



OCTOBER 2018


Business and Travel Expense Policy Overview

Presentation Overview

This presentation provides an overview of the Business and Travel Expense (BTE) policy, which originally went live on March 14, 2011. The updated BTE Policy went live on October 1, 2018.

Audience

Any person that may incur expenses in the course of conducting university business, supervises employees that may incur business expenses or who supports someone that may incur business expenses should be familiar with this policy.

 Business and Travel Expense Policy: <https://www.cmu.edu/policies/financial-management/business-travel-expense.html>

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BUSINESS AND TRAVEL EXPENSE POLICY

Policy Introduction



Policy Purpose

- Provides university stakeholders with specific policies and procedures regarding university business and travel expenses, regardless of payment method and type of funds used.
- Specifies reimbursement or other expense allowance arrangements that meet the requirements of the Internal Revenue Service (IRS) accountable plan rules for expense reporting and reimbursement.



Policy Introduction

Policy Statement

Addresses business and travel expenses for university employees and non-employees that are:

- Directly paid with university funds (e.g., discretionary accounts, federally and non-federally funded external sponsorships and programs, purchasing card)
- Reimbursed by the university to individuals who incurred them for university business



Audience

Employees who incur expenses and/or supervises employees incurring expenses on the university's behalf

Employees who make travel and other arrangements, prepare expense transactions or approve expenses for:

- University employees
- Prospective university employees
- Visitors
- Students who travel on approved university business, university-sponsored conferences, seminars, or events
- Non-employees who travel or incur expenses relating to university business for which the university has agreed to pay



BUSINESS AND TRAVEL EXPENSE POLICY

Reporting and Documentation



Reporting and Documentation

Reporting Requirements

- ✓ Proper justification to establish a valid university business purpose
- ✓ Substantiation of the business or travel expense with required original receipts for expenses \$75 or more
- ✓ Return of excess reimbursement or allowance within a reasonable time period
- ✓ Identification and separation of expenses for alcohol purchases



Reporting Requirements

- Requests for reimbursement of expenses submitted within **30 days**.
- Requests for reimbursement of expenses **must be submitted and approved within 90 days** after completing the travel or incurring the relevant expense.
- Expenses submitted more than **90 days** after completing the travel or incurring the expenses will typically be taxable to the individual incurring the expense.



Reporting and Documentation

Documentation Requirements



Obtain Receipt or Documentation

Original documentation required for single expenditures of \$75 and greater.



Document a Missing Receipt

Complete the [Missing Receipt Form](#) and scan and attach the form in place of the receipt.



Retain Original Documentation

Maintain original documentation in accordance with [Financial Records Retention Policy](#).



BUSINESS AND TRAVEL EXPENSE POLICY

Roles and Responsibilities



Roles and Responsibilities

Roles and Responsibilities



Expense Incurrer

Incurs the travel and/or business expense and requests reimbursement



Expense Preparer

Prepares the business or travel expense transaction and submits the expense to the appropriate approver



Expense Approver

Approves the business or travel expense transaction



Roles and Responsibilities

Expense Incurrer

Responsible for:

- ✓ Ensuring the expense has a valid business purpose
- ✓ Obtaining and providing business justification and supporting documentation to the expense preparer
- ✓ Preparing and submitting expense reports in a timely manner
- ✓ Obtaining and providing required approval for upgrades and exceptions to the expense preparer
- ✓ Providing a valid Oracle account number(s) to allocate the expense
- ✓ Ensuring the expense complies with:
 - Business and Travel Expense Policy
 - Relevant documents associated with the BTE Policy
 - Sponsor requirements and/or federal regulations (if applicable)
 - Departmental guidelines

Expenses should be submitted for reimbursement within 30 days of completing the travel or incurring the relevant expense, but **must be submitted and approved within 90 days** to not be taxable.



Roles and Responsibilities

Expense Preparer

Responsible for ensuring:

- ✓ Expense report accurately reflects trip and expense details as reported by the requestor
- ✓ Proper business justification and supporting documentation are received from the individual requesting reimbursement or incurring the business or travel expense
- ✓ Mileage and per diem calculations are accurate
- ✓ Required approval for upgrades and exceptions is obtained and submitted by the individual requesting reimbursement or incurring the business expense
- ✓ Expense is properly allocated to the correct Oracle account number(s)

The individual who incurred the business expense may delegate responsibility for preparation of the expense transaction but retains responsibility for the validity and accuracy of the expense.



Roles and Responsibilities

Expense Approver

Responsible for ensuring:

- ✔ Expense has a valid university business purpose
- ✔ There is proper supporting documentation for the business expense
- ✔ Mileage and per diem calculations are accurate
- ✔ Required approvals for upgrades and exceptions are obtained
- ✔ Expense is properly allocated to the correct account number(s) and funds are available for the expense
- ✔ Expense complies with:
 - Business and Travel Expense Policy
 - Relevant documents associated with the BTE Policy
 - Sponsor requirements and/or federal regulations (if applicable)
 - Departmental guidelines
- ✔ He/she is the appropriate approver for the requesting individual, budget, and expense



Roles and Responsibilities

Designated Departmental Finance Representative (DDFR)

- May approve permitted exceptions to the policy
- Must be designated by department, college, and/or division
- May escalate exceptions to the president, provost, department dean, or vice president
- Exceptions to this Policy should be documented and submitted in the appropriate manner given the purchase method

 Finance Division maintains a DDFR Listing at www.cmu.edu/finance/controller/bte/files/ddfr_listing.pdf



BUSINESS AND TRAVEL EXPENSE POLICY

Overview: Business and Travel Expense Policy



Overview:
Business and
Travel Expense
Policy

General Guidelines

- Expenses incurred for university business that comply with the policy and relevant sponsor requirements, federal regulations, other relevant documents, and any departmental guidelines may be paid and/or reimbursed under the BTE Policy.
- Business and travel expenses should be kept to a minimum.
- Departments govern how authorization for business and travel expenses is granted and may impose additional restrictions beyond those required by the BTE Policy.



Overview:
Business and
Travel Expense
Policy

General Guidelines

- Expenses reimbursed following IRS accountable plan rules are not included in individual's income for U.S. federal personal income tax or subject to employment taxes.
- Employees and other individuals incurring expenses for university business at a university non-U.S. branches or locations may have different personal income tax consequences.
- Employees and other individuals incurring expenses for university business at a university U.S. branches or locations may have different or varying state and/or local personal income tax consequences.



Overview:
Business and
Travel Expense
Policy

General Guidelines

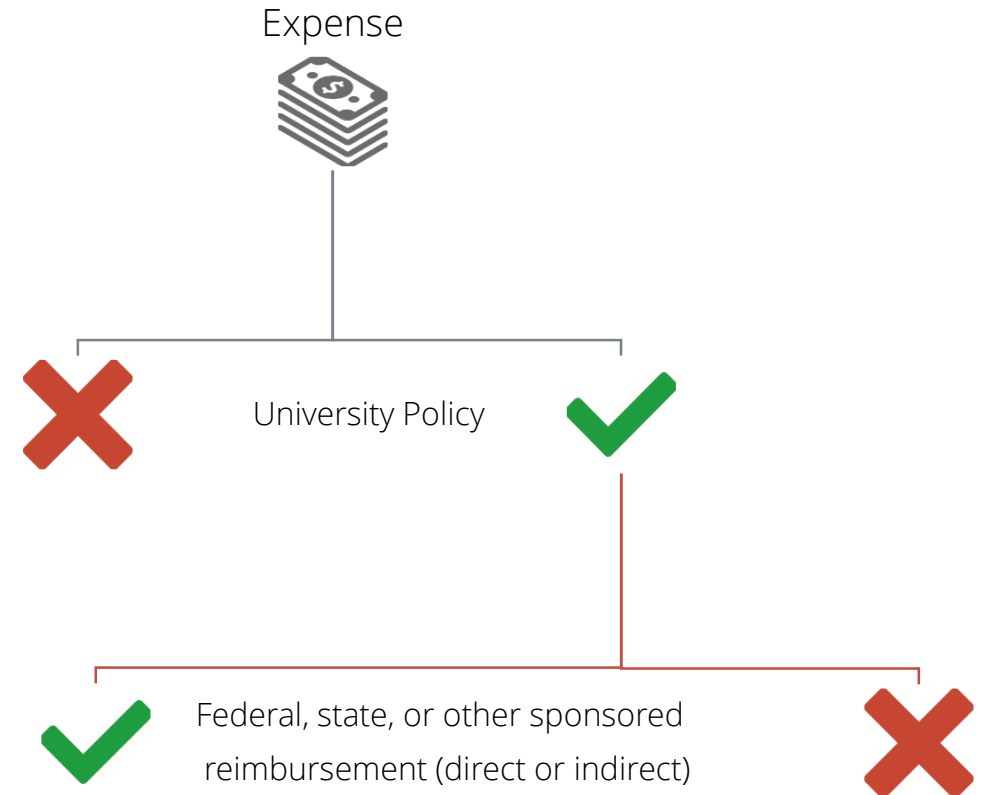
- Approved reimbursements for expenses of companions/spouses or non-employees who accompany faculty or other employees on university business may be included in the income of the recipient for U.S. Federal income tax purposes or subject to required withholdings and employment taxes, except when there is a bona fide business purpose and the individual substantiates the expense.
- Approved business relocation/moving costs are included in the income of the recipient for U.S. federal income tax purposes and subject to employment taxes.
- Approved expenses that do not comply with the BTE Policy, sponsor requirements, federal regulations, relevant documents and/or department guidelines are taxable to the recipient.



Overview:
Business and
Travel Expense
Policy

Reimbursable, Allowable and Unallowable

- Expenses that are reimbursable per the BTE Policy may be unallowable for federal, state, or other sponsored reimbursement, either directly or indirectly
- Direct questions to the department's business manager, DDFR, and/or Sponsored Projects Accounting in advance of incurring the expense





Overview: Business and Travel Expense Policy

Not Reimbursable

- ✘ Expenses that do not have a valid university business purpose that supports the university's mission
- ✘ Personal expenses and incremental travel expenses incurred for personal business during a university business trip
- ✘ Expenses of companions/spouses or non-employees who accompany faculty or other employees on university business, except in limited circumstances when authorized in advance by the president, the provost, the department's dean, or the relevant vice president
- ✘ Expenses reimbursed from third-party sources
- ✘ Personal automobile expenses
- ✘ Loss or damage to a personal automobile and related costs
- ✘ Roadside protection coverage
- ✘ Personal accident and personal effects insurance coverages
- ✘ Parking tickets
- ✘ Costs associated with towing and impound fees for parking violations
- ✘ Purchases made with frequent flyer miles or rewards programs
- ✘ Other than costs for purchasing insurance, costs related to injury, loss or damage caused by or to a rental car



Overview:
Business and
Travel Expense
Policy

Sales Tax Exemption

- CMU is sales tax exempt on most purchases in PA and some other states when the business purchase is made directly with university funds using a university purchasing method and the university's sales tax exemption number or certificate is provided to the vendor at the time of purchase.
- Sales tax incurred for purchases made with personal funds for university business travel or for university business meals will be reimbursed.

 More information: www.cmu.edu/finance/taxation/sales-tax



BUSINESS AND TRAVEL EXPENSE POLICY

Business and Travel Expenses



Business Travel Expenses

Arranging Travel

- Use **preferred suppliers** to arrange and pay for university travel.
 - Must use personal funds if not utilizing a preferred travel agency.
 - Reimbursement for travel purchases made with personal funds made only after proof of payment is submitted with the expense report.
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- 🔗 View preferred suppliers:
www.cmu.edu/finance/procurementservices/supplier-directory
 - 🔗 Additional information on preferred travel agencies, car rentals, hotels and parking: www.cmu.edu/finance/procurementservices/travel



Business Travel Expenses

Goods and Services

- Purchases of goods in excess of the **micro-purchase threshold of \$3,000** and/or all services, regardless of dollar amount, should be reviewed with Procurement Services prior to purchase with personal funds.
- Per the university Purchasing Policy:
While not recommended, use of personal funds is allowed for the purchase of goods only when logistical or extenuating circumstances occur that preclude use of a PO or PCard. Due to compliance concerns, the purchase of goods in excess of the micro-purchase threshold of \$3,000 with personal funds are prohibited. Professional services may not be procured with personal funds.



Business Travel Expenses

Commercial Air Transportation

Frequent Flier Miles	Baggage	Upgrades and Early Departure/ Late Return
<ul style="list-style-type: none">▶ Travelers may retain frequent flyer plan rewards/bonuses accrued from business travel.✘ Travelers may never choose a higher cost reservation to accumulate additional plan rewards or other bonuses.✘ CMU will not purchase frequent flyer miles from travelers or reimburse tickets purchased with frequent flyer miles.	<ul style="list-style-type: none">▶ Airline charges for checked and/or carry-on baggage when traveling on university business are reimbursable.▶ Excess baggage expenses are reimbursable if:<ul style="list-style-type: none">• Traveler is transporting university materials.• Traveler is on an extended period of travel.• Department expense approver approves additional charges.	<ul style="list-style-type: none">▶ Reimbursement requests for an upgrade for seats, advanced seat selection fees, premium boarding, etc., must support the business purpose.▶ DDFR must approve:<ul style="list-style-type: none">• Upgrades \$75 or greater• Expenses \$75 or greater incurred for early departure or late return



Commercial Air Transportation: Federal and Sponsored Award Air Travel

- If airline tickets are funded by a sponsored award:
 - Consult relevant sponsor requirements in advance of booking
 - Ensure expense may be reimbursed under the sponsored award.

- 🔗 Fly America Act website (www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act).



Business Travel Expenses

Private (Non-Commercial) Air Transportation

- Private air transportation, whether chartered or owned, is not a permitted method of business transportation unless:
 - Approved in advance by the relevant department head and;
 - Pilot/aircraft meets Insurance Services requirements.
- If approved, the university will only reimburse for private air transportation travel that is solely for the purpose of conducting university business and at the lower of:
 - The ordinary and necessary costs of the aircraft's flight, or;
 - The verified equivalent coach ticket price.
- Additional insurance-related expenses incurred by the university in connection with any private air transportation must be paid by the department approving the transportation.
- ✘ Reimbursement will not be provided for any private flight that includes passengers not traveling for the same university business purpose as the pilot.



Business Travel Expenses

Rail Travel

- Class should be lowest-priced coach rail ticket available.
- In some cases, premium fares may be reimbursed subject to:
 - Budget availability
 - Relevant sponsor requirements
 - DDFR approval for upgrades \$75 or greater



Business
Travel
Expenses

Personal Automobiles

- The university will only reimburse for use of a personal automobile for university business at the mileage rate published annually by the IRS.
- Individuals requesting reimbursement or incurring the expense who are based at university campuses or locations outside of the U.S. may be required to adhere to country-specific mileage rates and should consult their local business office.
- Tolls and parking fees incurred while using a personal automobile for university business are reimbursable.



Business Travel Expenses

Ground Transportation

- Appropriate to the extent that such a service is necessary for business purposes.
- Includes transportation to and from airport, rail depot, hotel, and/or location of business meetings.
- Tips are permissible.



Business Travel Expenses

Rental Vehicles

- Preferred suppliers should be utilized to arrange and pay for domestic and international vehicle rentals to leverage:
 - Access to business program codes with pre-negotiated rates
 - Pre-negotiated rates on domestic rentals often include certain levels and types of insurance coverage.
- ✘ Travelers renting a vehicle for university business who are not employees or students on university business cannot use the university program codes.



Business Travel Expenses

Rental Vehicles: International Rentals

- When business program codes are not available for international rentals, insurance coverage should be purchased to cover damage to the rental vehicle and the auto liability limit that is legally required in all places where travel is planned.
- Travelers should be familiar with prevailing license and driving rules prior to renting a vehicle outside of the U.S.
- Travelers should use established, well-known car rental companies.



Business Travel Expenses

Rental Vehicles: Rental Vehicle Class

- Standard vehicles are recommended size.
- Upgrades to full-size cars permitted when this does not result in additional charges or the upgraded vehicle is needed.
- Upgrades \$75 or greater require DDFR approval and a detailed explanation must be included in the business justification.



Business Travel Expenses

Rental Vehicles

- Rentals of luxury or high-performance vehicles, as well as motorcycles, moped, boats or jet skis, require a valid business justification and pre-approval from both the DDFR and Insurance Services.
- Rental of vehicles that require a commercial driver's license to operate need pre-approval from Insurance Services before the rental is arranged.
- Bicycle rentals for business transportation is reimbursable.



Business Travel Expenses

Rental Vehicles: Other Associated Costs

Additional costs reimbursed for car rentals:

- ✓ Fuel
- ✓ Tolls and parking fees

Other associated costs require DDFR approval and a detailed explanation must be included in the business justification:

- ✓ GPS/navigation
- ✓ Satellite radio
- ✓ Child car seats
- ✓ Ski/bike racks



Business Travel Expenses

Rental Vehicles: Insurance Coverage

- In such cases where business program codes are not available for international rentals, insurance coverage should be purchased to cover damage to the rental vehicle and the auto liability limit that is legally required in all places where travel is planned.
- If the vehicle is not rented with a preferred supplier using the university's business program codes, the traveler has the option to purchase insurance coverage for liability and/or comprehensive and collision damage to the rental vehicle (often referred to as Loss Damage Waiver (LDW) or Collision Damage Waiver (CDW)) at the time of rental and will be reimbursed.
- There is inherent liability associated with signing a vehicle rental agreement and operating a vehicle.
 - All renters/drivers are required to follow the law and the terms of their vehicle rental agreements and university Insurance Services requirements/guidelines in order to avoid and/or minimize personal liability and/or additional (unanticipated) departmental charges in connection with the operation and rental of the vehicle for university business and to ensure that any associated university insurance may be available to pay any related claims.
 - Specific examples are provided in the Rental Vehicles section of the BTE Policy.
- Personal accident and person effects insurance charges are not reimbursable
- Contact Insurance Services at Insurance-Services@andrew.cmu.edu for specific guidance on purchasing insurance coverage(s) offered by the rental company for a given circumstance and/or information about university insurance coverages.



Lodging Expenses

- The university will direct pay or reimburse a traveler for the single occupancy cost of a standard room.
- Travelers must submit an itemized paid receipt for reimbursement of their lodging expenses.
- Lodging expenses are allowable via per diem for university employees.
- Consult sponsor requirements and/or federal regulations prior to incurring lodging expenses.



Business Travel Expenses

Meals (Per Diem or Actual)

- CMU will reimburse travelers for cost of meals incurred during travel.
- Employees reimbursed via per diem or actual cost for meals, but can only request one reimbursement type per trip.
- Departments may require reimbursement based on actual expenses with receipts in lieu of per diem.
- Travelers should incur no additional cost for meals provided as part of a fee for attendance at conferences, workshops, hotel costs, meetings, etc., or provided as part of a business meeting or by an airline while en route to their destination.
 - Travelers may be reimbursed if a business justification is provided regarding dietary restrictions.



Business Travel Expenses

Meals: Per Diem

- Only for employees travelling on trips that that require overnight lodging.
- When meals are provided, the daily meal per diem must be reduced.
- May be limited or prohibited by the relevant sponsor requirements.
- ✘ Not available for student employees who are being reimbursed for academic expenses not related to their employment.
- ✘ Cannot be provided if the employee will not incur expenses for meals.



Business Travel Expenses

Meals: Per Diem

- Employees eligible to receive per diem reimbursement do not need to submit receipts for meals covered by a per diem, but must submit documentation confirming travel dates.
- Travelers may be reimbursed with per diem allowance equal to 60% of standard rate for the appropriate geographic area when:
 - Travel expected to occur for over 30 consecutive days in one location
 - Circumstances of the travel are such that the traveler can be expected to incur expenses comparable to those arising from the use of establishments catering to the long term visitor or from the use of non-commercial facilities



Business Travel Expenses

Meals: Per Diem

- U.S. General Services Administration (GSA) periodically revises the per diem rates based on the costs of meals.
- Employees must use the per diem rates in effect at the time of travel for the location of travel as listed on the GSA website (www.gsa.gov/portal/content/104877).
- Per diem calculations for the first and last day of travel must be calculated utilizing the method as defined on the GSA website, in which the traveler can request 75% of per diem for the first and last day of travel in their applicable destination city.
- Departments may reimburse employees for amounts below the GSA per diem rates.
- Employees at one of the university's non-U.S. branches or locations may be required to adhere to country specific per diem rates and should consult their local business office and/or International Finance with questions.



Business Travel Expenses

Meals: Actual Costs

- Reimbursable for single day trips or trips that require an overnight stay for employees and non-employees.
- Non-employees can only be reimbursed for actual costs incurred for meals.
- Traveler may be reimbursed for the actual costs incurred when:
 - Travel expected to occur for over 30 consecutive days in one location.
 - Circumstances of the travel are such that the traveler can be expected to incur expenses comparable to those arising from the use of establishments catering to the long term visitor or from the use of non- commercial facilities.



Business Travel Expenses

Foreign Travel

- May require prior sponsor approval and/or may be limited by sponsor requirements.
- All university travel policies apply.
- For travel to and from Qatar, travelers must arrange their travel through International Finance (qartravl@andrew.cmu.edu).
- 🔗 The U.S. State Department maintains a list of countries for which travel advisories are issued (<http://travel.state.gov/>).


Global Export Compliance Team (GECT)

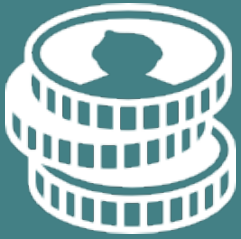
Travelers should contact the university's GECT at export-compliance@andrew.cmu.edu prior to foreign travel to obtain guidance on exports of information, technology, equipment and/or other materials that will be hand carried by the traveler.



Business Travel Expenses

Travel and Healthcare Insurance

- CMU provides business travel and accident coverage for full time faculty and staff under age 80 on university approved and directed business travel.
- Travelers should consult Human Resources at least **30 days** prior planned travel regarding healthcare insurance.
- Travelers should consult with Insurance Services for travel to sanctioned countries.
-  Contact Human Resources for specific questions.



Business Travel Expenses

Miscellaneous Travel Costs

- Reimbursable if itemized and documented in accordance with the BTE Policy and if permitted and expected to be funded by sponsor.
- May include:
 - ✓ Parking
 - ✓ Business telephone calls using personal devices while traveling when in excess of the communications allowance, if applicable, as well as phone calls home
 - ✓ Hotel internet service fees
 - ✓ Passport and visa fees, if specifically obtained to perform work for the university
 - ✓ Currency exchange fees
 - ✓ Laundry and dry-cleaning after completing five consecutive days of business travel
 - ✓ Baggage handling and storage expenses, including tips
 - ✓ Cancellation fees incurred for canceling previously booked travel due to extenuating circumstances



Business Travel Expenses

Travel Advances

- May be available for employees traveling on authorized university business to cover miscellaneous costs, such as per diem, taxi fares, tips, and other business expenses.
- DDFR may implement additional processes or limit travel advances.
- Cleared through the submission of expense reports, which should be done within 30 days of completing the travel.
 - If expenses are not submitted within 90 days after completing the travel, the IRS requires the university to report payments as taxable income to the employee.
- ✘ Not provided earlier than 10 working days prior to departure and not be granted to employees who have an outstanding prior travel advance unless the president, the provost, the department's dean, a vice president, or the DDFR certifies that extenuating circumstances warrant the second advance.



BUSINESS AND TRAVEL EXPENSE POLICY

Business Meals and Entertainment



Business Meals for Employees Only

- Reimbursable when the primary purpose of the meal is to meet to conduct university business with a formal agenda and when there is a need to meet over the meal.
- Requirements are met when it is not possible for one or more employees to meet during working hours due to scheduling conflicts.
- ✔ **Document Attendees**
 - 5 or fewer: Name(s) of the attendees must be documented.
 - More than 5: Document total number of employees in attendance.



Business Meals with Non-University Personnel

- Reimbursable when the purpose of the meeting is to conduct university business and when it is necessary or appropriate to have the meeting with a meal.
- ✔ **Document Attendees**
 - 5 or fewer: Name(s) of the attendees must be documented.
 - More than 5: Document total number of employees in attendance.
 - If the attendees are not university employees, their affiliation with the university should be provided.



Occasional Employee Banquets and Functions

- Reimbursable when the function serves as a token of appreciation that promotes employee relations/morale or to recognize individual or group achievements.
- ✘ Occasions inherently personal in nature or small in-office functions with purchased food or beverages are generally paid for by the employees involved and are not typically considered reimbursable business expenses.



Business Meals and Entertainment

Alcohol

- If served at employee banquets, functions, or business entertainment may be considered a reimbursable business expense when the banquet, function or business entertainment is primarily intended to promote employee relations, such as receptions, holiday parties, etc.
- Alcohol expenses in conjunction with business entertainment is reimbursable when deemed appropriate by the individual's DDFR, the department's dean, or a vice president.
- Alcohol costs must be charged to the unallowable object code/expense type and to a non-federal account.
- ✘ Alcohol cannot be charged to a federal grant or contract (either directly or indirectly).
- ✘ Alcohol and tobacco cannot be charged/expensed at some non-U.S. campuses or locations. Individuals should contact their applicable department to determine if restrictions apply.



Business Meals and Entertainment

Meals and Functions

Meals and functions are considered business entertainment and are reimbursable if they are intended to provide hospitality to non-university personnel that is necessary and customary in furthering the university's business.

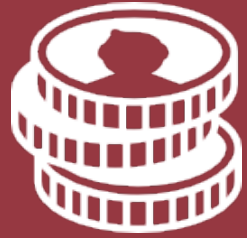
Examples:

- Receptions for university guests and visitors
- Alumni reunions or similar alumni functions
- Entertaining prospective faculty or staff candidates, donors or prospective donors
- Welcome receptions for parents and/or students
- Event speakers/presenters



Meals and Functions

- Meals and functions that include companions, spouses or guests who are not directly involved in conducting university business indicate that the meal or function is not a business meal or meeting.
- ✓ **Document Attendees**
 - 5 or less: Name(s) of the attendees must be documented.
 - More than 5: Identify host group and total number of attendees
- Federally Sponsored Grants and Contracts
 - Entertainment expenses are rarely allowable
 - Costs must be segregated and charged to either an unallowable object code/expense type or recorded appropriately



Other Business Expenses



Other Business Expenses

Other Business Expenses

Professional Development Expenses

- Registration fees for conferences, seminars, webcasts, etc.

Memberships, Dues, Subscriptions, and Certifications

- Fees for individual memberships in business/profession associations, fees for magazine, newspaper or newsletter subscriptions, and/or other costs incurred to maintain professional certifications or licenses that are directly related to the employee's job responsibilities at the university.



Recruiting Expenses and Misc. Business Expenses

Recruiting Expenses

- Reimbursable, but may be subject to department-specific policies and procedures.

Miscellaneous Business Expenses

Include, but are not limited to:

- Cancellation fees due to extenuating circumstances
- Postage
- Supplies
- Photocopying charges
- Parking for external meetings or trainings



Gifts

- Gifts to individuals for non-work related personal achievements (e.g., weddings, baby showers or birthdays) should typically be purchased with personal funds.
- Gifts may occasionally be given to an individual and paid for from an appropriate university funding source.
- Non-cash gifts with low monetary value may be given to employees as a gesture of goodwill or appreciation, for work-related achievements, length of service awards, as part of employee morale building events, or due to an illness, death in the family, or family crisis.



Other Business Expenses

Gifts

To be reimbursable, the gift expense must meet all of the following criteria:

- ✓ Aggregate value of the gift is \$75 or less.
- ✓ Gift is not provided on a routine basis.
- ✓ Gift is not provided in the form of cash or cash equivalents.



Other Business Expenses

Length of Service Awards

Length of service award expenses may exceed \$75, but must meet the following criteria:

- ✓ The recipient must be in active service on their anniversary date to receive the length-of-service gift.
- ✓ Gifts may not be made until the end of the employee's fifth year of service and not made more frequently than every five years.
- ✓ The value or cost of the gift should not exceed \$400.
- ✓ The gift must be in the form of tangible personal property. Tangible personal property does not include cash, cash equivalents (e.g., gift cards or gift certificates), vacations, meals, lodging, theatre tickets, sporting tickets, stocks, bonds, and other similar items.
- ✓ The gift must be presented as part of a special event or celebration that marks the occasion, such as a departmental meeting.



Other Business Expenses

Gifts

- Gifts paid for by the university that do not meet the criteria for non-cash and/or length of service awards, must be included in the gift recipient's W-2 as taxable wages for employees and in the gift recipient's 1099 for non-employees.
- Per IRS regulations, all gifts provided in the form of cash or cash equivalents (e.g., gift cards) are taxable in any amount.



BUSINESS AND TRAVEL EXPENSE POLICY

Resources



Resources

Resources

- 🔗 Business and Travel Expense Policy: <https://www.cmu.edu/policies/financial-management/business-travel-expense.html>
- 🔗 Frequently Asked Questions:
 - Employee Expense Reports: <https://www.cmu.edu/finance/controller/bte/faqs/index.html>
 - Non-Employee Expense Reports: <https://www.cmu.edu/finance/controller/faq/non-employee-er/index.html>
- 🔗 Resources and Information: www.cmu.edu/finance/controller/bte
- 🔗 Expense Report Creation:
 - Employees: <https://www.cmu.edu/finance/training/area/purchases/ie.html>
 - Non-Employees: <https://www.cmu.edu/finance/controller/faq/non-employee-er/>
- 🔗 Audit Approach: <http://www.cmu.edu/finance/audit-services/travel-expense/index.html>
- 🔗 ER Help: er-help@andrew.cmu.edu