

CHAPTER 8: Business Operations
ADMINISTRATIVE PROCEDURE NO. 8.55.1 (AP 7400)

ADMINISTRATIVE PROCEDURE
San Mateo County Community College District

Subject: AP 8.55.1 Domestic Conference and Travel Expenses

Revision Date: 7/14

This administrative procedure is an integral part of the District's Board Policy 8.55 and is subject to change at the discretion of the District.

1. **Purpose and Scope**

The purpose of these procedures is to clarify the obligations of employees and students traveling on domestic business trips authorized by the Colleges or the District. Individuals traveling on behalf of the College or the District are reminded that, while traveling on behalf of the District, you are a representative of the District and your expenses should be reflective of such representation.

a. **International Travel**

Travel outside of the 50 United States and U.S. possessions is considered international travel and is subject to the International Conference and Travel Expense Procedures.

b. **Travel of Less Than 30 Days**

For domestic travel assignments of less than 30 days, the reimbursement shall be based on the actual reasonable amounts incurred for lodging.

c. **Travel of 30 Days or More**

This long-term traveling expense will be approved only on a case by case basis.

2. **Approval of Conference Attendance and Advance Check Request**

a. All business-related travel should be pre-approved by the employee's immediate supervisor, the Business Officer and, if applicable by the President. For Vice Chancellors and College Presidents, the business-related travel should be pre-approved by the Chancellor.

b. If an advance check is requested, the Conference Advance Form should be filled out, approved and sent to –Accounts Payable at the District Office with supporting documentation (such registration must include the registration and agenda information) for processing 30 days prior to the conference. Only one advance check per conference per employee will be processed – the check will be either payable to the organization for the conference fees or to the employee, and it is the employee's responsibility to pay directly any necessary conference expenses covered by the advance check. The return of any unused cash advances to the District must be completed within 30 days of completing the trip.

3. **Payment for Travel Expenses**

a. Savings on expenses in general – Lodging and transportation tickets should be purchased in advance in order to obtain any discounts offered by the providers. The employees should take advantage of any possible discounts available through the conference event or through corporate/government rates and always book the lowest rate, single occupancy rooms. A

reasonable effort must be made to find an appropriate low airfare. Transportation expenses will be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip.

- b. If the employee possesses a District procurement card, he or she should use it to pay for event registration, lodging and transportation expenses related to the official business travel. A Statement of Conference Expense Form covering all event-related expenses, must be prepared after the event regardless of the payment method. All reimbursements should include the detailed, itemized receipts and not just the credit card charge receipts. Even if no reimbursement is needed, the Statement of Conference Expense form must be attached to the procurement card back-up package for supervisor's review and approval.
- c. If expenses are incurred due to employee's negligence when making travel reservations they should be reimbursed to the District promptly.
- d. Any travel vouchers/credits earned due to changes in reservations remain the property of the District and should be used for future business travel within the same fiscal year whenever possible.

4. **Payment of Overtime for Conference Attendance and Travel To/From Conferences**

- a. If an employee attends a conference during the regular workday, the employee shall receive his/her regular compensation.
- b. If a non-exempt employee attends a conference outside of his/her regular workday, the employee is eligible to receive overtime only if attendance at the conference has been made mandatory by the employee's manager. Note, however, that even if attendance at a conference is mandatory, travel time to/from the conference shall not be eligible for overtime. In this case, a manager may, in his/her discretion, offer the employee equivalent time off to account for part of the travel time if the roundtrip travel time exceeds eight hours. For travel by car, travel time shall be calculated using Google Maps. For travel by plane, travel time shall be calculated from one hour prior to the scheduled departure time to one hour after the scheduled arrival time.
- c. Exempt employees are not eligible to be paid overtime for time spent at a conference or for travel time to/from a conference.

5. **Transportation**

a. **Air Travel**

Economy class or any discounted class airfare shall be used for all reservations. Upgrading to a more expensive class of service is allowed but only at the employee's expense. Any special accommodations require pre-approval by the supervisor in order to be reimbursed by the District. A supervisor may decide to pay a higher fare only if it is in the best interests of the District.

If a trip is canceled, every effort must be made to recover the credit. The following situations describe the factors to consider when reimbursing for cancellations:

- 1) When the cancellation of the trip was within the traveler's control and:
 - i. No credit is issued – the traveler must reimburse the District for the cost of the ticket.
 - ii. A credit is issued – the credit must be used for SMCCCD business travel or the traveler must reimburse the District.

- 2) When the cancellation of the trip was outside of the traveler's control and:
 - i. No credit is issued – the District will cover the cost of the ticket.
 - ii. A credit is issued – the credit must be used for SMCCCD business travel or the traveler can “buy” the credit from the District for personal use. If the credit cannot be used, the District will absorb the cost of the ticket.

b. Automobile Travel

1) Mileage Calculation

Under usual conditions, mileage shall be computed between the traveler's office and the common carrier or destination. However, mileage expenses may be allowed between the traveler's residence and the common carrier or destination if the business travel originates or terminates before or after the traveler's working hours, or during a regularly scheduled day off. Under all circumstances, the shortest route should be chosen for mileage reimbursement purpose.

Employees receiving mileage stipend should not claim mileage expenses reimbursements for business travel, unless the business travel is outside the county.

The maximum mileage reimbursement should not exceed the equivalent of market airfare cost (reference to other attendees' flight cost, if available).

2) Mileage Reimbursement Rate

Mileage reimbursement will be approved per current mileage reimbursement rate published by the Internal Revenue Service.

3) Types of Vehicles

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation.

A vehicle may be rented when renting would be more advantageous to the District than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model should be requested. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip.

The vehicle rental contract should include Supplemental Liability Insurance (SLI) and Loss Damage Waiver (LDW).

4) Miscellaneous Automobile-Related Expenses

Charges for ferries, bridges, tunnels, or toll roads may be claimed by the traveler. Reasonable charges for parking while an employee is on travel status or on business away from regular duties will be allowed.

6. Lodging

a. Local Travel

An overnight stay is not allowed if the destination is within a **100** mile radius from the traveler's work address. An exception to the overnight stay requirement will be allowed if the need of the overnight stay was **preapproved** by supervising administrator.

b. Lodging Expenses

All lodging expenses must be supported by original itemized receipts and the lodging should only cover the period of the conference. Employees must always book at the lowest, single occupancy room rate available. Any extra days prior to or after the conference will be at employee’s expense.

Charges for failure to cancel hotel reservations in a timely manner should not be reimbursed to the employee, or if paid on a procurement card should be reimbursed promptly by the employee.

7. Meals and Incidentals

a. Meals

- 1) A per-diem is allowed for meals during approved travel. The current per-diem rate is up to \$60.00 at the maximum (with or without receipts) for each day of the trip – please note that tax and tips are included in the per-diem calculation. A maximum of 18% tip is allowed on the total food costs before taxes. As noted above, this amount is included in the per diem rate. Room service should be avoided whenever possible due to the extra charges it incurs. For partial per-diem reimbursements please use the following breakdown as reference.

Per-diem meal allowance:

Breakfast	\$10.00
Lunch	\$20.00
Dinner	\$30.00

Depending on the travel start and end times, the employees may be entitled to the whole per-diem or just part of it – breakfast, lunch or dinner. For local conferences, the event start and end time will be used to determine the meal per diem reimbursement.

Event or Flight time starts...employee can claim	Breakfast	Lunch	Dinner
Before 12 noon	X	X	X
Between 12 noon and 6pm		X	X
After 6pm			X

Event or Return flight time ends... employee can claim	Breakfast	Lunch	Dinner
Before 12 noon	X		
Between 12 noon and 6pm	X	X	
After 6pm	X	X	X

- 2) Meals included as part of conference registration fees should be noted on the Statement of Conference Expense Form and should be deducted from the per-diem. The employee will not be reimbursed a per diem for any meals that are included in the cost of registration regardless of whether or not the employee eats the meal. In rare cases when the employee requires special meals due to health conditions, the employee will be reimbursed only if adequate receipts are provided for any extra meals purchased in lieu of the meals included

in the registration fee. When dining with another District employee or agent who receives reimbursement for his/her expenses, if one of the employees covers the cost of the other, the employee who did not pay will have his/her reimbursement adjusted by the per diem portion of that meal.

b. **Incidentals**

All other reasonable miscellaneous expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. Miscellaneous expenses may include: parking, tolls and other miscellaneous charges. The Statement of Conference Expense Form must include an explanation of why such expenditures are being claimed.

8. **Insurance for Travelers**

a. **Employees**

District employees eligible for benefits are routinely covered 24 hours a day, worldwide, against accidental death or dismemberment and other accidents and incidents while on an official business trip. District provided medical insurance covers international traveling, therefore check with Human Resources prior to purchasing any additional medical travel insurance. If coverage is provide through the District medical insurance, purchase of any additional travel and medical insurance coverage is considered an out-of-pocket, un-reimbursable expense. If a procurement card is used for these expenses, the employee should reimburse the District promptly.

b. **Vehicles**

When private vehicles are used on District business, the employees are responsible for maintaining adequate liability insurance coverage. Travelers using rental cars should include Supplemental Liability Insurance (SLI) and Loss Damage Waiver (LDW) when renting.

9. **Reporting Procedures and Forms**

a. **Compliance with IRS Rules**

Regulations issued by the Internal Revenue Service and various other governmental agencies require that the District maintain a policy under which employees must account for all advances, allowances and other prepayment of expenses. Payments made in accordance with an accountable plan are not reported as taxable wages on the employee Form W-2. Adherence to these policies and procedures ensures that business travel reimbursement will remain income tax free. Failure to follow these procedures may result in amounts being reported as taxable income to the traveler. Under the accountable plan, travel advances and prepayment of expenses must meet three requirements:

- 1) Advances may only be made for approved business expenses, and provided to an employee within 30 days prior to the trip.
- 2) Travelers must provide an adequate accounting or substantiation of their actual travel related expenses within 30 days following the trip.
- 3) Employees must return any advance amounts in excess of substantiated expenses as soon as possible after the travel is completed.

Reference: <http://www.irs.gov/pub/irs-pdf/p15.pdf>

b. **Required Documentation**

Employees must keep a record of and substantiate their travel expenses by submitting a completed Statement of Conference Expense Form (along with all required documentation) to the Accounts Payable office within 30 days of completing their travel. The Statement of Conference Expense

Form should be supported by sufficient information to establish the business purpose of the travel, the dates and location of the travel as well as detailed, itemized, original receipts for all reimbursable expenses as well as any expenses charged to the purchasing card. The following documentation should be provided along with the Statement of Conference Expense form:

- Itemized receipts for all travel related expenses (meals, hotels, transportation, etc.)
- Conference/event agenda/schedule
- Hotel and flight reservations

Hotel, restaurant and other vendor invoices must contain itemized details. Proof of payments, receipts or statements without a detailed breakdown of expense are not considered proper supporting documents and will not be reimbursed.

Whenever personal credit cards are used for purchases, sufficient proof of payment such as credit card receipt/statement showing the type of credit card and last four digits of the credit card number should be presented. For check payments, a copy of the cashed check or the bank statement showing the posted charge should be provided as proof of payment.

When advance reservations are made with procurement cards (registration, travel and lodging) for events happening in the following fiscal year, the information must be forwarded to Accounts Payable prior to June 30, so it can be set as a prepayment for the following fiscal year.

The complete Statement of Conference Expense Form with all required approvals should be forwarded to Accounts Payable for review and processing. In case of any discrepancies or departures from the District Travel and Conference Expense Procedures, the Accounts Payable staff is required to complete an Audit Findings form. The Audit Findings form requires the acknowledgment and approval of the employee and their supervisor prior to processing any reimbursement and may require the employee to reimburse the District for unallowable costs.

c. **Forms and Deadlines:**

The conference expense related forms can be found online at the [District forms download site](#).

Conference Advance Form - must be completed 30 days prior to conference date

Statement of Conference Expense Form - must be submitted within 30 days after the conference date

Transient Tax Form - must be used to claim sales tax exemption from hotel whenever applicable

Procurement card user's guide (use of Procurement card for business trip expense payments must be strictly followed)

10. **Un-reimbursable Expenses**

The following are examples of personal expenses that are not eligible for reimbursement as business expenses:

- Amenities such as movies, in-room bars, saunas, massages, etc.
- Internet connection charges for personal use
- With the exception of religious or dietary needs, meals purchased in lieu of those included in the conference package are considered personal expenses.
- Alcohol consumption during business travel
- Child care costs, babysitting, or house sitting costs
- Any personal clothing or accessories
- Laundry for trips of less than 5 days
- Grooming expenses such as haircuts, toiletries, etc.

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- Prescriptions, over-the-counter medication, supplements, or other medical expenses
- Fees for boarding pets or other animal care
- Magazines, books, newspapers, or other personal reading material
- Outlays for personal recreation or entertainment such as golf course green fees, sightseeing fares, theater tickets, entry fees, lift tickets, etc.
- Expenses related to non-College activities or personal time off taken before, during, or after a business trip, such as extended stays before or after the event dates
- Travel expenses incurred by others than District employee
- Loss of cash advances, airline tickets, or personal funds or property
- Airline travel insurance and medical insurance costs
- Incremental costs for first, business class or upgrade tickets to obtain frequent flyer credits or tickets
- Fines for automobile or parking violations
- Charges for failure to cancel hotel reservations in a timely manner
- Credit card interest or delinquency fees
- Fees for personal credit cards
- Passports or Passport Renewal
- Tips for concierge, maid service, valet parking and other personal preference services