



Policy Number and Title:	200.109 Travel Expense Policy		
Approval Authority:	Board of Regents	Date Effective:	March 12, 2021
Responsible Office:	Accounting	Responsible Office Contact:	Vice President for Business and Finance

1. POLICY STATEMENT/REASON FOR POLICY

Faculty, staff, and students are periodically required to travel on behalf of Bay Mills Community College (BMCC) in furtherance of its mission and objectives. The intent of this policy is to help facilitate that travel and is designed to be fair and equitable to both the traveler and to the College.

2. ENTITIES AFFECTED BY THIS POLICY

All BMCC Departments.

3. WHO SHOULD READ THIS POLICY

- Individuals traveling on Bay Mills Community College business, regardless of the source of funds.
- Individuals who make travel arrangements for themselves or for others.
- Individuals who initiate, review, approve, process, or record travel documentation.

4. WEB SITE ADDRESS FOR THIS POLICY

-This policy can be found at:

<http://www.bmcc.edu/about-bmcc/governance-administration/college-policies>

5. FORMS/INSTRUCTIONS

See accounting for forms

- Travel Authorization Advance Requisition
- Travel Expense Statement

6. HISTORY

-Amended: June 10, 2016; revised March 12, 2021.

-Next Review Date: March 12, 2024.

-BMCC reserves the right to revise policies at any time.

7. THE POLICY

BAY MILLS COMMUNITY COLLEGE TRAVEL EXPENSE POLICY

TRAVEL EXPENSE POLICY	2
POLICY STATEMENT.....	2
PURPOSE.....	2
WHO SHOULD READ THIS POLICY?.....	3
POLICY PROCEDURES AND REQUIREMENTS.....	3
I. OVERVIEW	3
A. Accountable Plan	3
B. General Provisions	3
C. Responsibility.....	3
D. Grant Travel.....	3
E. Non-Reimbursable Travel Costs	4
F. Personal and Spouse/Companion/Family Travel	4
II. SPECIFIC EXPENSE POLICIES.....	4
A. Air Transportation	4
B. Automobile Travel.....	6
C. Lodging.....	7
D. Meals.....	7
E. Miscellaneous Travel Costs	7
III. TRAVEL PER DIEM AND ACTUAL EXPENSE METHODS	7
A. Per Diem Allowance Method.....	7
B. Actual Expense Method.....	8
C. Student Travel	8
IV. PAYMENT OF TRAVEL EXPENSES	9
A. Travel Advances	9
B. Travel Expense Statement and Required Documentation	10

BAY MILLS COMMUNITY COLLEGE TRAVEL EXPENSE POLICY

POLICY STATEMENT

Faculty, staff, and students are periodically required to travel on behalf of Bay Mills Community College (BMCC) in furtherance of its mission and objectives. The intent of this policy is to help facilitate that travel and is designed to be fair and equitable to both the traveler and to the College. It applies to all College travel regardless of the funding source. To be reimbursable, all travel expenses incurred must be necessary to the business of the College, in compliance with Internal Revenue Service (IRS), federal, and/or granting agency regulations, and represent a reasonable and appropriate use of College funds.

The BMCC Travel Expense Policy is not intended to cover every possible situation or scenario that may arise. In all matters, travelers are representing the College and should act in an ethical, practical, and fiscally responsible manner.

PURPOSE

The purpose of this policy is to provide faculty, staff, students, and other non-employees with specific policies and procedures regarding Bay Mills Community College travel as well as the documentation required to substantiate requests for reimbursement of these expenses.

WHO SHOULD READ THIS POLICY?

- Individuals traveling on Bay Mills Community College business, regardless of the source of funds.
- Individuals who make travel arrangements for themselves or for others.
- Individuals who initiate, review, approve, process, or record travel documentation.

POLICY PROCEDURES AND REQUIREMENTS

I. OVERVIEW

A. Accountable Plan

Travel expenses (including amounts allowable as per diems) that are reimbursed following IRS accountable plan rules are not subject to income or employment taxes (e.g., federal income tax withholding, social security taxes or Medicare taxes).

Generally, the following are the IRS requirements for tax-free reimbursements of expenses under an accountable plan:

- There must be a business connection for the expense and the expense must be reasonable and necessary.
- There must be adequate reporting by the employee to the employer of the amount, time, use, and business purpose of these expenses, within a reasonable period of time.
- All excess reimbursements (travel advances) must be repaid within a reasonable period of time.

The IRS has issued a number of regulations which further define these requirements and this Policy is designed to meet them.

B. General Provisions

The College pays for travel expenses incurred in connection with College business that are appropriately documented and are in accordance with IRS accountable plan rules. In instances where expenses do not satisfy the requirements of the IRS accountable plan rules, the individual may, among other things, be taxed on those expenses.

As a general guideline, it is expected that individuals incurring travel expenses and individuals approving travel expenses will follow this policy in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to the College.

Assuming a reasonable level of safety and convenience for the individual, every effort should be made to keep College travel expenses to a minimum.

All expenses must have a valid business purpose. The College will not reimburse or pay for expenses that are inherently personal in nature.

C. Responsibility

The primary responsibility for compliance with this Policy rests with the individuals who have incurred travel expenses and are requesting reimbursement and the supervisors who are authorizing and approving these travel expenses.

Permitted exceptions to this Policy may only be granted by the President. These exceptions should be documented and submitted where appropriate.

D. Grant Travel

All travel costs charged to grants and contracts must comply with Bay Mills Community College's travel policies and procedures, the terms and conditions of the award, grantor agency requirements, and federal regulations. When there is a conflict between BMCC's Travel Expense Policy and grant regulations, the more restrictive policy applies.

It is expected that grant funded travelers are aware of applicable restrictions and acknowledge that expenses submitted for reimbursement and charged to grants are in full compliance with a grant's requirements.

For more information, please refer to the **BMCC Travel Costs Policy for Grants and Contracts**. Any questions about the interpretation of grant procedures or restrictions should be directed to the designated Project Director or the Accounting Department.

E. Non-Reimbursable Travel Costs

Expenses submitted for reimbursement should be reasonable, necessary, and business-related. Below are some examples of non-reimbursable personal expenses:

- Expenses for children, spouse, or other companions;
- Childcare;
- Personal recreation or entertainment, such as greens fees, sightseeing fares, theater tickets, in-room movies, etc.;
- Taxi cab fees for meals, unless there is no restaurant within walking distance;
- Damage to a personal vehicle, clothing, or other items;
- Expenses related to the personal negligence of the traveler, such as fines;
- Loss or theft of travel advance money, personal funds, and other personal property;
- Mini bar purchases;
- Repairs to personal vehicles used for College travel; and
- Credit card delinquency charges.

F. Personal and Spouse/Companion/Family Travel

1. General

The College will not direct pay or reimburse travelers for expenses that are inherently personal in nature. Please refer to the **Non-Reimbursable Travel Costs** section of this Policy for examples of items that are personal in nature.

2. Personal Business Conducted During Period of Travel

Personal expenses, as well as any incremental travel costs incurred for personal business during the course of a College business trip, are the responsibility of the traveler. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the traveler conducted personal business at some point during the trip.

For example, mileage or gas charges for out-of-the-way travel to visit friends or relatives are personal expenses. Such expenses must not be included on the travel expense report.

3. Spouse/Companion/Family Travel Expenses

Expenses incurred for accompanying spouse/companion/family are considered personal in nature and these travel expenses are non-reimbursable.

II. SPECIFIC EXPENSE POLICIES

A. Air Transportation

All travel arrangements should be made well in advance, as airfare booked early can often be obtained at a much lower rate. The recommended travel agency that the College uses advises purchasing the airline ticket at least 21 days in advance to obtain the best rate.

To purchase an airline ticket through BMCC's travel agent, follow these steps:

1. Contact the travel agency to determine the costs of the flight and times.
2. Complete the Purchase Order Request and obtain approval from the supervisor who verifies that the charge is within budgetary constraints.
3. Put the approved Purchase Order Request in the Purchase Order Request mailbox.

4. The Purchasing Assistant will fill out the Purchase Order and call the travel agency with the Purchase Order number to reserve the flight.

If a spouse or other companion is traveling with a BMCC employee, an additional ticket may be booked on the same purchase order. The program to charge for this ticket is Accounts Receivable - Employee and the employee must reimburse the College within 7 days of purchase. There are no reimbursements of the airfare for a spouse or other companion if the business trip is canceled for any reason.

The traveler may purchase airline tickets personally with approval in advance by the supervisor; however, there will be no reimbursement if the travel arrangements are canceled. Travelers should exercise caution when personally purchasing airline tickets because some companies do not offer refunds for unused airline tickets.

Class

Air travel is generally restricted to commercial airlines. The class of air travel chosen is expected to be the lowest-priced coach airfare ticket available using a commercial discount or coach class or standard accommodations.

In some cases, premium fares (e.g., first class, business class) may be an appropriate business expense. For instance, an overnight ("red-eye") flight exceeding five consecutive hours in duration or other flights exceeding eight continuous hours of flight time may be allowable when approved by the supervisor in advance and permitted by the grantor agency, if applicable.

Frequent Flyer Plans

Travelers may personally retain frequent flyer plan rewards or other bonuses that may accrue from business travel. However, in no case may the traveler choose a reservation at a higher cost in order to accumulate additional plan rewards. The College will not purchase frequent flyer miles from travelers or reimburse for tickets purchased with frequent flyer miles. Any membership fees to join frequent flyer clubs are considered personal expenses and will not be reimbursed by the College.

Grant-Funded International Travel

Generally, if a traveler is traveling on funds provided by the federal government, the traveler must use a U.S. flag carrier (an airline owned by an American company) regardless of cost or convenience. Please refer to the **Fly America Act, Open Skies Agreements** and the **BMCC Travel Costs Policy for Grants and Contracts** for more information.

Prior to making foreign travel arrangements, you must contact the Accounting Department for guidance regarding travel cost requirements.

Baggage

Charges by airlines for checked baggage when traveling on College business are a reimbursable business expense. A receipt is required for reimbursement.

Parking

Airport or other business parking will be reimbursed. A receipt is required for reimbursement.

Early Departure or Late Return

Additional costs incurred for early departure or late return are not reimbursable unless the savings in airfare is equal to or greater than the total costs for lodging, meals, etc. incurred during the additional days of travel. It is appropriate to consider other relevant costs and factors against the savings in airfare, including the inherent cost of being out of the office for a longer period of time.

Lost Luggage/Items

The College does not maintain any lost luggage/items insurance coverage for any loss of personal belongings of its travelers while on College business travel.

B. Automobile Travel

College Vehicles

Only properly authorized drivers may operate College vehicles for official business travel. To become an approved driver, the traveler must submit a copy of their driver's license to the Vice President for Business and Finance at least 1 week prior to the trip. The driver's license information will be submitted to the insurance company to run a motor vehicle report. If approved, the person's name will be added to the College's approved driver list. Driving privileges for operating College vehicles may be denied or revoked because of accident or violation experience.

To minimize travel costs, travelers are expected to use a College owned vehicle if one is available. Please contact the Executive Assistant to the President for vehicle availability.

Tolls, parking fees, and gasoline charges are reimbursable business expenses. Receipts are required.

Personal Usage of College Vehicles. See Policy Number 200.105 College Vehicle Policy – Personal Use. Generally, all personal usage of a College vehicle is considered a taxable fringe benefit. See the policy for details.

Gas Charges. When you use the College's vehicle for business, ensure that the gas tank is full when it is returned. Gas expenses are charged to the programs based on the person who uses the vehicle. The wrong program gets charged if the vehicle needs to be filled up before the person leaves on a trip.

Personal Vehicles

As a general rule, the use of personal vehicles for College business should only be used when a College vehicle is not available. Mileage reimbursement requests may be denied if the traveler decides to take their personal vehicle when a College vehicle was available.

Travelers will be reimbursed for business usage of personal cars based on mileage at the rate published by the IRS or 50 cents per mile, whichever is lower. The traveler must keep a mileage log to document the business miles traveled. The point of departure and return is generally from/to Bay Mills Community College. However, reimbursement of miles to home may be allowed when the travel occurs on a non-working day or when there are fewer miles from/to home.

The mileage reimbursement rate covers reimbursement for use of the vehicle as well as any repairs, gas charges, and the owner's personal automobile insurance coverage, which provides the coverage in case of an accident. If an traveler is involved in an accident while driving their personal vehicle, whether for business or personal purposes, their own insurance is the primary insurance coverage. Vehicle insurance carries with the vehicle. The purpose of the vehicle use does not determine the insurance that will respond in the event of a claim. The College cannot and does not insure the traveler's personal vehicle when the traveler is using it for business purposes.

Tolls and parking fees are reimbursable business expenses. Receipts are required. The College will not reimburse travelers for parking tickets, fines for moving violations, vehicle towing charges, gasoline charges, or auto repairs and maintenance.

If the traveler decides to take their personal vehicle instead of flying, the reimbursement will be the cost of the plane ticket or mileage, whichever is lower.

Rental Cars

Travelers should rent a car only when it is required for daily use at the business destination or there is no other less expensive means of public transportation available. Travelers should rent a car of an appropriate size based on the number of individuals traveling.

Public Transportation

Public transportation includes the cost of taxis, shuttles, subways, and other modes of public transportation while on College business. The College will reimburse for these expenses when reasonable and properly documented.

The cost of taxi for personal entertainment, such as sightseeing or going to a show, is not allowable as a College business expense.

C. Lodging

The College will directly pay or reimburse a traveler for lodging expenses for the single occupancy cost of a standard room incurred during College-related travel. Travelers must retain an itemized hotel bill for reimbursement of their lodging expenses. If the traveler uses the per diem method for lodging, a hotel receipt is still required (**See Per Diem Allowance Method**). A per diem lodging allowance is not permitted for student travel.

The College will not pay for free accommodations awarded in connection with hotel frequent guest programs or any complimentary room accommodations provided by a hotel or other third party.

Room Cancellations

The College will pay for expenses incurred from cancelling guaranteed room reservations only with a detailed explanation of the extenuating circumstances. The detailed explanation must be approved by the President, supervisor, or other authorized signer. This approval should be documented and submitted as appropriate. It is the traveler's responsibility to request a refund from the hotel for a "no show" charge.

D. Meals

The College will reimburse travelers for the reasonable cost of their own meals incurred during the time they are away from home. Travelers can choose to be reimbursed via per diem or actual cost for meals (**See Per Diem Allowance Method and Student Travel**). Receipts and detailed documentation are not required when requesting reimbursement of meals and incidentals using the per-diem option.

E. Miscellaneous Travel Costs

Other travel expenses may include, but are not limited to:

- Long distance charges for business telephone calls using personal devices while traveling;
- Hotel internet service fees; and
- Necessary laundry and dry cleaning charges after completing five consecutive days of business travel.

All such expenses must be itemized and documented in accordance with this Policy.

III. TRAVEL PER DIEM AND ACTUAL EXPENSE METHODS

Travel expenses incurred may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two provided the method used is applied to an entire trip and not to selected days of the trip.

A. Per Diem Allowance Method

Travelers may choose from one of the following travel per diem options:

1. A per diem for lodging, meals, and incidental expenses (tips, etc.); **or**
2. A per diem for meals and incidental expenses (with lodging being either reimbursed on the basis of actual expenses incurred or directly paid by the College or other organization). The College only allows the standard per diem rate for meals and incidentals when this option is chosen.

Travelers must use the per diem rates in effect at the time of travel, which are listed on the U.S. General Services Administration (GSA) website at: <http://www.gsa.gov/perdiem/>.

Per diems apply to the entire travel period. A traveler cannot be reimbursed on a per diem basis for only a portion of a trip. A per diem reimbursement cannot be provided if there is reason to believe that the traveler will not incur expenses for lodging (e.g., if lodging is provided and paid for by the College).

Additionally, the meal and incidental expense per diem should be reduced to account for meals furnished at no cost to the traveler. For example, if meal costs are paid in addition to a conference fee, these meals should be deducted from the daily per-diem rate as defined on the GSA website.

Travelers who are eligible to receive per diem reimbursement are still required to submit a hotel receipt, but they are not required to submit meal receipts.

In addition to per diem, travelers may be reimbursed for other miscellaneous travel expenses, such as bridge fare, parking, or baggage fees. All of the latter must be reimbursed on an actual basis, with appropriate receipts. An itemized lodging receipt is required to be reimbursed for the actual lodging expenses incurred.

Mileage Per Diem Rate

Travelers will be reimbursed for business usage of personal cars based on mileage at the rate published by the IRS or 50 cents per mile, whichever is lower.

B. Actual Expense Method

The College will generally reimburse travelers for three meals a day. On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel.

Total meal expense for the day should generally be in line with per-diem levels. Itemized restaurant receipts are required for reimbursement of actual meal expenses. Alcohol costs are generally unallowable.

The College will not reimburse for gratuities that are greater than the accepted standards. (Currently, the domestic standard is 15-20% of the total bill; international standards may vary.)

If reimbursement is requested from grant funds, additional restrictions and limitations may apply as stipulated by the grant. In such cases, refer to the terms and conditions of the grant. Federal regulations prohibit reimbursement of any expenditure for alcoholic beverages with federal funds.

Travelers must submit itemized receipts for lodging and for other miscellaneous travel expenses, such as bridge fare, parking, or baggage fees.

College Vehicle Expenses

When using a College vehicle for business travel, expenses will be reimbursed for the actual costs paid by the traveler (gasoline, tolls, etc.). Itemized receipts are required.

C. Student Travel

For College authorized student travel, students receive the standard rate by meal rather than by hours away from home. The meals and incidentals expenses (M&IE) breakdown by meal is located on the GSA website at: <http://www.gsa.gov/perdiem/>. Currently, the standard rate for M&IE is as follows:

- Breakfast-----\$13
- Lunch----- \$14
- Dinner----- \$23
- Incidentals-----\$ 5

The student will receive \$5 for incidentals for each 24 hours they are gone and \$2.50 for less than a full day. The students will only be provided with money for meals they have to pay out-of-pocket.

If a meal is directly paid by the College or other organization, the student will not be paid the per diem for this meal. For example, if Central Michigan University provided lunch in their cafeteria, the student would not receive \$14 from BMCC for that lunch.

A per diem lodging allowance is not permitted for student travel.

The student is generally not reimbursed for any other costs as these are usually directly paid by the College or to the BMCC employee(s) with the students on the trip.

IV. PAYMENT OF TRAVEL EXPENSES

A. Travel Advances

1. General

The College will provide travel advances in appropriate amounts for individuals traveling on authorized College business to cover reasonable travel costs, such as lodging, meals, and gas or mileage. Travel advances must not be used to cover personal expenses. The size of the advance must be a reasonable estimate of the amount of cash necessary to conduct College business.

Each travel advance is the personal obligation of the traveler. Thus, the traveler is responsible for any lost or stolen travel advances (whenever possible, travelers should use hotel vaults to safe keep cash or other valuables).

Travelers are responsible for submitting an expense report with required receipts to account for the travel advance and for returning the unused balance of the travel advance, if any.

2. Procedures for Obtaining Travel Advances

Requests for travel advances are submitted on the Bay Mills Community College Travel Authorization Advance Requisition Form based on the estimated cost of the travel. Travel advances must be approved by the immediate supervisor or other authorized signer and should be requested at least a week in advance to give Accounting adequate time to prepare them.

Advances will not be granted to travelers who have an uncleared prior travel advance.

3. Availability of Travel Advances

Travel advances will generally not be provided earlier than five working days before the planned departure date of the trip unless there are extenuating circumstances or an approved exception.

Travelers must immediately return any travel advance to the Cashier when a trip has been canceled or has been postponed for more than five working days.

If travel advances are greater than the expenses incurred, the traveler must return the remaining balance to the Cashier at the same time the expense report is submitted.

4. Uncleared Travel Advances

The traveler agrees to the following statement when signing the Travel Authorization Advance Requisition Form, "I agree to reconcile my travel expenses with this advance within 5 days of my travel date. Failure to file a travel statement and to repay any overage received will result in the total travel advance or overage being deducted from my next payroll check(s)."

The Bookkeeper monitors uncleared travel advances and sends notifications to travelers if the advance has not been cleared. A traveler may not obtain additional travel advances if the traveler has uncleared outstanding travel advances.

B. Travel Expense Statement and Required Documentation

1. General

The primary responsibility for travel expense documentation rests with the individual requesting reimbursement or incurring the travel expenses and the supervisors who are authorizing and approving these travel expenses.

Because College travel expenses are subject to audit by government agencies and external auditors, thorough documentation and accounting for expenses is required.

2. Procedures for Reimbursement of Travel Expenses

Requests for reimbursement for travel expenses are submitted on the Bay Mills Community College Travel Expense Statement. Travelers who have obtained an advance must also complete the Travel Expense Statement to submit their travel expenses and reconcile with the advance, which was based on estimated travel costs.

The Travel Expense Statement should be completed within 5 working days of the travel return date and must include all required documentation and receipts. Reimbursement may be denied if the report is submitted late, especially if the report is submitted after the fiscal year has ended (June 30).

3. Required Documentation and Receipts

All travelers requesting reimbursement or incurring travel expenses are required to attach itemized receipts to substantiate their travel expenses, except in the case of mileage and per diem meal reimbursements. If, in rare cases, a receipt is not available and the amount is under \$25, the President may approve of the reimbursement.

The following are examples of required itemized receipts:

- Transportation by airline, railroad, rental vehicle, or taxi;
- Parking and tolls;
- Accommodations for lodging (if claiming per diem lodging, a hotel receipt is required, but does not need to be itemized);
- Registration fee (attach official printed receipt, or canceled check and copy of literature itemizing fees);
- Supplies and miscellaneous expenses (e.g., a long-distance business telephone call charge, internet fees to perform College business); and
- Meal receipts, if claiming actual meal costs (receipt must include an itemization of food and drink consumed; a summary credit card receipt is not sufficient documentation).