Travel and Entertainment Policy

I. POLICY

A. Travel

Baylor University will reimburse, within budget limitations, a faculty or staff member (traveler) who travels as a University representative for the ordinary and necessary expenses directly related to authorized domestic and international travel. Approval for travel must be obtained from the Department Head prior to departure, and each traveler should be prudent in his/her travel expenditures.

A traveler who receives a fee, honorarium or expense reimbursement from other organizations must deduct this amount from the total travel cost to determine the amount to be reimbursed by the University. Travel performed on a cost-sharing basis with another organization will be administered in the same manner as fully reimbursed travel.

B. Entertainment

Baylor University will reimburse, within budget limitations, a faculty or staff member who entertains as a University representative for the ordinary and necessary expenses related to University business.

C. Policy Compliance

Each department is expected to adhere to the following policy to help assure the University’s compliance with IRS rules and regulations and to promote good stewardship of University funds. Specific schools, departments and funding sources may choose to be more restrictive than this policy due to budget constraints or other reasons; however, they must not be less restrictive.

This policy was developed to encompass matters related to University travel and entertainment. Occasionally, an issue will arise that is not covered specifically by this policy. When this policy does not specifically address a situation, the Associate
Vice President for Financial Services and Treasurer and Assistant Vice President and Budget Director will coordinate the course of action required.

In accordance with this policy, the University will normally make reimbursement as follows:

II. GENERAL POLICY GUIDELINES

A. The traveler/employee is responsible for maintaining complete and accurate records and submitting supporting receipts and/or other documentation for expenses incurred as required by this policy.

B. When traveling on University business, faculty and staff are covered by the University's accident insurance policies. The travel accident policy provides for accidental loss of life and accidental dismemberment. However, to protect faculty and staff and his/her estate, it is essential that evidence be presented that the travel in question was University business, and such evidence must exist in the University's records. A Travel Authorization Form (TAF) is one form of written documentation to confirm travel status. The TAF should be filed with the traveler's appropriate home department prior to travel, and should be retained in the department.

C. Expense Reports (ER) are required for reimbursement of University travel and entertainment expenses and must show costs by category.

D. Original dated receipts are required for lodging, rental car and airfare, regardless of cost, and for other expenses in excess of $35. Receipts that document proof of payment must be attached to the ER. Travel itineraries or non-itemized charge card tickets are not acceptable as receipts. When expenses are being shared with other organizations, a copy of the receipts will suffice if a copy of the travel report provided to the other party is submitted with the ER.

In the case where an original receipt is lost or destroyed, the employee must make a concerted effort to obtain a duplicate receipt. If the employee is unable to obtain a duplicate receipt, a Lost or Destroyed Receipt Affidavit must accompany the printed Expense Report. The Lost or Destroyed Receipt Affidavit should be used sparingly and only in the rare circumstance when an original receipt cannot be obtained.

E. Travel and entertainment expenses for a spouse, relative or invited guest are considered personal expenses unless there is a valid, documented business purpose for the University to incur the expenses. Spouse, relative and guest travel must be approved in advance. See spouse expense reimbursement policy.
F. Where travel costs are charged to a sponsored project, the terms of the applicable contract or grant will take precedence if more stringent. The project director/principal investigator (director of an activity that is funded by extramural funding) is responsible for compliance with the specific contract or grant requirements. (See Research Grants/Contracts Travel Policy [link]).

G. Summer Foreign-Site Study programs have specific financial and operational guidelines (See Summer Foreign-Site Study Program [link]).

H. Independent contractors (non-employees providing services for the University), such as guest speakers or consultants, will be reimbursed for travel expenses in accordance with this policy.

I. Tax Consequences

One purpose of this policy is to create an accountable plan within the mandates of the IRS rules and regulations. Note that approval of some expenses will create a taxable benefit to the employee/traveler (i.e. spouse travel, etc.). A copy of these ERs must be forwarded to the Payroll Office. Also, approval of an expense as an exception to this policy may create a taxable benefit that must be reported to the Payroll Office. The department head is responsible for forwarding this information to the Payroll Office.

J. Expense Reports will be subject to audit and review.

K. Consequences of Non-compliance

Failure to comply with this policy puts at risk the assurance that the individual will receive reimbursement for travel and entertainment expenses. In addition, the reputation of Baylor University may be harmed, and all other University travelers may be inconvenienced if noncompliance with this policy results in a determination of a non-accountable plan by the Internal Revenue Service. Consequences for travelers not complying with this policy include but are not limited to:

- Denial of reimbursement
- Payroll deduction
- Suspension of travel card privileges (if noncompliance is pervasive in a department or program, suspension of travel card privileges may include all travelers in the affected area)
- Suspension or reduction of travel or entertainment budget for the current and/or subsequent years
- Disciplinary action in accordance with Baylor University Personnel Policies up to and including termination of employment
• Repeat violators must attend mandatory re-training
• Notification of noncompliance to the Executive Council and/or Deans

L. All Expense Reports must be signed by the traveler/employee and approved at the next administrative level. For example:

<table>
<thead>
<tr>
<th>Employee/Traveler</th>
<th>Approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department/Sponsored Program travelers/employees</td>
<td>Department Chair/Head</td>
</tr>
<tr>
<td>Project Directors/Principal Investigators</td>
<td>Department Chair/Head</td>
</tr>
<tr>
<td>Department Chair/Head</td>
<td>Dean or Divisional Vice President</td>
</tr>
<tr>
<td>Dean or Department Chair/Head reporting to the Provost</td>
<td>Provost and Vice President for Academic Affairs</td>
</tr>
<tr>
<td>Vice President and Administrators reporting to the President</td>
<td>President</td>
</tr>
<tr>
<td>President</td>
<td>Chief Financial Officer with a summary statement presented periodically to Regent Audit committee</td>
</tr>
</tbody>
</table>

The individual approving the ER is responsible for verifying the existence and validity of the receipts attached to support expenditures claimed and that expenses claimed are in compliance with this policy. See Approval Checklist [link] for procedures to be performed by the individual approving the ER.

III. SPECIFIC POLICY GUIDELINES

TRAVEL

A. Transportation

Reimbursement for transportation is normally based on the lowest cost mode of transportation available regardless of the mode of transportation selected by the traveler.

1. Personal Automobile

   a. The University will reimburse the traveler at the annually approved rate per mile as set by the applicable IRS rate for automobiles based on point-to-point mileage between cities as indicated in the "Official State Mileage Guide" [link] unless actual business miles are documented with odometer readings per trip and the business purpose explained. The Budget Office publishes
the mileage rate annually. [Link]

b. If University business requires travel to several points within a city, then reimbursement is based on actual mileage for such travel. The traveler must submit odometer readings and explain the business purpose.

c. When two or more employees travel to the same meeting or destination by personal automobile (or by University vehicle), they should travel together unless a justifiable business reason prevents it, and advance approval is obtained from the Department Head. Only one employee will be reimbursed for the mileage allowance.

2. University Vehicle

a. The University has available a 15-passenger van for use by travelers on official local Baylor business. Reservations for the van are made with the University Purchasing Office, Ext. 1561.

b. The user’s department budget is charged an annually approved rate per mile for use of the van.

3. Air Travel

a. The University has contracted with selected travel agencies to assure consistent service, best rates and to maximize negotiating leverage with airlines. The preferred method for arranging air travel is through contracted travel agencies. Current selected travel agencies are:

   Aladdin Travel
   House of Travel
   Millennium Tours
   Travel Time
   Waco’s All About Travel

b. Direct airline booking or internet airfare charged to a personal credit card or University travel card will be allowed if there are cost savings. A Travel Authorization Form (TAF) or other written documentation should be completed by the traveler and approved by the traveler’s Department Head. The traveler is responsible for airfare purchases that the Department Head does not approve. The traveler is forfeiting services that contracted agencies provide (name change, date change, cancellation, etc.) To receive reimbursement, the original dated receipt must be attached to the ER.

c. The traveler should make flight reservations at least three (3) weeks prior to travel to assure the greatest opportunity to obtain the lowest fare possible.
d. The traveler should indicate flexibility to the travel agency regarding time of departure, time of arrival and routing of flights and alternate airports (Waco, DFW, Love Field, Killeen, Austin). The travel agency must offer the least expensive routing for air travel based upon the traveler’s flexibility. If the least expensive routing is refused for any reason, the least expensive rate and the reason for non-acceptance must be noted on the traveler’s requisition for airfare.

e. First-class travel will not be reimbursed.

f. The traveler is responsible for any expense incurred as a result of lost tickets or change in itinerary due to personal reasons. Expenses incurred due to lost tickets or change in itinerary for business reasons must be documented and approved.

g. When two-for-one tickets are used that allows a non-University employee to accompany the traveler, the traveler will reimburse the University for the difference between a single ticket price (applicable at the time of ticketing) and the two-for-one ticket price.

h. To comply with terms and conditions set by airlines the following procedures are prohibited:

- **Back-to-Back Ticketing**: The combination of two or more round-trip excursion fares end to end for the purpose of circumventing minimum stay requirements.
- **Throwaway Ticketing**: The usage of round-trip excursion fare for one-way travel.
- **Hidden City/Point Beyond Ticketing**: Purchase of a fare from a point before the passenger’s actual origin or to a point beyond the passenger’s actual destination.

4. Rental Vehicles

**Vehicle Rentals Originating Out-of-town**

a. The University will reimburse the traveler for a standard size rental vehicle when necessary for authorized University travel at the destination and when approved **in advance** by the Department Head.

b. The traveler should accept "Collision Damage Coverage" but decline "Travel Accident/Life Insurance." The traveler may wish to accept both of these coverages if the vehicle is to be used for personal purposes. Traveler must pay for such personal coverage.

c. The traveler should purchase fuel before returning the vehicle to the rental agency to avoid the high fuel cost at the agency unless fuel is included in the
rental fee.

**Vehicle Rentals Originating in Waco**

a. The University has established an agreement with Waco Enterprise Rent-A-Car to provide cars and vans for University travelers whose vehicle trip originates and terminates in Waco.

b. Call Enterprise at 714-1131 and provide traveler’s name, department name, 7-digit department number, and date/time for pick-up and return.

c. A rental vehicle should be used only if the cost is less expensive than reimbursing the traveler for personal vehicle use.

d. Waive extra insurance coverage for a vehicle rented from Waco Enterprise locations.

e. Cost: Standard-size car @$29.99/day or full-size car @ $30.99/day.

f. Mini- and full-size vans are available for groups.


g. Enterprise will charge the University for the actual cost to refuel the vehicle upon return.

If the traveler has an accident, it should be reported to the Director of Insurance Services Office, Ext. 3866, immediately upon return to the University. Send copy of accident report to the Director of Insurance Services.

5. Airfare Equivalence

If a traveler takes his/her personal vehicle on an approved University business trip that entails distant travel, the University will reimburse the lower of the airfare equivalent amount or actual costs.

The airfare equivalent amount must be determined on the same basis as if air transportation were to be used. The traveler’s ER must include documentation of the airfare equivalent amount at the time of the trip. Also included in the airfare equivalent amount is reimbursable mileage to and from the airport (if flying out of Waco is not included in the airfare) and the remote parking fee. The airfare equivalent amount will be compared to the total of meal, lodging and mileage (point-to-point from Waco) costs claimed. Since traveling by automobile usually takes longer than flying, the Department Head must approve the airfare equivalent option prior to departure.

B. Hotel-Motel Accommodations

1. The University will reimburse the traveler for the actual cost of accommodations within a reasonable level. Where travel costs are charged to a sponsored project, the terms of the applicable contract or grant will take precedence if more stringent.
(See [link] for additional information.)

2. When the traveler is attending a conference at a host hotel-motel, the University will normally accept the conference rate at the host hotel-motel.

3. All lodging receipts must be itemized and are required regardless of cost. The ER must show costs by category. When meals, telephone, and other items are charged to a hotel room, the amounts must be separately entered from the lodging cost on the ER in the appropriate category of expense.

4. When the traveler is accompanied by someone whose trip is not authorized by the University, the University will reimburse for accommodations only at the single occupancy rate.

5. Movies, exercise facilities, or other forms of entertainment are not an allowed reimbursable University travel expense.

6. Baylor is exempt from Texas state hotel occupancy tax. To claim this exemption, the traveler must present a Texas Hotel/Motel Tax exemption certificate at time of check-in. These certificates are available on the Travel Center website http://www.baylor.edu/travel/index.php?id=3382. Travelers should use these certificates to avoid paying the 6% Texas state hotel occupancy tax.

C. Meals

1. Allowable Meal Expenses

a. The University will reimburse the traveler for actual cost of meals within reasonable limits. The University does not have a per diem for meals; however, $35 a day (including tips) is considered reasonable for a day that normally includes three (3) meals. If the trip involves more than one day's travel, the daily meal expenses should average no more than $35 a day (Example: Day 1 = $45, Day 2 = $25, average of both days = $35). A reasonable tip is normally 15% of the meal cost.

b. The cost of a meal in excess of $35.00 will require a receipt that must include the name and location of the restaurant, date and amount of the expense that was purchased. Any meal receipt exception must be documented on the ER and approved by the Department Head.

2. Disallowed Meal Expenses

a. The University does not reimburse for meal costs when meals, including a continental breakfast, are provided through the conference registration fee.

b. Snacks and refreshments are not an allowed reimbursable University travel
expense except as a substitute for a daily meal.

c. Alcoholic beverages are not an allowable expenditure.

3. Meal Expenses for One-Day Trips

a. The University will only reimburse the cost of meals for travel which requires an overnight stay.

b. The University will reimburse the cost of a meal if included in a registration fee or for business meals that are properly documented. [link] to Business Entertainment Expenses. Such documentation is to include names of guests, names of organizations represented, guests' position within the organizations, and business justification.

4. Grants

a. When a trip is being paid for by a grant, the rules of the grant apply even though they may be stricter than the Baylor travel policy.

b. No tips are allowed on State of Texas grants.

c. Some grants may have specific meal or tip guidelines. [link]

5. Business Meals With Guests

Business meals with guests will be reimbursed on an ER. See section on Business and Entertainment Expenses [link].

D. Taxi, Bus and Other Public Transportation Fares - Costs for local transportation at the destination will be reimbursed when reasonable and justifiable for business purposes.

E. Parking Fees - Ordinary and necessary costs for automobile parking will be reimbursed.

1. Remote parking at the airport is required unless there is a physical or business reason to justify an exception.

2. The least expensive parking arrangement should be used. Valet parking is discouraged but may be reimbursed if it is the sole parking available or if the traveler is using it for a physical, safety or business reason.

F. Tips - Reasonable tipping, which is normally 15% of the meal cost, will be
reimbursed. No tips are allowed for State of Texas grants travel.

G. Telephone Expenses

1. Business telephone/fax and business internet usage fees will be reimbursed. Business purpose must be documented on the ER.

2. Personal telephone calls are an allowed, reimbursable travel expense not to exceed $10 per trip. The purpose is to "check in" with the traveler's family.

Note: University calling cards are available for this and other business purposes. These cards make calling much less expensive than typical hotel rates. For more information on how to obtain a calling card contact Telephone Services (710-3310).

H. Laundry and other personal expenses are not allowed reimbursable University travel expenses.

I. Other expenses will be reimbursed if determined to be ordinary and necessary in the performance of University business and if supporting documents are provided.

J. Any expenses not related to travel submitted on an ER must be charged to the appropriate expense account code (other than expense account code 9382 - Individual Travel). A receipt or other supporting document must be attached to the ER for these types of expenses regardless of dollar amount.

BUSINESS ENTERTAINMENT EXPENSES

Reimbursement will be made for business meals and entertainment when names of guests, names of organizations represented, guests' positions within the organizations, and business justification are provided on the ER. These entertainment expenses must be reasonable and not lavish or extravagant. If you entertain business and non-business individuals at the same event, Baylor University will not reimburse the non-business portion of the expenses. Reasonable tipping, which is normally 15% of the meal cost, will be reimbursed.

A. Documentation of the detailed business purpose must include date, amount of expense, location, names and titles of those in attendance, and business matters discussed.

B. Detailed original receipts must accompany the request for reimbursement of the actual cost (meal or entertainment).

C. Meals with a clearly substantiated business purpose are those directly
business meals include meetings with potential students, donors or prospective employees at which a bona fide business discussion takes place. Meals for departmental meetings or business meetings with colleagues may be reimbursed if occurring infrequently. The business discussion must not be secondary to the purpose of the meal. The employee receiving reimbursement must be present at the meal where the business discussion takes place. Meals eaten alone do not qualify as business meals.

D. Entertainment expense must be directly related to the conduct of Baylor University business. IRS regulations require that the employee engage in the active conduct of business with the person being entertained. Entertainment expenses associated with the active conduct of Baylor University business will be reimbursed if they directly precede or follow a bona fide and substantial business discussion.

LOST OR DESTROYED RECEIPTS

Individuals must make a concerted effort to obtain the detailed, original receipt from the vendor for travel and entertainment expenses. In lieu of original receipts, a Lost or Destroyed Receipt Affidavit \{Link\} must be signed by both the traveler and authorized signer with a complete explanation of the expense and the reason for the missing receipt. By signing the Lost or Destroyed Receipt Affidavit, both the employee and the approver are certifying that no original receipt is available, the expense was on behalf of the University, the item and amount of the expense are accurate and no other reimbursement of expense has been or will be sought or accepted from any source. The employee must include documentation showing proof of payment (credit card charge slip, record of charge and billing statement, canceled check or other record of payment).

IV. ADVANCES

Accounts Payable will not issue travel advances for individual travelers. Cash may be obtained with the JPMorganChase Travel Card, subject to limits imposed by the bank.

V. TRAVEL PROCEDURES

A. Actions required prior to travel:

1. Traveler
   a. Submit written travel request estimate to Department Head for approval [link to TAF].
b. Airfare may be purchased with a University travel and entertainment card or personal credit card. Submit reimbursement request on an ER.

Airfare may be purchased directly through the University by submission of a Travel Agency Authorization Form to one of the contracted travel agencies.

c. If a cash advance is needed for student group or athletic team travel, initiate a requisition that includes the following:

1. Name of traveler
2. Purpose of and justification for trip
3. Destination
4. Inclusive trip dates
5. Mode of transportation
6. Amount of advance requested for estimated cost of reimbursable travel expenses
7. Department name and ID number

Business related cash needed for individual travel may be obtained through a University travel and entertainment card cash withdrawal.

d. If travel arrangements such as transportation or lodging are needed for student group or athletic team travel, initiate a requisition. Include items 1-4, and 7 in c. above.

e. Submit requisition(s) to Department Head for approval.

2. Department Head

a. Review written travel request estimate and notify traveler of approval (disapproval).

b. Review requisition(s)/Travel Agency Authorization Form for appropriateness, availability of funds and compliance with University travel and entertainment policy and procedures.

c. Sign/date requisition(s)/Travel Agency Authorization Form when approving.

d. Approve edit- and budget-checked requisition(s) online, or return disapproved requisition(s) copy to traveler with explanation.
NOTE: Requisitions do not electronically route to Purchasing until edit checked, budget checked, and approved.

3. Purchasing Office
   a. Review requisition(s) for policy compliance, then create a purchase order.
   b. If applicable, submit purchase order to appropriate travel agency for authorization to release tickets.

4. Accounts Payable Office
   a. Issue check for amount of approved travel expenditure.
   b. Provide traveler with hotel/motel tax exemption certificate.

B. Actions required upon return from travel:
   1. Individual Travel
      a. Within 15 days, complete an ER, attaching all required supporting documentation, including receipts, bills, etc.
      b. Submit ER electronically via email to Department Head for review, and provide a signed copy of the ER with all required supporting documentation to Department Head for approval.
   2. Department Head
      a. Review completed ER for appropriateness, completeness, accuracy, compliance with University policies and procedures, and availability of funds. If sufficient operating funds are not available, restricted funds or other departmental funds should be used. Excess costs may not be reimbursed if there are no other funds available. A Budget Change Request (BCR) form should be submitted to the Budget Office if a budget change is needed as a result of the actual cost of the expenses.
      b. Approve/disapprove ER. Approved ERs must be electronically routed via email with a statement indicating approval to Accounts Payable (Accounts_Payable@baylor.edu). Disapproved ERs must be electronically returned via email to the travelers to address unapproved expenses. Department head must sign the
approved paper copy of the ER.

c. If payment of the expense creates a taxable benefit to the employee, the Department Head must forward a copy of the ER to Payroll.

d. File printed approved copy of ER with original supporting documentation in a central location in the department of the faculty or staff member who incurred the expenses.

3. Accounts Payable Office

a. Issue check or coordinate direct deposit into individual traveler’s bank account for approved expenses.

b. Electronically file completed ER.

C. Student Group or Athletic Team Travel

1. Traveler

   a. Within 15 days, complete a paper TER, attaching all required supporting documentation, including receipts, bills, etc. Cash advances not accounted for by submission of a paper TER within 15 days from the date of completion of the trip are subject to inclusion in the employee’s wages and taxed under the Internal Revenue Code. In addition, the employee may be denied future cash advances.

   b. Deposit with the University Cashier’s Office the unused portion of any cash advance issued through the University. The cash deposit form must reference the purchase order number of the cash advance.

   c. Sign and submit paper TER with attachments, including deposit form, if applicable, to Department Head for approval.

2. Department Head

   a. Review TER for appropriateness, completeness, accuracy, compliance with travel policies and procedures, and availability of funds if actual costs exceed the amount of the travel advance. If funds are not available to cover the excess costs, use of restricted funds or other departmental budget funds should be used. Excess costs may not be reimbursed if there are no other funds available. A Budget Change Request
(BCR) form should accompany the TER if a budget change is needed as a result of the actual cost of the trip.

b. Sign/date TER, if approving.

c. Forward approved TER with original supporting documentation to the Budget Office.

3. Budget Office:

   a. Review TER for completeness, accuracy, compliance with travel policies and procedures, and availability of funds if actual costs exceed the amount of the travel advance.

   b. Sign/date TER, if approving.

   c. Forward approved TER to Accounts Payable Office to prepare check, if required, for reimbursement of expenses in excess of the amount advanced and to clear outstanding travel advance. Return one copy of approved TER to traveler.

4. Accounts Payable Office

   a. Issue check or coordinate direct deposit into individual traveler’s bank account for approved expenses.

   b. File completed copy of paper TER.

VI. BUSINESS ENTERTAINMENT PROCEDURES

A. Faculty or Staff Member

1. Requests for business entertainment expenses to be paid directly to the vendor by the University must be submitted on a requisition or voucher, as appropriate. Documentation of business purpose must accompany request for payment.

2. Reimbursement requests for business entertainment expenses paid for by a faculty or staff member must be submitted on an ER.

   a. Complete ER including all required information, and attach all required supporting documentation, including receipts, bills, etc.

   b. Submit ER electronically via email to Department Head for
review, and provide a signed copy of the ER with all required supporting documentation to Department Head for approval.

B. Department Head

1. Review completed ER for appropriateness, completeness, accuracy, compliance with University policies and procedures, and availability of funds. If sufficient operating funds are not available, restricted funds or other departmental funds should be used. Excess costs may not be reimbursed if there are no other funds available. A Budget Change Request (BCR) form should be submitted to the Budget Office if a budget change is needed as a result of the actual cost of the expenses.

2. Approve/disapprove ER. Approved ERs must be electronically routed via email with a statement indicating approval to Accounts Payable (Accounts_Payable@baylor.edu). Disapproved ERs must be electronically returned via email to the travelers to address unapproved expenses. Department Heads must sign the approved paper copy of the ER.

3. If payment of the expense creates a taxable benefit to the employee, the Department Head must forward a copy of the ER to Payroll.

4. File printed approved copy of ER with original supporting documentation in a central location in the department of the faculty or staff member who incurred the expenses.

C. Accounts Payable

1. Issue check or coordinate direct deposit into the faculty or staff member’s bank account for approved expenses.

2. Electronically file completed ER.

RESEARCH GRANTS/CONTRACTS TRAVEL POLICY

In addition to the stated travel policy, the University is required to apply the following specific policies for travel charged to sponsored programs and contracts:
1. International travel may require prior approval from the funding agency. International travel is defined as travel outside the continental U.S. and Canada. Check with the Office of Sponsored Programs and Contracts prior to booking of the trip.

2. Use of US Flag carriers is required for international travel chargeable to a federal grant or contract unless certain conditions are met. Contact the Office of Sponsored Programs and Contracts before making international travel arrangements.

3. Allowable airfare costs are limited to the lowest available commercial discount fare. Purchases of tickets at the airport or purchases of "next day travel" should not be made except in rare emergency cases. The principal investigator is responsible to obtain the lowest available fare.

4. Meal costs should be reasonable. Per diems may be allowable based upon government established rates and approval by the department head and applicable dean. Co-mingling of per diems and actual meal costs on an ER is not permitted. Per diems should be prorated on day of departure and day of return for meals not incurred.

5. Lodging costs should be reasonable. Actual costs will be reimbursed with original receipts. Costs charged to State of Texas contracts have a specified maximum limit. Contact the Office of Sponsored Programs and Contracts for current rates.

6. The automobile mileage rate chargeable to State of Texas contracts differs from the IRS rates. Contact the Office of Sponsored Programs and Contracts for current rates. All other grants and contracts are allowed the standard IRS rate.

7. Entertainment is not an allowable charge to research grant or contract programs.

8. Alcoholic beverages are not an allowable charge to research grant or contract programs.

9. Grants or contracts from the State of Texas, and possibly other states, do not allow tips.

10. Travel reimbursements to independent contractors and other non-Baylor employees must be made using the standard University TER. The TER must be completed listing all allowable expenses and must be signed by the traveler. All guidelines of the travel policy of Baylor University apply unless a more stringent policy is required by the granting agency or contract.

**APPROVAL CHECKLIST**

Responsibilities of Anyone Approving an ER:
1. Evaluate each expense item claimed, regardless of amount, as to its reasonableness given the circumstances of the travel/business entertainment.

2. Insure that receipts required to support amounts on the ER are included. The reviewer must look at each individual receipt to insure that the receipt is proper and that amounts are properly reported.
   a. Any travel expense item in excess of $35 must be supported by a detailed, original receipt. Original dated receipts are required for lodging, rental car and airfare, regardless of cost.
   b. Any business entertainment expense, regardless of amount, must be supported by a detailed, original receipt.

3. Insure that required information is included for all guest and entertainment expenses.

4. Insure that the proper expense account coding is indicated.

5. Insure that any exceptions to University policies and procedures are noted.

6. Insure that the employee has signed the ER.

7. Identify taxable income and forward ER to Payroll Office.

8. By approving an ER, you are indicating that you have read the University travel and entertainment policy and procedures and are familiar with its requirements and your responsibilities in approving such expense reports.

SPOUSE TRAVEL

PURPOSE: To provide the framework, in compliance with the IRS code, for determining the need for the spouse of an employee to travel for Baylor University to further its mission and purposes.

POLICY:

A. It is anticipated that from time to time spouses of the President, Chancellor, and Vice Presidents of Baylor University will be expected to attend certain functions related to the ongoing mission and purposes of the University. Such functions where the officer and spouse are representing the University may include, but are not limited to, Baptist meetings either at church, association, or convention levels; alumni meetings; athletic events; or other meetings of organizations in which the
university is involved.

1. In these cases, it is the position of the University that if the President, Chancellor, or Vice President determines that the attendance of his/her spouse serves a bona fide business purpose of the University, the travel expenses of such spouse may be paid by the University in accordance with the University's travel policy. To be a bona fide business purpose, the presence of the spouse must be essential (not just beneficial) to the employee being able to carry out his/her business purpose for the University. The spouse’s performance of some incidental service does not make it a bona fide business purpose. An employee’s spouse performing some menial task (such as typing notes) and/or accompanying the employee to luncheons and dinners is not a bona fide business purpose. The spouse must perform substantive business related functions. In such cases, the bona fide business purpose of the accompanying spouse must be clearly documented on the employee’s Expense Report, and there will be no tax consequence to the employee.

2. In other cases the President, Chancellor, or Vice President may determine that it would be desirable for his/her spouse to attend a particular function on behalf of the University, but that it does not necessarily serve a bona fide business purpose to the University. In these cases if the reimbursement of the spouse's travel is approved, it will be necessary, under IRS code, to include such reimbursement in the employee's taxable wages as a taxable "fringe benefit."

3. In any other cases, a spouse's travel will be the personal responsibility of the President, Chancellor, or Vice President.

B. All travel by spouses of other employees will be reviewed and a specific determination made as to University need and business purpose. The divisional Vice President, applying the following criteria, must approve such requests for spousal travel.

1. In some cases, it will be determined that there is a bona fide business purpose for the spouse to travel and represent the University at a particular function. In such cases, the University will provide approval, and the travel expenses of such spouse may be paid by the University in accordance with the University's travel policy. To be a bona fide business purpose, the presence of the spouse must be essential (not just beneficial) to the employee being able to carry out his/her business purpose for the University. The spouse’s performance of some incidental service does not make it a bona fide business expense. An employee’s spouse performing some menial task (such as typing notes) and/or accompanying the employee to luncheons and dinners is not a bona fide business purpose. The spouse must perform substantive business related functions. The bona fide business purpose of the accompanying spouse must be clearly documented on the employee's Expense Report, and there will be no tax consequence to the employee.

2. In other cases it will be determined that it would be desirable, but that it does not
serve a bona fide business purpose to the University, for the spouse to attend a particular function on behalf of the University. In such cases if the University approves the reimbursement of the spouse's travel, it will be necessary, under IRS code, to include such reimbursement in the employee's taxable wages as a taxable "fringe benefit."

3. In any other cases, a spouse's travel will be the personal responsibility of the employee.

March 14, 2003