

Travel and Business Hosting Expense Guidelines

November 2016

As stated in the university's Standard Practice Guide (SPG) section 507.10, "The University of Michigan reimburses faculty, staff, and others for reasonable and necessary expenses incurred in connection with approved travel or business hosting on behalf of the university." Guidelines for Facilities and Operations (F&O) align with the principles of the SPG, and in some cases are more restrictive.

Travel

The standard travel policies as described in SPG 507.10 apply to F&O staff members. Specific areas to note include:

I. Documentation and receipt requirements

The specific business purpose of the trip should be clearly stated on all travel expense submissions. The business purpose must support or advance the goals, objectives and mission of the university, and adequately describe the expense as a necessary, reasonable and appropriate business expense for the institution. The business purpose should include information such as:

- People involved
- University affiliation
- Business topics covered

II. Approver Role and Responsibilities

An employee's immediate supervisor or higher administrative authority must approve travel and business hosting expenses before reimbursement will be issued. Approval responsibility should be assigned to an individual who can assess the business appropriateness and reasonableness of each expenditure.

III. Per diems/travel allowance

PCards should not be used to pay for meals because of the extensive accounting and reconciliation work it creates. PCard ATM withdrawals are not permitted for the use of advance payment of per diems.

IV. Reimbursement policy

Employees must utilize the university's Concur travel and expense system to submit all expenses for reimbursement and reconciliation, ideally within 10 days of the completion of the event or trip, but no later than 45 calendar days. Timely submission of expense reports is important for internal controls and financial stewardship.

The nature of our organization requires staff members to travel for a variety of purposes (regulatory and compliance issues, conferences, professional development, etc.). These requirements should not create an undue financial burden for employees. Staff members may request travel advances to cover expenses that cannot be reasonably handled via other university methods, such as a PCard or shortcode. Travel advances need to be approved by the department director.

V. Local mileage

The university generally does not reimburse in-town mileage. When extensive in-town travel is required as part of an employee's job, however, exceptions may be made given the nature of our work. The following policy applies to F&O areas:

F&O staff members may request annual reimbursement of expenses incurred for university business use of their personal vehicle on the Ann Arbor campus. Our goals are straightforward:

- We have eliminated many university vehicles used by F&O over the past several years; fleet vehicles are costly, and we have thus moved to staff members instead utilizing the bus, walking, or using their personal vehicle. We want to continue to reduce fleet vehicles on campus, and compensation for mileage assists with that goal.
- Our desire is to provide reimbursement for use of personal vehicles, above the minimum noted below, in the manner with the lowest administrative cost.

Requests will be reviewed annually and should occur at the beginning of the fiscal year for budget planning purposes. Eligibility is determined by considering the following factors:

- The employee's job requires extensive local travel to project sites, multiple buildings, or other areas on an irregular or variable basis.
- The frequency of travel is significant, which is defined as greater than 10 miles per week.
- A departmental university pool car is not available.
- Other transportation options are not reasonable or efficient given the overall nature of an individual's job, such as scheduling needs, emergency/safety issues, or need to transport equipment or tools.
- Reimbursement for travel to attend regular, standing meetings is not appropriate.

These exceptions are coordinated at the departmental level and forwarded to the Administrative Director. A list of F&O staff members receiving mileage reimbursement is then submitted to the director of Procurement Services annually.

Hosting

The standard hosting policies as described in SPG 507.10 apply to F&O staff members. Departments must report all hosting events, including external and internal vendors to the F&O administrative director. Department directors must approve hosting activity. Specific areas to note include:

I. Alcoholic beverages

F&O does not fund alcoholic beverages. Requests for an exception should be made in advance to the F&O administrative director.

II. Retirement celebrations

University discretionary funds may be used to cover all or part of the cost of hosting a retirement farewell activity. Retirement celebrations are managed at the departmental level and department directors should approve budgets in advance. Small gatherings should not exceed the university maximum allowance of \$25 per person. Larger celebrations have the following limits:

University Years of Service	Attendance - 100 or less	Attendance - more than 100
Less than 10 years of service	Up to \$250	Up to \$1000
10 - 20 years of service	Up to \$500	Up to \$2,000
20 years of service or more	Up to \$1,000	Up to \$5,000

III. Group or staff recognition events

It is considered acceptable for university departments to recognize the efforts of their staff members with group recognition functions. However, discretion should be used and all events should be reviewed for appropriateness prior to the occasion. Department directors must approve of these events in advance.

A. Summer Event

It is appropriate for areas to hold an “employee appreciation” event in the summer. However, certain limitations apply:

- The university contribution should be reasonable and within the boundaries of other related university spending guidelines.
- The event shall be held between July and the middle of September.

B. Year-End Holiday Event

It is appropriate for department directors to encourage a holiday event for all staff. However, certain limitations apply:

- The university contribution will have a maximum limit of \$25 per employee.
- Non-supervisory personnel are limited to one event.
- The duration of the event shall be limited to no more than three hours.

C. Other Events/Programs

Units may sponsor additional formal employee appreciation type events or programs, generally as part of staff recognition programs.

IV. Business meals

Business meals are those taken with guests, colleagues, or donors, during which focused business discussions take place. Business meals with vague, unfocused purposes (such as “foster collaboration between departments”) are not permitted.

A. Staff gatherings (including business lunches with internal staff)

According to Internal Revenue Service guidelines, you must not host the same group of people any more often than once a month. The cost per individual should be conservative and cannot exceed the university maximum allowance of \$25 per person. It is understood that project work sometimes necessitates business to be conducted over the lunch period. A reasonable attempt should first be made to schedule other meeting times. For routine meetings, a university-funded meal is generally not appropriate.

B. Business gatherings with non-affiliates

University funds may be used to cover all or part of the cost of the meals associated with people not affiliated with the university. The outside party must be a current or likely provider of valuable information (e.g., member of a peer institution), service, or other products to the university. The necessity for the meals should result from the inability to reasonably schedule other times for the purpose of meeting to discuss business matters. It is expected that for routine meetings with non-affiliates, a university-funded meal is generally not a necessity.

C. Training sessions

University funds may be used to cover all or part of the cost of the meals and/or refreshments associated with preplanned and necessary staff training sessions.

D. Emergency or special circumstances

University funds may be used to cover all or part of the cost of the meals (and/or refreshments) associated with safety service activities (e.g., snow removal, emergency repairs) that do not allow for traditional meal breaks.

Gifts and Other

I. Vendor gifts

Facilities and Operations staff members should not accept gifts, service or gratuities from vendors or potential vendors. Reference the Business & Finance “Vendor Gift and Gratuity Policy” at <http://www.bf.umich.edu/about/reports-policies/>

II. Gift cards

F&O utilizes gift cards as part of its annual compensation program. This process is managed by the Office of the Associate Vice President for Facilities and Operations (AVPFO). The potential use of gift cards for any purpose other than employee recognition should be discussed with the F&O administrative director. These situations may occur infrequently.

III. Athletic or cultural events

It is considered acceptable for university departments to recognize the efforts of their staff members with tickets to athletic or cultural events. However, these should be limited, discretion should be used and all events should be reviewed for appropriateness prior to the occasion. Department directors must approve of these events in advance. Non-general funds should be used to cover these expenses.

IV. Retirement gifts

University funds can be used to purchase a reasonable gift for a retiree. The cost should not exceed \$100 for individuals with less than ten years of service. The cost should not exceed \$400 for individuals with ten or more years of service.

V. Miscellaneous

No university funds should be used to celebrate a staff job transfer, whether it is internal or external to the university. This includes refreshments, gifts, flowers or other celebratory expenses, regardless of the cost. No university funds should be used to acknowledge birthdays, bereavement or events primarily of a personal nature.