

Policies & Procedures

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B. Travel/Transportation Expenses

1. Air Travel

a) General/Travel Office Services

Expenses for air travel to attend out-of-town conferences or other business meetings or events are allowable if reasonable. All air travel is expected to be at the least costly rate that is consistent with a reasonable level of comfort and convenience to the employee. In most cases, coach class airfares will meet this standard. An expense for business class airfare (or first class airfare if business class is not available) for flights exceeding 4 hours, excluding layovers, may be allowable, subject to Special Approval in accordance with the Approval section of Part I and the Special/Advance Approval Matrix at Appendix C. In addition, when travel schedules can be planned in advance, employees are strongly urged to take advantage of discount airfares through the advance purchase of airline tickets. Employees are also urged to use alternative routing to obtain the lowest possible airfare in effect at the time of travel. In the case of airfare charged to a federally funded grant the employee must attest, on the Employee Business Expense Report, to having sought the lowest possible airfare. The Partners Finance Website at http://pulse.partners.org/services/travel_contact.htm contains information about PHS's preferred travel office (s), including travel office personnel and telephone numbers. Travel arrangements for a Guest accompanying the employee may also be made through these offices, but travel expenses for the Guest must be paid directly to the Travel Office/Agency and not be charged to a cost center or fund and will generally not be paid or reimbursed. (See Part III, Section J for further information on "Guest Expenses").

b) Permitted Travel Days

An employee is expected to travel the day of, or if necessary, the day before the start of the conference, meeting, or other business event. The employee must return on the last day of, or if necessary, the day following the conclusion of the event. If travel expenses (including transportation, lodging, meals, etc.) are incurred on days other than these, they will be considered personal in nature and, although the air travel itself may be an allowable expense (if the airfare is the same as or less than if the employee had left or returned on the permitted travel days), other expenses incurred on those days are not payable or reimbursable unless they were due to extenuating circumstances acceptable to PHS. (See Part III, Section I for further information on "Personal Travel").

In order to take advantage of reduced airfares, a Saturday night stay-over may be permitted when the employee can demonstrate a net savings of at least \$50 to PHS. The savings must be documented by the employee, and are measured as the difference between the original and discounted airfare, less reasonable meals, lodging and other expenses as shown in the following formula:

Savings = Coach Fare –(less) Discounted Airfare –(less) Reasonable Meals and Lodging

c) Frequent Flyer Coupons & Other Promotions

PHS does not require employees to return frequent flyer coupons or other promotional items earned in connection with business travel. However, PHS does require the employee to report any such benefits earned, as well as any time period within which the coupon/item must be used. Employees are required to use these travel promotions for future business travel to the extent possible, in which case the employee will be reimbursed only at the discounted rate incurred, or not at all for a promotional item provided at no cost to the employee.

d) Lost Baggage

PHS will not reimburse or pay the employee for lost items. The employee should contact his or her airline to obtain the airline's lost luggage compensation procedures.

e) Unused Tickets

Unused airline tickets, though generally nonrefundable, have a cash value and should not be destroyed. In fact, many nonrefundable tickets may be used by the employee for travel at a later time by paying a small surcharge. Unused nonrefundable tickets for which PHS has provided payment or reimbursement should, if

possible, be used by the employee only for *bona fide* business travel on behalf of PHS (in which case any surcharge for use of the tickets is payable or reimbursable under this Policy). If the employee uses such tickets for personal travel, the personal travel must be reported to a PHS Accounts Payable Department so that the amount that PHS paid or reimbursed for the tickets can be included in the employee's taxable income and reported on the employee's Form W-2. Nonrefundable tickets should be maintained by the employee in a safe location pending their use. If the employee is not able to use the nonrefundable tickets within 120 days, the tickets must be returned to the PHS Accounts Payable Department.

f) Airline Clubs

PHS will not provide payment or reimbursement for membership fees or any other expenses associated with airline clubs (first class lounges, etc.).

g) U.S. Flag Air Carriers

If air travel costs are charged to a federally sponsored research project, whether on a direct cost basis or an indirect cost basis, U.S. flag air carriers must be used to the maximum extent possible when the travel or means of travel is between the U.S. and a foreign country or between foreign countries. This requirement should not be influenced by factors of cost, convenience, or personal travel preference. If this requirement is not adhered to, reimbursement or payment of the airfare costs cannot be guaranteed.

2. Ground Transportation

a) General

This section applies to all forms of ground transportation including use of an employee's personal and rental autos. Expenses for ground transportation to attend conferences or other business meetings or events are allowable (see limit below) for service to or from a conference or event. If air travel is a more appropriate mode of travel under the circumstances, the amount of the reimbursement for ground transportation will not exceed the cost of coach airfare to the same destination. Transportation to the location of a business meal or entertainment is also an allowable expense, provided that the meal or entertainment expense itself qualifies for reimbursement under this Policy. These are expenses for "PHS-business use." Examples include transportation between the employee's office, hotel, or the airport and the location of the event. Receipts are required to substantiate these expenses pursuant to the "Receipts" section of Part II of the Policy and should indicate the place of departure and the destination.

Allowable ground transportation is limited to the most economical means of transportation that provides a reasonable level of comfort and convenience. By definition, the "most economical means" includes the use of available public transportation, airport limousine services, a personal auto with mileage and parking reimbursement or local taxi service. Use of PHS-provided transportation (e.g., regularly scheduled or special event shuttle buses) is expected when available. Private coach or limousine services (e.g., Boston Coach) do not qualify as the most economical means of ground transportation unless there are extenuating circumstances, and their use requires Special Approval in any event. Justification for private coach or limo services includes more passengers traveling together than can be accommodated in taxis or personal automobiles for the same or a lower cost, long distances not normally serviced by commonly available livery services or a disability requiring special attention.

Normal commuting expenses between home and the employee's place of work are not reimbursable. The employee is required to document and deduct his or her normal commuting expenses from the total expenses of the trip. For example, suppose the employee's normal commute to work is 11 miles each way, and the employee is driving his/her personal automobile to an Affiliate for a meeting and then back to the office at PHS. The total trip from the employee's home to the meeting and then to PHS is 25 miles. The employee is only able to obtain reimbursement for a total of 14 miles (25 minus 11) as an automobile expense.

b) Use of Employee's Personal Automobile

Normal operating expenses for the PHS-business use (as defined above) of an employee's personal automobile will be reimbursed at the IRS auto mileage reimbursement rate in effect at the time of the travel. Other related expenses such as tolls and parking will also be reimbursed. No reimbursement or payment will be made for the cost of repairs, fines for violations, parking tickets, or towing charges.

In order to obtain reimbursement, the following information must be included on the Employee Business Expense Report (under the Transportation category): the number of miles and the daily dollar amount requested for reimbursement (calculated as the number of miles multiplied by the IRS mileage

reimbursement rate in effect at the time of the trip). Both the current IRS reimbursement rates and a grid showing the number of miles for trips between various PHS entities and Affiliates are available on PHS's Finance Website at, http://pulse.partners.org/services/travel_expense.htm .

c) Rental Vehicles

The costs of renting a vehicle for the PHS-business use (as defined above) will be reimbursed if reasonable and necessary to save time or money, or if the employee does not own or have access to a car. Allowable vehicle rental costs include the daily rental fee for up to a full-size vehicle, fuel charges, tolls, and insurance purchased in conjunction with the rental vehicle. Reimbursement for the costs of a rental vehicle in excess of full size requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix attached to this Policy at Appendix C. No reimbursement or payment will be made for the cost of fines for violations, parking tickets or towing charges. PHS and its Affiliates do not provide insurance coverage for employees for collision damage, personal injury, or injury to third parties, so employees should purchase insurance in conjunction with the rental vehicle, unless they already have coverage through their own personal insurance or through the credit card company used to pay for the rental. The receipt required for auto rental reimbursement is the rental agreement indicating proof of payment.

C. Lodging, Incidental Items & Telephone Calls

1. Lodging

Allowable lodging expenses for an out of town trip to attend a conference or other business meeting or event include the cost of a single standard room at the hotel on-site at the location of the conference or event, plus applicable taxes and fees. For rooms off-site from the conference, or if traveling for other business purposes, allowable lodging expenses include single room, standard rate, including taxes and fees, not to exceed \$300 per night. Documentation that the lodging was at or reasonably close to the location of the conference or event must be provided. Reimbursement of lodging costs in excess of or other than those described here requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

Employees will not be reimbursed for "no show" charges if they decide not to travel or to lodge elsewhere without good cause for doing so. If the employee incurs "no show" charges because of the cancellation of a conference, meeting or other event, the charges constitute an allowable expense under this Policy. If the hotel refunds a deposit that PHS has paid or reimbursed, the employee must return the funds to PHS within 10 days of receiving the refund.

If the employee incurs additional expense for a room larger than a single standard room, for multiple rooms, or because of sharing a room to accommodate a Guest (as defined in Section J, "Guest Expenses," below), PHS will reimburse only the single-room rate for the employee's own room.

2. Incidental Items

Items such as movie rentals, health club charges, golf or tennis fees, beauty or barber shop costs, or other incidental items or expenses of a personal nature incurred while traveling out of town will not be reimbursed. Reasonable laundry and valet services will be reimbursed only if the travel extends beyond five business days.

3. Telephone Calls

Expenses for telephone calls for business purposes while traveling out of town are allowable. These include calls necessary to obtain transportation and reservations. Telephone calls of a personal nature are not reimbursable except to stay in reasonable contact with the employee's family.

D. Meals, Snacks, and Alcoholic Beverages

1. Meals

Meals are not allowable during the business day or on a day trip unless they are part of or are the business meeting or event. When an employee is traveling out of town, meal expenses (breakfast, lunch, and dinner) are allowable provided that they are incurred on the day of the business event (or, if it was necessary to travel on the day before and/or after the day of the business event, then on those days as well). Reimbursement for allowable meals is subject to the following limits: Reasonable amounts for breakfast, \$30 per person for lunch, and \$65 per person (\$90 per person for senior members of the Medical Staff, vice presidents and above; or \$120 per person

for Directly Sponsored Events) for dinner. These amounts include food, beverage, and gratuities. Reimbursement of meal expenses in excess of these limits requires Special Approval in accordance with the "Approval" section in Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

2. Meals with PHS Individual or Group

When an employee dines as provided above with a PHS individual or group, the cost of the meal is often paid for by one member of the group, namely the most senior individual. In that instance, the payer should request the reimbursement and should provide the names of the other member(s) of the group on the Employee Business Expense Report, as well as the per-person cost and the business purpose for the meal. The average per-person meal cost should fall within the dollar limits specified above for the employee. Reimbursement of meal expenses for a PHS individual or group when the average per-person cost exceeds these limits requires Special Approval in accordance with the "Approval" section of Part I of the Policy and the Special/ Advance Approval Matrix at Appendix C to this Policy.

3. Meals with Non-PHS Individual or Group

Meal expenses for a non-PHS individual or group (other than a Guest, as described in Section J below) are allowable, provided that the attendance of the non-PHS individual or group serves a *bona fide* business purpose (*i.e.*, the non-PHS individual or group has a *bona fide* business relationship with or is carrying on a *bona fide* business activity with the employee). The name of each person attending, the business purpose for their attendance, and the per-person cost of the meal must be referenced on the Employee Business Expense Report for each business meal claimed for reimbursement. The average per person meal cost should fall within the dollar limits specified above for the employee. Reimbursement of meal expenses for a non-PHS individual or group when the average per person cost exceeds these limits requires Special Approval in accordance with the "Approval" section of Part I of the Policy and the Special/Advance Approval Matrix at Appendix C to this Policy.

4. Mini-Bar/Snacks

Mini-bar charges or snacks will not be reimbursed unless they are incurred in lieu of a meal.

5. Alcoholic Beverages

Alcoholic beverages (including applicable taxes and gratuities) consumed during business meals or otherwise are unallowable expenses in connection with federally sponsored research projects. However, they may be reimbursable to the employee from nonfederal funds, assuming the other Policy requirements are met. The employee must indicate on the Employee Business Expense Report whether alcoholic beverages were consumed and included as part of the cost of a business meal. If no alcoholic beverages were consumed, that fact should be indicated directly on the Employee Business Expense Report. If alcoholic beverages were consumed, then the bill should be split to indicate the cost of the meal and the cost of the alcohol. The cost of the alcoholic beverages should either be charged to a nonfederal funding source or another allowable source or should not be claimed for reimbursement by the employee.

H. Foreign Travel and Conference Fees

Expenses for foreign travel and conference fees to attend a foreign conference or convention are allowable if they are incurred for a *bona fide* business purpose. Foreign travel is any travel outside the United States (for this purpose, the United States includes the 50 states and the District of Columbia). In order for expenses associated with attending a foreign convention (a convention outside the U.S.) to be paid or reimbursed, the convention must be directly related to the employee's official business for PHS or an Affiliate, and it must be as reasonable for the convention to be held outside the U.S. as within it. Consistent with Part III, Section I "Personal Travel", no expenses or portion of expenses from the foreign trip that are allocable to personal travel will be paid or reimbursed. As noted under "Air Travel", Part III, Section B.1, U.S. flag air carriers must be used to the maximum extent possible on all travel between the U.S. and a foreign country or between foreign countries that is charged to federally sponsored research projects.

For your convenience, a link to a currency conversion website is included in the Partners Finance Website at http://pulse.partners.org/services/travel_expense.htm. When the currency conversion calculation has been completed, a copy of the calculation should be printed and attached to the Employee Business Expense Report to document the amount recorded on that form.

I. Personal Travel (combining business travel with personal travel) & Other Personal Expenses

PHS does not provide reimbursement or payment for expenses for personal travel, or for any personal expenses incurred while traveling on official PHS business in the U.S. or abroad. For example, except as described for a Saturday night stay over in Part III, Section B.1. of this Policy, PHS will not reimburse expenses that are incurred by an employee who, while traveling on PHS business, extends his or her stay for the purpose of a vacation, makes a non-business side trip, or pursues other non-business activities. If the extended stay or side trip causes the airfare, rental vehicle, lodging, or other travel expenses to exceed what they would otherwise have been, PHS will reimburse only the lesser travel expense that would have been incurred if the employee's travel had not been affected by such personal activities. The employee should report only the allowable amount as described above when requesting reimbursement on the Employee Business Expense Report. However, the employee must include information and appropriate documentation reflecting his or her allocation of any travel expenses between business and personal use.

In accordance with the "Air Travel" section in Part III.B, travel expenses incurred on days other than permitted travel days are generally assumed to be personal in nature (though the airfare itself may be an allowable expense if it is the same as or less than if the employee had left or returned on the permitted travel days).

PHS will also not provide reimbursement or payment for any other types of expenses that are personal in nature (e.g., expenses for personal meals or entertainment, conferences or meetings attended for personal interests or reasons, personal subscriptions, dues for clubs used for personal purposes, computers or other equipment purchased for personal use, personal gifts).
