

Policy Description: Travel Policy and Employee Reimbursement	Policy Number	FIN 4.0
Applicability: All Employees	Effective Date	3/1/2016
Approved By: Finance and Revenue Cycle Policy Committee	Approval Date	12/14/2015

PURPOSE:

Vanderbilt University Medical Center’s travel policy is designed to support the following aims:

- Support the efficiency and safety of those traveling on Vanderbilt University Medical Center (VUMC) business;
- Comply with external funding requirements; and
- Manage Medical Center resources prudently.

SCOPE:

This policy adheres to the common element Scope statement presented in the [Finance & Revenue Cycle Policy on Policies](#) .

DEFINITIONS:

Appropriate: Suitable or fitting – in the eyes of an objective third party - for a particular valid business purpose.

Allowable expense: A necessary, reasonable, and appropriate expense incurred for the primary benefit of VUMC business and therefore permitted to be reimbursed or directly charged based on the permission of the VUMC or by the terms of a sponsored agreement.

Business meal: Meals with a clearly substantiated business purpose that are directly associated with the active conduct of VUMC business-

Business purpose: A purpose that confirms a particular good, service, or activity is necessary to fulfill the mission of the VUMC and is of primary benefit to the VUMC rather than the individual; a purpose that can be well defended under public scrutiny or audit.

Business travel: Travel for the purpose of conducting business for the primary benefit of the VUMC’s mission.

Entertainment: Expenses that are social and/or celebratory in nature. Entertainment expenses may include food and beverages, alcohol, catering services, banquet facilities, decorations, and musical groups.

Necessary: Required to achieve a particular business objective.

Reasonable expense: An expense that is ordinary - not extreme or excessive - and reflects a prudent decision to incur the expense on behalf of VUMC business.

Receipt: A legible, electronic image of the original merchant receipt or invoice issued by the supplier or service provider to document and substantiates the business transaction. When the original receipt is not available or does not contain adequate information, an electronic image of a cancelled check, credit card receipt, supplier statement, or a paid notice may be substituted. If none of those are available, a missing receipt affidavit may be used. The missing receipt affidavit can be found in the employee expense tool.

POLICY:

VUMC reimburses reasonable and necessary business-related travel expenses in as expeditious a manner as is practicable. Travelers should neither gain nor lose personal funds as a result of business-related expenses incurred on behalf of VUMC.

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VUMC's travel tool supports the VUMC travel policy. If departments, centers, etc. choose to have more restrictive policies, these policies will be supported at the local level. Center, department and divisional business officers are responsible and held accountable for the implementation of and adherence to this policy. Approval of travel plans and other business-related expenses happens at the department level through effective planning, communication and management.

Exceptions to this policy require approval of the Chief Operating Officer and the Chief Financial Officer.

1. AIR TRAVEL

1.1. Air Reservations

Except for extreme cases necessitated by business needs and/or to preserve personal safety, air reservations should be made through the online booking tool or, in the case of international or complex itineraries, directly with the travel company. All airfare must be purchased with either a personal credit card or VUMC issued Travel & Entertainment Card at the time of ticketing.

1.2. Fares/Ticket Types/Class of Service

Travelers should purchase the lowest available economy class airfare that meets the business needs of the travel, except as outlined below. Travelers may upgrade the level of service at personal expense or by using their personal airline rewards points/miles/credits. Reasonable fees associated with priority boarding and economy class upgrades (e.g., Economy Plus, exit row, aisle seat, etc.) are reimbursable.

Business class or first class seating may be used only if the traveler's applicable officer approves it in writing in advance. One of the following conditions should be met:

- Any flight segment has a scheduled in-air flying time in excess of four hours; or
- The total scheduled in-air flight time for all flight segments is in excess of seven hours; or
- A medical justification has been documented and approved by the Equal Opportunity, Affirmative Action, and Disability Services Department (EAD).

1.3. Changes, Cancellations, and Unused Tickets

When travel plans must be changed due to business reasons, the traveler is responsible for notifying the travel agency so the unused ticket can be applied to the next business trip. Penalties for changes to an airline ticket for business reasons or circumstances beyond the traveler's control are reimbursable from VUMC funds. For affected tickets paid from federally-sponsored funds, contact [VUMC Finance Grant Accounting](#) to determine if the penalty may be charged to the grant.

Unused tickets may not be used for personal travel.

1.4. Pre-Travel Reimbursement

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For out-of-pocket airfare incurred by the traveler in advance of travel, the traveler may seek reimbursement in accordance with the guidelines of the funding source. If the funding source is restricted, please coordinate with your business administrator to ensure compliance with external restrictions.

1.5. Baggage Fees

Baggage fees that are reasonable and appropriate for the purpose and length of the trip are reimbursable. Fees for baggage that is personal in nature (e.g., golf clubs) or that are not reasonable and appropriate for the purpose and length of the trip will not be reimbursed.

1.6. Private Aircraft

In general, VUMC faculty and staff members are prohibited from using non-commercial (private/corporate/state owned, rented, or borrowed) aircraft (fixed-wing or rotary) for VUMC business travel. Exceptions to this prohibition require written approval in advance of committing to the travel from both the Office of Risk and Insurance Management (vanderbilt.edu/riskmanagement) and the Chief Financial Officer.

1.7. Airline Requirements for Federally Funded Sponsored Research Projects

- Fly America Act

The Fly America Act (FAA) requires the use of a U.S. air carrier for federally funded foreign travel. In some instances, a non-U.S. air carrier may be used if it meets one or more of the exception criteria listed in the Federal Travel Regulation (FTR) guidelines section 301-10.135-138, available online: <http://vu.edu/fly-america-act>.

- Code Share Agreement

The Code Share Agreement provides for compliance with the Fly America Act if the U.S. air carrier is the ticketing agent and issues a flight on a non-U.S. air carrier. The payment for the airfare must be made to the U.S. air carrier.

- Open Skies Agreement

The Open Skies Agreement provides that qualifying travelers, whose travel is supported by federal funds, may travel on airlines headquartered outside of the United States in countries where bilateral/multilateral agreements exist. For a listing of Open Skies Partners, visit <http://www.state.gov/e/eb/rls/othr/ata/114805.htm>. For the Open Skies Agreement exception to be allowed and selected in the Fly America Waiver Checklist, two criteria must be met:

- Travel is not being reimbursed by the Department of State or the Department of Defense; and
- The traveler ensures the air courier is Open Skies Compliant. More information about the agreement is available at <http://www.gsa.gov/portal/content/103191>.

2. HOTELS

2.1. Hotel Reservations

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VUMC travelers should use the online booking tool or the VUMC travel agency to book hotel rooms (available at vanderbilt.edu/travel). If lower rates for accommodations are available through a conference room block rate or a fraternal/professional society these may be booked directly by the traveler.

2.2. Hotel Class and Rooms

The class of hotel should be reasonable and appropriate for the business purpose and location. Travelers should stay in standard or equivalent rooms.

3. **AUTOMOBILE RENTAL**

3.1. Rental Car Reservations

VUMC travelers should use the online booking tool or the VUMC travel agency to book rental cars (available at vanderbilt.edu/travel).

3.2. When to Use

Rental cars should be used when they are less expensive than alternative means of transportation (e.g., taxi, car service, or train) or where there are convenience or safety issues that justify the additional cost.

3.3. Car Class and Features

Rental of up to a mid-sized car is reimbursable. If there are three or more individuals traveling together, if the traveler is transporting sizeable equipment, or if there are other valid business needs, larger vehicles may be rented. The cost of a GPS will be reimbursed if deemed necessary for safety reasons; however, this cost may not be charged to federal funds. The cost of other upgrades or accessories, such as a satellite radio, will not be reimbursed.

3.4. Fuel For Rented Automobiles

Travelers should refuel the rental car prior to returning to the rental agency and to decline the pre-paid fuel options. The cost of fuel will be reimbursed.

3.5. Incidental Rental Car Expenses

All business-related tolls and parking charges will be reimbursed. Tickets or fines associated with parking or travel violations, and charges for vehicle lockouts will not be reimbursed.

4. **LOCAL TRANSPORTATION**

Reasonable and necessary costs of public transportation, airport shuttles, taxis, and car services are acceptable for service to and from airports, between appointments, and between hotels and meeting locations.

5. **BUS OR RAIL**

Travel by bus or rail is allowed when it is less expensive than alternative means of transportation or when there are conveniences or safety issues.

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6. TRAVEL VIA PERSONAL AUTOMOBILE

6.1. Acceptable Use

Use of personal automobiles for business travel is allowed when it is less expensive than alternative means of transportation or when there are convenience or safety issues that justify the additional cost. Use of personal automobiles for normal commuting will not be reimbursed.

6.2. Mileage Reimbursement

When a personal automobile is used for business travel, the traveler will be reimbursed up to the current IRS authorized mileage rate for miles incurred. Commuting from the traveler's home to their primary work location is not a reimbursable expense. The mileage reimbursement covers all costs related to the operation of the vehicle, including service, maintenance, insurance, depreciation, and fuel. For additional guidance or questions regarding mileage reimbursement, please email VUMCconcur@vanderbilt.edu

6.3. Parking and Tolls

Reasonable parking charges and tolls associated with business travel will be reimbursed.

7. MEAL AND ENTERTAINMENT EXPENSES

7.1. Meal and Entertainment Expense Reimbursement Guidelines

Expenses for meals are reimbursable on the basis of actual, reasonable expenses incurred. In situations where an individual is conducting business with one or more non-VUMC guests, reasonable meal and entertainment expenses are allowable except where noted below. Business meals and entertainment must be directly related to VUMC business, and the business purpose must be documented in writing.

Meal expenses exceeding a reasonable amount should be recorded as entertainment expenses. All entertainment expenses must be isolated from direct or indirect charges to sponsored funds. Entertainment, including alumni and development expenses, cannot be charged to sponsored restricted centers.

7.2. Alcoholic Beverages

Alcoholic beverage costs generally are considered personal expenses. However, if appropriate and necessary to support the business purpose, the charges must be classified as entertainment expenses, regardless of the funding source. In cases where a meal includes alcohol, and when that meal is going to be charged to a sponsored grant or contract, the traveler must clearly identify and segregate the alcohol expense during the reimbursement request process. Alcohol expenses must be charged to a non-sponsored funding source.

7.3. Meal and Entertainment Documentation

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The Internal Revenue Service requires all business meals and entertainment expenses to be properly documented. This includes a list of attendees with titles and affiliation, or identification of a discernible group, the number of attendees, the geographic location in which the expense was incurred, the date of the expense and its business purpose.

8. COMMUNICATIONS EXPENSES

8.1. Telephone Usage While Traveling

Long distance phone and fax expenses that are reasonable and necessary for conducting business are reimbursable. When necessitated by business need, temporary international charge plan additions to personal cell phones will be reimbursed.

8.2. Internet Access

Internet access (e.g., hotel, airport, airline, etc.) during travel for business purposes is reimbursable.

9. INSURANCE AND RISK MANAGEMENT

9.1. Business Travel Accident Insurance

While traveling on VUMC business, faculty and staff are covered by the VUMC's business accident insurance policies. Commuting to and from work is not covered. VUMC's travel accident policy provides \$100,000 for accidental loss of life and up to \$100,000 for accidental dismemberment. If a claim is incurred while traveling on VUMC business, all necessary documentation must be provided to the Office of Risk and Insurance Management (vanderbilt.edu/riskmanagement) after the incident.

Students are not covered by the VUMC's business accident insurance policies for business travel. If participating in a VUMC sponsored activity outside the United States, students must abide by the Student International Travel Policy (vu.edu/student-travel-policy).

9.2. Car Rental Insurance

Automatic liability coverage for bodily injury, property damage and physical damage to a rental car is provided by VUMC. When traveling on domestic VUMC business, decline Collision Damage Waiver (CDW) and personal liability insurance offered through the rental company. When traveling on foreign VUMC business, purchase additional rental car insurance if offered.

9.3. Personal Automobile Insurance

Faculty or staff members, and students who use their own automobiles or other individually-owned, non-rented vehicles to conduct VUMC business are responsible for the automobile liability and physical damage associated with the operation of that automobile. VUMC's insurance coverage provides secondary coverage. The traveler's personal insurance is primary in the event of an accident.

9.4. International Travel Emergency Assistance

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International SOS (“ISOS”) provides worldwide access to emergency medical, security and travel assistance and evacuation services for VUMC faculty, staff, students and employees while traveling outside the United States on VUMC business. ISOS services assist the traveler with access to medical, personal, travel, security and legal services when away from home. Reservations made through VUMC’s online booking tool or through VUMC’s travel agency are registered automatically with ISOS. Additional information on ISOS services is available from the VUMC International Office (vanderbilt.edu/vio).

9.5. Accidents, Injuries, Thefts, and Other Safety Issues

Accidents, thefts, and other crimes while traveling on VUMC business must be reported immediately to the proper authorities, consistent with local/state laws. If a traveler is injured or develops a work-related illness while traveling, the traveler should consult with Risk Management (vanderbilt.edu/riskmanagement), or call 615-936-0660) to determine whether he/she may be entitled to workers’ compensation benefits. Alternatively, affected employees may electronically report a First Report of Work Injury through the Risk Management website.

10. OTHER TRAVEL CONSIDERATIONS

10.1. Approval to Travel

Travelers are responsible for ensuring that they have the necessary approval from their supervisor to take a trip prior to committing VUMC funds or incurring expenses. Additionally, travelers are responsible coordinating with the appropriate department or school to ensure that funds are available to pay for the travel.

VUMC travelers are responsible for understanding and adhering to specific restrictions that may be required by the applicable funding agency, sponsor or other outside group paying for the travel. These restrictions, to the extent that they are more restrictive than VUMC’s travel policy, supersede any restrictions outlined in this policy. Travel supported by sponsored program contracts and grants may require prior written agency and/or internal approval. Travelers should refer to applicable grant or contract requirements and regulations to determine whether prior agency approval is required and if other restrictions apply.

10.2. Receipt Requirements

Itemized receipts are required for all expenditures of \$25 or more. Appropriate receipts should include transaction amount, method of payment, date, and merchant name. If sponsor or departmental requirements are more restrictive, the more restrictive receipt requirement takes precedence.

10.3. IRS Accountable Plan

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In accordance with IRS regulations, travel expense reports submitted more than 60 days after trip completion could result in a portion or all of the reimbursement being treated as taxable wages.

10.4. Taxes

VUMC is a non-profit institution, and as such is exempt from tax on most domestic purchases. However, tax exemptions vary by state and by type of good or service purchased. VUMC business travelers must make every reasonable effort to ensure that tax is not paid when appropriate. A list of states in which VUMC is exempt from sales tax is available at www.vu.edu/tax-forms.

Foreign Value Added Taxes (VAT) and Goods and Services Taxes (GST) incurred for VUMC business are reimbursable.

10.5. International Travel / Passports and Visas

Expenses related to visas and passports required for business travel are reimbursable.

10.6. Vaccinations

Expenses for vaccinations required for business travel are reimbursable. VUMC travelers are strongly encouraged to obtain vaccinations through the Occupational Health Clinic (occupationalhealth.vanderbilt.edu) and/or the VUMC Travel Clinic (vanderbilttravelclinic.com).

10.7. Combined Personal and Business Travel

If personal travel is combined with VUMC business travel, only the business portion of the trip is reimbursable. VUMC's travel tool should not be used to make personal travel arrangements. You may use the travel agency to make personal travel arrangements; however it is not reimbursable. "In lieu of" and "tradeoff" expense reimbursement is not permitted (e.g., although incurring a Saturday stay might reduce the cost of a flight, the traveler may not use the difference to offset all or part of his or her personal expenses).

10.8. Spouse, Domestic Partner, and Dependent Expenses

No travel expenses, including but not limited to, transportation, lodging, meals, or registration fees for any persons accompanying travelers on VUMC travel will be reimbursed.

10.9. Laundry Expenses for Extended Trips

Reasonable and necessary laundry and/or dry cleaning charges will be reimbursed when travel exceeds four or more consecutive nights. The charge must be incurred while traveling (not before or after the trip is complete).

10.10. Tips and Incidental Expenses

VUMC will reimburse reasonable tips. Tips greater than 25% will not be reimbursed.

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10.11. Frequent Flyer/Guest/Reward Points

Travelers may utilize travel-provider rewards related to travel (e.g., Delta Sky Miles, Marriot Rewards, etc.). In no case shall VUMC business travelers incur additional expense on behalf of the VUMC with the sole purpose of obtaining more rewards (e.g., purchasing more expensive tickets in exchange for higher reward points). Enrollment fees for these programs are a personal expense and are not reimbursable.

11. UNALLOWABLE EXPENSES

All expenses incurred on VUMC business should be reasonable and necessary. Examples of non-reimbursable expenses include but are not limited to the following:

Annual fees for personal credit card	Hotel or car “no-show” charges without a business purpose	Personal entertainment (e.g. sporting events)
Babysitting	In-room entertainment (e.g., movies, games, etc.)	Personal property insurance
Barbers / hairdressers	Membership (including airport clubs) and reward fees	Pet care
Car service for normal commute	Meals for social occasions or local meals with VUMC employees	Prescription medication
Car washes and detailing	Non-business postage	Shoeshine
Clothing, luggage and toiletries	Optional baggage insurance	Souvenirs and personal gifts
Personal mobile phones and data devices	Parking and/or speeding tickets	Vacation and personal expenses when on business trips
Delinquency and late fees	Personal accident insurance	

Any traveler who receives reimbursement for business travel expenses through the on-line travel tool, or otherwise, is responsible for reimbursing VUMC for any expenses deemed disallowed (unallowable, unnecessary, unreasonable, or inappropriate) under this Travel Policy and waives any applicable rights related to recovery of these expenses under federal and state law. This reimbursement may be made by payroll deduction with the authorization and consent of the traveler.

If a traveler disagrees with a decision that an expense is disallowed, he or she may contest the decision through the VUMC Travel & Payment Card Office. If the traveler does not fully reimburse VUMC for any disallowed expenses, and the review process (if used) upholds the determination that the expenses are unallowable, then VUMC may utilize other means to collect any amounts owed, including but not limited to a civil suit or criminal prosecution as appropriate under the circumstances. If deducting available amounts by payroll deduction does not result in full repayment, VUMC is not waiving its right to collect the remaining funds by other means necessary.

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In addition, if appropriate under the circumstances, disciplinary action may be taken under Human Resources policies or other appropriate internal policies.

Contact Information

Questions regarding the interpretation of this policy should be directed to:

Email: financepolicy@vanderbilt.edu

APPROVAL:

Committee/Title	Chairperson/Designee	Date
VUMC Finance and Revenue Cycle Policy Committee	Cecelia Moore, Associate Vice Chancellor, VUMC Dr. David Raiford, Associate Vice Chancellor for Health Affairs, VUMC	12/14/2015