

**Doc. T92-031, Appendix C, as amended**

*Passed by the Board of Trustees*

*June 3, 1992*

*Revised: 9/18/2013; 12/15/21*

**UNIVERSITY OF MASSACHUSETTS  
BUSINESS AND TRAVEL EXPENSE POLICY**

---

**I. PURPOSE**

Stewardship, transparency and integrity of funds entrusted to the University by various constituencies is vital. Therefore, this policy has been developed to clarify the requirements for Business Expenses made on behalf of the University and Travel Expenses related to University travel. The Policy outlines provisions and requirements for fiscal compliance with federal and state law, Internal Revenue Service (IRS) guidance regarding expense reimbursements under an “accountable plan” made pursuant to IRS Publication 463 “Travel, Entertainment, Gift and Car Expenses”, and funding agencies’ grant and contractual terms and conditions. In addition, this policy establishes guidelines for economical travel on University business while maintaining the necessary controls, accountability and compliance with applicable federal and state laws, and administrative efficiency.

**II. INTRODUCTION**

The *Business and Travel Expense Policy* applies to Business Expenses and Travel Expenses incurred by a Duly Authorized University of Massachusetts employee, student, Trustee, Special State Employee, per MGL c. 268A, or associate who incurs Travel Expenses in the process of conducting University Business irrespective of the method of payment and source of funds. Specific criteria defining Business Expenses and Travel Expenses in the related Presidential Administrative Standards “*Standards*” issued by the President of the University.

**III. DEFINITIONS**

- Approver: University employee, often a manager or supervisor, who is Duly Authorized to approve business or travel expenses for employees within their line of supervision or area of management responsibility.
- Business Expense: Costs incurred by a duly authorized University of Massachusetts employee, student, Trustee, Special State Employee, per MGL c. 268A, or associate in the process of conducting University Business, or necessary and within their scope of employment, irrespective of the method of payment and source of funds.
- Duly Authorized: Approved by or with the authorization of supervisor or appointing authority per Policy, Standard and campus procedures.
- Travel Expense: business expenses incurred by Traveler on University Travel.

- Traveler: Duly Authorized employees, Trustees and non-employees (including without limitation speakers, lecturers, students, visiting professors, candidates for University employment, guests etc.) whose travel expenses for University Travel will be paid for or reimbursed by the University regardless of source of funds.
- University Business: Any activity, practice, commerce, trade, service, research, education, etc. in furtherance of the University's mission and functions.
- University Travel: See University Travel Policy for definition.

#### **IV. POLICY STATEMENT**

- A. Business and travel expenditures must be necessary business or travel expenses of the organization, be directly related to the University's goals and mission, and be an allowable charge to the funding source or sponsor.
- B. Business expenses and travel expenses must have a clear and documented business purpose.
- C. Business expenses and travel expenses must be reasonable, allowable, and allocable under governing laws, regulations, and University policy.
- D. Duly Authorized University of Massachusetts employee, student, Trustee, Special State Employee, per MGL c. 268A, or associate who incurs business expenses and travel expenses in the process of conducting University business may be reimbursed for all reasonable and necessary expenses in accordance with this policy, and the Standards established by the President of the University.
- E. Duly Authorized University of Massachusetts employees, students, Trustees, Special State Employee, per MGL c. 268A, or associates incurring expenses using University funds have an obligation to act in compliance with, applicable University Board Policies, laws, regulations and rules.
- F. All expenses must be fully documented in compliance with IRS or regulatory requirements. Reimbursement for business and travel expenses under this policy is designed to comply with the accountable plan rules of the Internal Revenue Service (IRS) as contained in Publication 463 "Travel, Entertainment, Gift and Car Expenses". Compliance with the accountable plan rules permits the University to provide reimbursement for University related business and travel expenses on a nontaxable basis.
- G. Individuals may be held personally liable for a transaction that is made in violation of policies, laws and regulations including the areas of contracts, grants and donor restricted funds. Employees violating this policy may be subject to disciplinary action, up to and including termination.
- H. Business and travel expenses must be Duly Authorized to qualify for reimbursement. Delegation of approval authority should not create a situation where an employee is approving the expenses of their supervisor or another employee of equal or higher position.

- I. Travelers and Approvers are responsible for validating that all business and travel expenses meet the following conditions: (1) compliance with University policy and standards; (2) expenses have a clear and documented business purpose and are a reasonable and judicious use of University funds; (3) expenses are documented, submitted, and accounted for in a timely manner in accordance with applicable Presidential Standards.
- J. Business and travel expenses that are not directly for university business or university travel related transactions will not be reimbursed. Personal expenses of any type or late fees will not be reimbursed.
- K. In circumstances where identical business or travel expenses have been paid both by the University (via university bank card, reimbursement, etc.) and a third party, the Traveler will ensure that the duplicate reimbursement is returned to the University within a reasonable timeframe as defined in the standards.
- L. Business and travel expenses for non-university employees, such as consultants, speakers, lecturers, visiting professors, candidates for positions, and students are reimbursed in accordance with this policy; per MGL c.268A, such non-university employees may be considered as special state employees. Reimbursements which exceed the provisions established for employees shall require the advanced authorization of the Vice President or Vice Chancellor for Administration and Finance.
- M. Prior approval is required for all overnight out-of-state, and international travel. Campuses have the discretion to require their employees to obtain prior approval for in-state travel. The President will receive travel approval from the Board Chair, and the Chancellors will receive travel approval from the President.
- N. Prior to travel, all employees must register domestic overnight and international travel in the University Travel Registry and should document their itinerary. Fully documented travel plans allow the University to provide insurance and other coverage as appropriate. International travel requires prior review and approval for compliance with Export Control and Sanctions & Embargoes.
- O. All international University-related travel must receive risk-related review and approval prior to departure.
- P. To minimize travel costs and expenses, for both domestic and international travel, the University encourages the use of the University Travel Program, through which contracted vendors provide travel booking services. The Program should be used for booking travel, including transportation to/from airport, hotel reservations and other travel related amenities; and to provide travel support.
- Q. Travelers traveling on University-related travel are expected to choose the most economical mode of transportation that meets the Traveler's scheduling and business needs and University policy, regardless of funding source.
- R. Travelers traveling on sponsored funds, including but not limited to federal grants, should follow the most restrictive applicable policy (University policy or sponsor rules).

## **V. STANDARDS**

The President, in consultation with the Senior Vice President for Administration and Finance, Chancellors and Vice Chancellors for Administration & Finance, will issue administrative standards to implement this policy. The administrative standards will provide ability for campuses to define campus-specific exceptions within the standards with the approval of the Chancellors and the President.

**UNIVERSITY OF MASSACHUSETTS  
ADMINISTRATIVE STANDARDS FOR THE BUSINESS EXPENSE POLICY  
(Doc. T92-031, Appendix C)**

**I. INTRODUCTION**

*Business Expense Standards* apply to business expenses incurred by a duly authorized University of Massachusetts employee, student, Trustee or associate who incurs business expenses in the process of conducting University business irrespective of the method of payment and source of funds. Campuses may establish guidelines and procedures within the scope of University policies regarding business and entertainment expenditures. Campus guidelines may be more, but not less, restrictive than the President's Administrative Standards. Business expenses are generally not covered under the University's Procurement Policy.

**II. STANDARDS STATEMENT**

The Business Expense Policy of the University (T92-031, Appendix C) and its associated standards establishes general documentation and reporting requirements. This section further defines the standard for satisfying the requirements of the policy.

- A. Expenditures must be a necessary and appropriate business expense of the organization, and is directly related to the goals and mission and be an allowable charge to the funding source.
- B. Expenses must have a clear and documented business purpose.
- C. Expenses must be reasonable, moderate in nature, allowable and allocable under governing laws, regulations and University policy.
- D. Expenses associated with attendance at a business function must be reasonable and relative to the nature of the business function.
- E. An individual's travel status does not affect reimbursement for business expenses.
- F. All expenses must be fully documented in compliance with IRS documentation rules for accountable plans or regulatory requirements.
- G. Individuals with approval authority for the department or grant to which the expense will be charged are responsible for compliance with this policy and standards.

**III. SPECIFIC CRITERIA**

A. Proper Expenditures

The following are examples of the type of expenditures that may be paid/reimbursed subject to the general policy.

- 1. Expenditures for the purpose of recruiting potential employees and students, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of University/campus business.

2. Expenses for meetings of regular University/campus committees, which may involve only participants from a single location, and which are documented as part of a working session necessitated by travel requirements, schedule conflicts or other unavoidable circumstances solely for the benefit of the institution.
3. University/campus events qualifying under IRS Publication 15-B, "Employer's Tax Guide to Fringe Benefits", as having a substantial business purpose, such as recognition/morale activities, public relations, development/fund-raising events, conferences/retreats/seminars, and activities in conjunction with various ceremonial and official events. These events may be either campus-wide or on a smaller scale and require prior approval. Such approval must be obtained through normal administrative channels. University and campus policy regarding budgeting, approvals, purchasing and documentation shall apply.
4. Tickets for sports, theater, charitable/civic and other events for the entertainment of institutional donors, alumni, guests and visitors. In all cases the expenses must be shown to benefit the mission of the institution or directly support its programs.

B. Improper Expenditures

The following are examples of the type of expenditures which should not be paid/reimbursed:

1. Excessive or extravagant costs.
2. Political contributions.
3. Personal violations or fines including speeding or parking tickets.
4. Gifts or any type of compensation to University employees other than those provided through official recognition programs authorized by the Human Resources Department.
5. Any expense of a personal nature will not be paid or reimbursed.
6. Meals during working hours, including "working meals", where one employee takes another employee to breakfast, lunch or dinner.
7. Purchase of alcoholic beverages is highly discouraged due to the expense and potential liabilities involved. However, when written authorization is obtained prior to the event, or when specific campus policies are followed, the purchase may be allowed.
8. Expenses for spouses except as allowed in the Executive Compensation Policy (when approved) or as part of an institutional event, which has received prior approval.
9. Any unexplained or undocumented expenses.

**IV. DOCUMENTATION**

All expenditures must be accompanied by an original receipt; documentation must include:

- A. The date, location and description of the expenditure.
- B. The name(s), title, company, affiliation and business relationship of the person(s) in attendance.
- C. Business purpose for incurring the expense.
- D. Approval of the expenditure through normal administrative channels.

**V. REPORTING REQUIREMENTS**

Campuses/locations should identify business and entertainment expenditures in the Financial System (or approved alternative system) in a manner which will allow for regular reporting to the Board of Trustees.

**UNIVERSITY OF MASSACHUSETTS  
ADMINISTRATIVE STANDARDS FOR CHIEF EXECUTIVE OFFICER  
BUSINESS EXPENSE AND TIME REPORTING  
(Doc. T92-031, Appendix C)**

**I. INTRODUCTION**

*Business Expense and Time Reporting Standards* apply to business expenses incurred by the President or any Chancellor of the University of Massachusetts who incurs business expenses in the process of conducting University business in addition to the process to approve leave time for the Chancellors.

**II. STANDARDS STATEMENT**

The Business Expense Policy of the University (Doc. T92-031, Appendix C) and these standards establish the general documentation and reporting requirements. This document further defines the standard for satisfying the requirement effectively for chief executive officers of the University.

**III. SPECIFIC CRITERIA**

- A. There will be one annual authorization for domestic Travel and Business Expenditures, submitted by the President's Office and approved by the Chairman of the Board of Trustees, for the President and by the President for the Chancellors to travel and incur business expenditures on behalf of the University in accordance with all existing University policies.
- B. There will be individual authorizations for International Travel and Business Expenditures, submitted by the President's Office and approved by the Chairman of the Board of Trustees, for the President and by the President for the Chancellors to travel internationally and incur business expenditures on behalf of the University in accordance with all existing University policies.
- C. There will be individual authorizations for spousal travel submitted by the President's Office and approved by the Chairman of the Board of Trustees, for the President and by the President for the Chancellors in accordance with all existing University policies.
- D. The President will delegate specific authority for the review and approval of a Chancellor's leave time to the Vice Chancellor for Administration & Finance at each campus.
- E. The processing of business expenses for the President and Chancellors will not require secondary approval from the Board or President. Rather, a designated administrator within President's/Chancellor's department will review, process, and reconcile each expense incurred by the President/Chancellor to assist with ensuring accuracy and compliance with University policy. A final review and approval will be performed by an appropriate individual within the Campus Controller's Office.
- F. A President's Office administrator designated by the President will remit a quarterly report to the University Controller for further submission to the Chairman of the Board of Trustees. This report will detail the travel and entertainment expenses incurred by the President of the University. This report should also contain purchase information with regard to other items of a



personal nature not covered by the employment agreement. A summary of leave time taken (vacation, personal, etc.) for that reporting period should also be included.

- G. For each of the campus Chancellors, a designated campus administrator will remit a quarterly report, in the same format, to their respective campus Controller for review. The report will also include a summary of time taken (vacation, personal, etc.) during that reporting period. The report will be submitted in accordance with the quarterly schedule below to the University President. The report shall be delivered via email indicating the quarter being reported with a carbon copy to the University Controller.
- H. A copy of the quarterly reports described above, along with supporting documents thereof, shall be retained by the President's and Chancellor's Office administrators.
- I. The essence of this Standard is to capture travel and entertainment expenses incurred by the President and the Chancellors and other expenses that can be viewed as personal in nature. Expenses associated with University or campus events should not be detailed in this report. Sources for these expenditures can be from any departmental account or other related entity, from which the President/Chancellor expends funds for business purposes. Examples of items deemed to be personal in nature includes mobile device apps, books, DVDs, licenses, insurance, dues, memberships and licenses. Items which are personal in nature are subject to inclusion in this report.
- J. At a minimum, the following data elements are to be included in the quarterly travel and business expense report:
  - 1) Date of Event/Expense
  - 2) Vendor Name/Description of the activity
  - 3) Amount
  - 4) Description of Expense
- K. The University Controller in consultation with the Campus Controllers will have ultimate responsibility for the quarterly report. The report will reconcile with the University's official records.
- L. The following are the dates for submission of the quarterly reports described above to each respective Controller with final submission to the President/Board Chairman:
  - 1) July-September – due to Controller by December 1<sup>st</sup> with final submission to the President by December 15<sup>th</sup>.
  - 2) October–December – due to Controller by March 1<sup>st</sup> with final submission to the President by March 15<sup>th</sup>.
  - 3) January-March – due to Controller by June 1<sup>st</sup> with final submission to the President by June 15<sup>th</sup>.
  - 4) April-June – due to Controller by September 1<sup>st</sup> with final submission to the President by September 15<sup>th</sup>.

- M. Campuses may establish guidelines and procedures within the scope of University policies and standards regarding business and entertainment expenditures. Campus guidelines and procedures may be more, but not less restrictive than the President's Administrative Standards.