
Business Affairs Travel and Entertainment

Guidelines for Business Expenses

August 2008

OVERVIEW

When traveling and entertaining on behalf of UCSD, as with all expenditures regardless of fund source, thoughtful attention should be given to:

- Reasonableness
- Allowability
- Benefit to the university
- Necessity
- Frequency
- Overall cost
- Best use of public funds

The person approving travel and entertainment expenses is *not to be either a direct or indirect report* to either the traveler or host.

This guide is *not just about policy* rather it is to support you in determining if an expense is reasonable, allowable, and abides by Business Affairs standards. There are two parts:

1. At a Glance – quick view of the important points for the traveler or host
2. Guidelines for Business Affairs Travel and Entertainment – more details

AT A GLANCE

Business Affairs Standards: Travel, Entertainment, & Business Meetings

Topic	Policy	Business Affairs Guidelines
Travel - General	Preauthorize all events Receipts required for expenses with the exception of local transportation for <\$75	Preauthorization is strictly enforced Use MyTravel to report expenses for eligible events
Air	Lowest available economy class fare that meets traveler's business needs Use Connexus for lowest cost and best value (booking fees are allowable)	Only coach class unless there are extenuating conditions (medical reasons) Advance purchase as possible (14 days) Use Orbitz for Connexus for simple trips No service fee over \$40 for domestic
Car - Rental	Compact or mid-size Use Connexus or corporate card for built-in insurance coverage Decline additional insurance Driving in lieu of flying - mileage cannot exceed equivalent lowest cost airfare	Sub-compact or compact
Ground	Transportation costs to airport are to be reasonable	Traveler's personal car/parking and airport shuttle are preferred options
Hotel	Hotels costs are to be reasonable based on location Use Connexus for lowest cost and best value, special pricing for Marriott, Starwood, and Wyndham properties	Conference hotel, Marriott, Hyatt 'type' are to be used; Ritz Carlton, Four Seasons 'type' are not to be used – cap of \$275 (unless advance approval acquired) for single room occupancy
M&IE	Domestic travel overnight up to 29 days claim actual up to \$64 per day; Travel <24 hours: no M&IE without an overnight stay; <i>Meal allowed if an integral part of a meeting or other prearranged event: justification and documentation is required such as a copy of the agenda</i>	If the full \$64 is claimed, receipts must be submitted to substantiate actual
Entertainment – General	Receipts for single event \$75> Events paid for by recharge must be properly documented	No state funds - applies to all categories
Alcoholic Beverages	Allowable on certain fund sources	Not allowed except for limited fund raising and recruitment functions
Employee Morale	Allowable on certain fund sources Approved as special entertainment	Family member cost borne by employee; hosted year-end holiday events are typically limited to 1 per department See <i>Appendix A</i> for complete guidelines
Fund Raisers (tables)	Approved as special entertainment	Employees only
Business Meetings	Meals limited to no more than once a month and light refreshments to no more than twice a month per group	Limit frequency to 1 per month for meetings for the same group (when meals and light refreshments are provided)

GUIDELINES FOR BUSINESS AFFAIRS TRAVEL AND ENTERTAINMENT

TRAVEL

Know travel policy and report expenses using [MyTravel](#) for eligible events for prompt reimbursement, *highest* degree of accountability, and *lowest* administrative costs.

Planning – Booking Travel As many travel costs are paid directly by UCSD, [Preauthorization](#) is required. Unauthorized events will not be reimbursed.

Air The greatest value (including pre-populating MyTravel) is [Connexus](#). No source can guarantee the best fare 100% of the time due to the way distribution is handled.

- make travel plans early booking flights 14 days in advance to take advantage of advance purchase fares
- use lowest economy class that meets the business needs (business and first class will not be reimbursed with the exception of medical)
- request a refund (with a refundable ticket) or apply the unused ticket to the next business trip when travel plans change
- cancel reservations early to avoid a penalty
- purchase airfare with your corporate card (if not acquired through Connexus) to reduce administrative costs
- opting for circuitous routing for personal reasons including accruing of frequent fly points is prohibited and will not be reimbursed

Car Rentals Use [Connexus](#) which has UC's special pricing and coverage built in (includes collision damage waiver and liability insurance). You may also use your cooperate card to acquire rentals at a promotional rate but follow the [guidelines](#) to ensure insurance coverage.

- rent the most economical (sub-compact or compact) vehicle consistent with business needs and circumstances
- decline additional insurance coverage for domestic travel; it is expensive and duplicates insurance already provided by UC

Cars - Personal Use of personal vehicles for business are reimbursed at the [mileage](#) rate in Blink which covers the cost of vehicle usage including gasoline. Travelers can also be reimbursed for tolls and parking fees.

- When driving in lieu of flying, the total mileage plus costs such as meals in route cannot exceed the comparable economy class airfare

Ground Transportation Use the lowest cost ground transportation consistent with business.

- use complimentary airport shuttles offered by hotels
- consider public transportation instead of taxis/rental cars

Lodging Use [Connexus](#) to reserve hotels using UC's special pricing with major hotel brands including Marriott, Starwood, and Wyndham. Reimbursement is based on actual expenses which are not to exceed \$275 per day (room and tax) without an advance approval by the Travel Manager.

- choose a reasonably priced hotel; single occupancy rate
- avoid penalties if you must cancel by doing so as early as possible
- consider acquiring a wireless connection if you use internet services while on travel status to avoid excessive hotel service charges
- use of mini bar, in-room movies, and personal expenses must be deducted and paid for personally (if possible), if not, these expenses must be deducted from the hotel folio when reporting expenses

Meals and Incidental Expenses (M&IE) [M&IE](#) is limited to the actual expenses currently up to \$64 per day. Travel less than 24 hours requires an overnight stay to be eligible for M&IE, however if a meal is an integral part of a meeting or other prearranged event, it may be allowable based on justification and documentation such as a copy of the agenda. The \$64 is not a per diem but the maximum that can be claimed based on actual. When a meal is paid by a host, included in a registration fee, or otherwise, this must be considered when requesting reimbursement. Travelers will not be reimbursed if the total \$64 is claimed for a single meal if another meal (s) for the day has been provided.

UC Corporate Travel Card The corporate card is the preferred payment method for travel expenses as this allows for maximum benefit to UCSD and reduces costs. The traveler is required to use the card for business expenses.

Receipts Original receipts for single expenses are required (excludes ground transportation as receipts are required only for an expense \$75+).

Guests Reimbursement for expenses for family and other companions who accompany travelers on business trips are not reimbursable. This does not preclude others from accompanying travelers provided that all their costs are

clearly documented and borne personally by the traveler. In all cases, the university business is to be of primary importance.

ENTERTAINMENT

Those incurring entertainment expenses that are the necessary result of normal business operations are responsible for knowing policy. Expenses that are either lavish or extravagant under the circumstances or represent additional taxable income to employee are not allowed.

Substantiating the Business Purpose [UCSD policy](#) and the IRS requires all business meals and entertainment expenses be properly documented. This includes the reason for the entertainment, the benefit expected to be derived as well as the name, title, and affiliation of the person(s) being entertained.

Recharging Entertainment and Meeting Expenses If food and beverages for business meetings, entertainment, and other events are provided by [Catering, Faculty Cub](#), or other activities, departments must maintain appropriate documentation including substantiating the business purpose.

Location and Venue It is important the Business Affairs sets an example for the campus by selecting restaurants and other venues that are modest and in the tone of the specific business purpose.

Guests Business Affairs does not provide reimbursement for entertainment expenses of family members and other companions who attend business functions, employee morale events, and holiday parties with the exception of recruitment and special functions (retirement, for example). Guests can attend events but all costs must be documented and paid by the employee.

Business Meetings - Involving External Parties Payment for reasonable and necessary meal and light refreshment expenses incurred during a business meeting involving external parties are allowable if the purpose of the meeting is to discuss business beneficial to the university.

Business Meetings - UCSD Personnel Expenses for meals and light refreshment can be reimbursed for meetings involving UCSD employees under certain circumstances (most commonly when the available meeting time coincides with the normal lunch time). Frequency of meetings must be moderate and appropriate to the purpose of the discussion and the nature of the business. Typically, meetings that include the same employees cannot be reimbursed (paid) more than monthly. Limit frequency to 1 per month for meetings for the same group (when meals and light refreshments are provided). Quarterly is preferred as frequency is a criteria for triggering a taxable event for the employee.

Employee Morale Events

The guidelines specific to Business Affairs Employee Morale Events are contained in *Appendix A*.

Receipts For events with expenses \$75> original itemized receipts are required. While receipts are not required for expenses <\$75, hosts are advised to keep their original receipts for expenses based on any departmental requirements.

Tables (Fund Raising Events) A cash contribution which includes the cost of a meal made to a nonprofit organization in connection with an employee's attendance at a fundraising event requiring the purchase of a table for a specific number of guests is allowable. Those in attendance are to be UCSD employees with payment made directly to the organization by UCSD accompanied by an official transmittal letter. Contributions made by a personal form of payment will not be reimbursed. Costs must be relative to the benefit to UCSD and this justification documented.

Alcoholic Beverages Neither the reimbursement nor the direct payment for alcoholic beverages at Business Affairs events is allowed under any fund source.

APPENDIX A

Business Affairs Employee Morale Events

Overview

Business Affairs units are encouraged to sponsor employee morale events and the guiding principles are that they be cost effective and in accordance with the best use of public funds. These guidelines will help ensure that we can continue to hold events that show appreciation to our employees and encourage them for the future, while upholding the public trust.

Purpose

Events serve a business purpose as they are vital for boosting morale, team building, and expressing appreciation in support of our mission.

Types of Events and Venues Covered

Events should benefit all the staff and be held either on UCSD property (preferable) or at a location where employees can easily provide their own local transportation. A year-end holiday gathering, picnic, pizza party, or events where either a meal or light refreshments are served are all appropriate. Other types of events, such as a day at a theme park, baseball game, and beach party are allowable as long as the guidelines are followed. In all cases, events should comply with UCSD entertainment policy.

Year-End Holiday Events

Generally, departments should limit events to a major one benefiting all employees. If departments sponsor more than one year-end holiday event (such as a division within the department hosting a division event in addition to the department-wide event) the combined cost for the events must be modest.

Types of Events and Venues NOT Covered

Events for employee service recognition, team recognition, retirement, and farewell are addressed by UCSD's entertainment policy. Campus events, such as the Staff Appreciation luncheon and picnic are also not covered by these guidelines. Please refer to Blink for more information:

<http://blink.ucsd.edu/go/entertainment>

Costs and Source of Funds

Costs must be reasonable in relationship to the nature of the event and charged to allowable funds. For the purposes of events covered by this Guideline, State funds are NOT allowable. The cost for meals and light refreshments cannot exceed the per employee [maximum](#) provided in the UCSD entertainment policy. For events held off campus, these maximum limits include associated facility costs.

Meal Type	Maximum per Employee
Breakfast	\$26
Lunch	\$38
Dinner	\$64
Light Refreshment	\$17

Alcohol

Alcoholic beverages will not be paid for by university funds of any kind under this guideline. If alcoholic beverages are purchased by employees or provided to employees via a cash bar at the event, the consumption of such beverages shall be minimized by the host.

Guests

Family members and guests may be invited to attend an employee morale-building event, however, university funds should not be used to cover the cost of invited guests.

Frequency

Typically events are held annually, but some units might choose to sponsor events more frequently, such as quarterly. In any case, events are allowable as long as the cost and venue are reasonable with respect to the cost per person, and that total annual costs of such events is within reason.

Approval

All employee morale events are considered “special entertainment” under UCSD policy, and must be approved by the Vice Chancellor, Chief of Staff, or Controller. This approval may be after the fact if all guidelines are met. If any guidelines are anticipated to be exceeded, approval must be obtained prior to completing arrangements for the event.

Payments, Deposits, Reimbursements, and Employee Contributions

Payment options are generally the same as for UCSD entertainment policy. As special conditions might apply, prior to planning and committing university resources please refer any questions to travel@ucsd.edu Attention Entertainment Specialist for individual assistance.