered primarily for personal purposes. In this case only business-related expenses incurred during the business days will be reimbursable expenses. Travel costs to and from the destination cannot be reimbursed.

Example 6: Professor Mary travels from Boston to Beijing to deliver a two-day lecture. She then extends her trip to include three weeks of vacation in China. This trip would be considered primarily for personal purposes. Mary can be reimbursed for business-related expenses incurred during the business days. She cannot be reimbursed for the travel costs to and from Beijing.

XV. APPENDIX F: QUICK REFERENCE ON BUSINESS V PERSONAL TRIP

If your trip...	And...	Trip will be considered	What can be reimbursed	Example
is domestic ¹ or international ²	Business days only (no personal days)	Entirely for <u>business</u> purposes	Travel costs to/from your business destination; business-related expenses incurred during the trip	Travel to a conference with no personal time before or after the conference period
is domestic ¹	Business days exceed personal days	Entirely for <u>business</u> purposes	Travel costs to/from your business destination; business-related expenses incurred during the business days of the trip	Travel to a four-day conference with two personal days after the conference ends
is domestic ¹	Personal days exceed business days	Primarily for <u>personal</u> purposes	Business-related expenses incurred during the business days of the trip	Travel to a two-day conference with one week of vacation after the conference ends
is international ²	Business days exceed personal days	Considered entirely for <u>business</u> purposes	Travel costs to/from your business destination; business-related expenses incurred during the business days of the trip	Travel to Brazil for research; research takes 14 days followed by four personal days
is international ²	Personal days do not significantly exceed business days	Considered primarily for <u>business</u> purposes	Travel costs to/from business destination must be prorated ³ for reimbursement; business-related expenses incurred during the business days of the trip	Travel to Berlin for a 7-day conference followed by twelve days of vacation in Europe; travel costs reimbursed = 45% of the total
is international ²	Personal days significantly exceed business days	Primarily for <u>personal</u> purposes	Business-related expenses incurred during the business days of the trip	Travel to Beijing to give a two-day lecture followed by three weeks of vacation in China

Notes:

1. For the purposes of this discussion, domestic travel is travel within the United States and includes the 50 United States and the District of Columbia.
2. For the purposes of this discussion, international travel is all travel outside the 50 United States and the District of Columbia. This includes Canada and Mexico, as well as U.S. territories and overseas possessions (i.e. Puerto Rico, U.S. Virgin Islands, Guam, and American Samoa).
3. Travel expenses from the United States to the business destination and to the United States from the business destination must be prorated for reimbursement based on the following formula:

$$\frac{\text{Total Number of Business Days Outside the United States}}{\text{Total Number of Days Outside the United States}}$$

As shown in Example 5, there are 9 business days (one travel day from the United States, 7 conference days in Berlin, and one travel day to the United States) and 20 total days outside the United States (one travel day from the United States, 7 conference days, one travel day to the United States and 11 personal days). Therefore, the prorated reimbursement for the travel costs from the United States to the business destination and return would be 9/20ths or 45%; alternatively, 11/20ths, or 55%, would need to be deducted from the total travel costs from the United States to the business destination and return for reimbursement.