



## **Travel & Business Expense Policy**

## Table of Contents

Travel & Business Expense Policy Quick Guide of Reimbursable Expenses.....	3
Travel & Business Expense Policy Statement.....	4
Who is Affected by this Policy & Associated Responsibilities.....	4
Definitions .....	6
Travel.....	7
Travel Authorization.....	7
Insurance and Risk Management.....	7
Air Travel .....	8
Lodging.....	10
Ground Transportation .....	10
Personal Automobile .....	11
Bus or Rail.....	11
Meals and Entertainment.....	12
Miscellaneous Travel Expenses.....	13
Other Travel Considerations.....	14
Expense Reporting.....	15
Allowable Business Expenses .....	15
Unallowable Expenses.....	15
Recoupment of Unallowable Expenses and Dispute Resolution.....	16
Substantiation and Original Receipts.....	16
Reimbursement of Sales Tax.....	16
Reimbursement Approval.....	16
Timing of Expense Report Submission .....	16
Moving / Relocation Expenses .....	17
Relocation Payment Reimbursement.....	18

## Travel & Business Expense Policy Quick Guide of Reimbursable Expenses

Transportation	<a href="#">Air Travel (Page 8)</a>	<ul style="list-style-type: none"> <li>• Coach class</li> <li>• Business/First class for segments in excess of 4 hours, total flight times in excess of 7 hours or in cases of medical exemptions</li> <li>• Pre-travel reimbursement only if booked using the Concur Travel online booking tool or Vanderbilt’s travel agency, World Travel</li> <li>• Baggage fees and premium seating fees permissible</li> </ul>
	<a href="#">Rental Car (Page 10)</a>	<ul style="list-style-type: none"> <li>• Mid-size car</li> <li>• Larger size based on business need</li> <li>• University provides liability coverage for domestic travel</li> <li>• Liability coverage is recommended for international travel</li> <li>• Fuel for rental car</li> </ul>
	<a href="#">Personal Automobile (Page 11)</a>	<ul style="list-style-type: none"> <li>• Mileage (at IRS rate) when less expensive than alternatives –Excludes normal commuting</li> <li>• Traveler provides liability coverage</li> </ul>
	<a href="#">Tolls, Parking Fees</a>	<ul style="list-style-type: none"> <li>• Reimbursement based on actual expenses</li> </ul>
	Location Transportation	<ul style="list-style-type: none"> <li>• Shuttles, taxis, Uber and car services reimbursable in support of business purpose</li> </ul>
	Bus or Rail Service	<ul style="list-style-type: none"> <li>• Reimbursable when less expensive than alternatives</li> </ul>
Lodging	<a href="#">Hotels and Private Room Rentals</a>	<ul style="list-style-type: none"> <li>• Room and class appropriate for business purpose</li> <li>• Reimbursement based on actual, reasonable expenses</li> </ul>
Food/Meals	<a href="#">Individuals</a>	<ul style="list-style-type: none"> <li>• Federally funded or combined funded travel reimbursement based on actual, reasonable expenses</li> <li>• Non-federally funded/unrestricted funded travel reimbursement based on choice of Vanderbilt per-diem or actual cost reimbursement</li> <li>• Actual expense reimbursement requires itemized receipt with discrete order details</li> <li>• Reasonable tips are reimbursable (e.g., 15%-20%)</li> </ul>
	Group Meals & Entertainment	<ul style="list-style-type: none"> <li>• Purpose of group meal must be business related and documented in the expense report</li> <li>• Number, name of attendees and business affiliation required</li> </ul>
	<a href="#">Alcohol</a>	<ul style="list-style-type: none"> <li>• Generally considered a personal expense</li> <li>• Must be recorded as entertainment in expense report</li> </ul>
Miscellaneous Travel	Telephone/Internet	<ul style="list-style-type: none"> <li>• Reasonable and necessary expenses for conducting business</li> </ul>
	Passports & Visas	
	Global Entry & TSA Pre Check	
Sales Tax	<ul style="list-style-type: none"> <li>• Reimbursable if purchased using appropriate procurement method.</li> </ul>	
Expense Reports	<ul style="list-style-type: none"> <li>• All expense reports must be submitted in Oracle within 30 days. Any out of pocket expenses submitted 60 days or greater are subject to tax implications.</li> </ul>	
Vanderbilt Credit Card	<ul style="list-style-type: none"> <li>• Use for cardholder transactions or travel for a guest</li> <li>• Non-travel purchases for other employees</li> </ul>	

## Travel & Business Expense Policy Statement

This policy defines a valid business expense as a necessary, reasonable, appropriate, and allowable non-compensation expense incurred for the purpose of fulfilling the mission of Vanderbilt University (VU). While such allowable expenses may be eligible for reimbursement by VU, schools, departments or other funding sources may have more restrictions. This policy provides criteria for determining an allowable or unallowable expense, and provides lists of common expenses.

To the greatest extent practicable, anyone incurring VU business-related expenditures should procure and pay for these expenses through appropriate purchasing and payment channels. Individuals may request reimbursement if business expenses were paid out of pocket. Reimbursement should not be used as a means to circumvent strategic vendor relationships, university bidding policies or approved buying methods.

This policy establishes the three components required for reimbursement of allowable, non-compensation, business-related expenses:

- The expense must be considered an allowable business expense.
- There must be substantiation of the expense with receipts.
- The expense must be submitted and approved as part of an expense report.

### Who is Affected by this Policy & Associated Responsibilities

This policy affects all employees, students, and guests seeking reimbursement for allowable, reasonable, and ordinary non-compensation business expenses and those responsible for the review and approval of expenses. Financial Unit Managers are responsible and held accountable for the implementation of and adherence to this policy. Exceptions to this policy require written approval of the appropriate vice chancellor. To seek exception, travelers are responsible for submitting requests to their appropriate Chief Business Officer who will seek Vice Chancellor approval on your behalf.

*Employee \ Student \ Guest* – The individual requesting reimbursement bears the responsibility to:

- Verify that all expenses submitted for reimbursement by the university are valid and conform to this policy and/or the sponsoring agency. While the responsibility for preparing an expense report may be delegated to another employee, the individual seeking reimbursement is fully accountable and responsible for the request.
- Attest that expenses submitted for reimbursement have not been previously paid through a prior submitted expense report or by an outside agency.
- To avoid tax consequences, employees must submit reimbursement requests via Oracle within 60 days of incurrence/payment of the business expense or, if travel-related, from the return date.

*Expense Delegate* – An employee authorized to prepare expense reports on behalf of the individual seeking reimbursement. An Expense Delegate is responsible for:

- Assisting with expense report creation, allocation of expenses, business justification and receipt attachment
- Notifying an employee when report is ready for review and submission.

**Financial Unit Manager (FUM)** – An employee authorized to approve business expenditures of others. A FUM is responsible for:

- Reviewing expense reports and receipts to verify that all expenses are allowable, reasonable, within the normal course of business, and are adequately substantiated.
- Requesting further documentation or explanation for expenses that appear to be excessive or unusual in relation to the nature of the expense. Explanation of such expenditures must be included within the expense report.
- Responsible for expenditures allocated to the appropriate chart of accounts string.

**Travel Assistant/Arranger** – An employee with an active Concur Travel profile authorized to book travel reservations (airfare, hotel, and car rental) on behalf of another employee.

**Guest Travel Coordinator (GTC)** – An employee with an active Concur Travel profile authorized to book travel on behalf of non-employees, using a Vanderbilt Credit Card (One Card). A GTC is responsible for:

- Making travel arrangements for individuals traveling on Vanderbilt business that do not have an active Concur Travel profile.
- Creating and submitting expense reports in a timely manner for all travel expenses incurred on their Vanderbilt Credit Card (One Card); this includes allocation, documentation, attestation and submission within Oracle.

**Payment Services** – Payment Services is responsible for reviewing expense reports prior to processing the reimbursement to verify that expenses are allowable, reasonable, ordinary, and meet the following criteria:

- Information on the expense report is supported by appropriate documentation in accordance with this policy.
- Expenses conform to requirements imposed by the Internal Revenue Service.
- Expenses have been reviewed and approved by the appropriate Financial Unit Manager.

## **Definitions**

**Allowable Expense** – A necessary, reasonable, and appropriate expense incurred for the primary benefit of university business.

**Chart of Accounts String** – The nine segment (4 mandatory, 2 optional, 3 system generated) accounting string used to record non-project related expenditures.

**Concur Travel** – Vanderbilt’s online travel booking tool.

**World Travel Service** – Vanderbilt’s travel management company issues airline tickets, guarantees hotel and car reservations, assists with changing travel reservations, and support our travelers with 24-hour assistance. World Travel is both Fly America and Open Skies certified.

World Travel and Concur Travel are two separate entities that work together. World Travel fulfills all Concur Travel online travel booking reservations.

**Necessary** – Minimum purchase or service required to achieve a particular business objective.

**Notation** – Written or typed information that is required on the receipt, expense reimbursement form, or other document.

**Oracle Expense** - expense reporting system for all employee reimbursements integrated in the Oracle Cloud ERP.

**Ordinary** – An expense incurred in the normal course of conducting business.

**Receipt Documentation**– An itemized merchant receipt issued by the supplier to substantiate the business transaction including proof of payment. If a receipt is not available or does not contain adequate information, a cancelled check, credit card statement, or paid notice is acceptable.

**Reasonable** – An expense that is ordinary and reflects a practical decision to incur the expense on behalf of university business (i.e., the expense is not extreme or excessive).

## Travel

### Travel Authorization

Travelers are responsible for:

- Ensuring appropriate approval to travel prior to committing university funds or incurring expenses.
- Coordinating with appropriate department or school to ensure that funds are available to pay for travel.
- Understanding and adhering to specific travel guidelines required by the applicable-funding source, agency, sponsor or other outside group paying for the travel. These guidelines may be more restrictive than the Travel & Business Expense Policy.

### Insurance and Risk Management

Vanderbilt provides the following insurance programs:

- [Student Travel Insurance](#)  
Students are covered by separate insurance policies managed by the university when traveling for business or Vanderbilt sponsored activities. For overseas health insurance, students should review their personal policy benefits and may need to purchase additional coverage. If participating in a Vanderbilt sponsored activity outside the United States, students must abide by the [Student International Travel Policy](#).
- [Business Travel Accident Insurance](#)  
While traveling on university business, employees are covered by the university's business accident insurance policies. Commuting to and from work is not covered. If a claim is incurred while traveling on university business, all necessary documentation must be provided to after the incident.
- [Car Rental Insurance](#)  
The university provides automatic liability coverage for bodily injury, property damage and physical damage to a rental car for domestic travel. **The Collision Damage Waiver (CDW) and personal liability insurance offered through the rental company should be declined.** A current Vanderbilt automobile insurance identification card needs to be placed in the vehicle to serve as proof of insurance. A copy of the card can be obtained by contacting [Risk and Insurance Management](#). When traveling internationally, purchasing additional rental car insurance is recommended and varies by country.
- [Personal Automobile Insurance](#)  
Travelers who use their own automobiles or other individually-owned, non-rented vehicles to conduct Vanderbilt business are responsible for the automobile liability and physical damage

associated with the operation of that automobile. Vanderbilt's insurance coverage provides secondary coverage. The traveler's personal insurance is primary in the event of an accident.

- **[International Travel Emergency Assistance](#)**

International SOS (ISOS) provides worldwide access to emergency medical, security, travel assistance, and evacuation services for Vanderbilt employees and students. International reservations made through the Concur Travel online booking tool or the university's travel agency, World Travel, are registered automatically with ISOS. Additional information regarding ISOS services is available in the [Vanderbilt ISOS portal](#).

- **[Accidents, Injuries, Thefts, and Other Safety Issues](#)**

Accidents, thefts, and other crimes that occur while traveling on university business must be reported immediately to the proper authorities, consistent with local/state laws. If theft of university property occurs or a traveler is injured while traveling, the traveler should consult with [Risk and Insurance Management](#). Alternatively, affected employees may electronically report a First Report of Work Injury through the Risk Management website.

This is not an all-inclusive list of insurance coverage and should not be used as the basis for risk management decisions. For further details about insurance coverage, please contact [Risk and Insurance Management](#).

## **Air Travel**

### **[Air Reservations](#)**

Travelers are expected to utilize the Concur Travel online booking tool or the university's travel agency, World Travel, to make reservations. Travelers with international or complex itineraries are urged to contact the travel agency for assistance. All airfare booked utilizing the Concur Travel online booking tool or the university's travel agency, World Travel, can be purchased with a personal credit card or the traveler's Vanderbilt issued credit card (One Card) at the time of ticketing. (If you require a third-party reimbursement, please see section "Third Party Funded Travel")

### **[Fares / Ticket Types / Class of Service](#)**

Travelers should purchase the lowest available economy/coach class airfare that meets the business needs of the travel. Any upgrades using rewards/miles/credits would be considered a personal expense and not reimbursable. Reasonable fees associated with priority boarding and economy class upgrades (e.g., Early Bird, Economy Plus, exit row, aisle seat, etc.) are reimbursable.

First class seating may be used only if the traveler's applicable [Vice Chancellor](#) approves it in writing in advance. Travelers are responsible for submitting requests to their appropriate Chief Business Officer who will seek Vice Chancellor approval on your behalf. For a Vice Chancellor to approve such an exception, at least one of the following conditions must be met:



- A flight segment has a scheduled in-air flying time in excess of four hours; or
- The total scheduled in-air flight time (not including layovers) for all flight segments is in excess of seven hours

Vice Chancellor approval is not required for any medical justification documented and approved by the Equal Opportunity, Affirmative Action, and Disability Services Office (EAD).

Students must travel economy/coach class regardless of duration or length of the flight, unless a request for reasonable accommodations has been reviewed and approved by the Equal Opportunity, Affirmative Action, and Disability Services Office (EAD) that necessitates business or first class seating.

### **Changes, Cancellations, and Unused Airline Tickets**

When travel plans change for any reason, the traveler is responsible for notifying the university's travel agency, World Travel, to apply the unused ticket to the next business trip. Airline imposed penalties for changes to an airline ticket for business reasons or circumstances beyond the traveler's control are reimbursable from university funds. For affected tickets paid from federally-sponsored funds, contact the [Office of Contract and Grants Accounting](#) to determine if the penalty may be charged to the grant. Unused tickets may not be used for personal travel.

### **Private Aircraft**

Vanderbilt employees are prohibited from using non-commercial (private/corporate/state owned, rented, or borrowed) aircraft (fixed-wing or rotary) for university business travel. Exceptions require written approval in advance of committing to the travel from both the [Office of Risk and Insurance Management](#) and the [Vice Chancellor for Finance and CFO](#). Vanderbilt employees are permitted to travel on rotary-wing aircraft (helicopters) commercial or non-commercial only in the case of an emergency when no other options are available.

### **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](#).
- **[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 the [U.S. Department of State website](#). For the Open Skies Agreement exception to be allowed and selected in the Fly America Waiver Checklist, two criteria must be met:

1. Travel is not being reimbursed by the Department of State or the Department of Defense; and
2. The traveler ensures the air courier is Open Skies Compliant. More information about the agreement is available at the [U.S. General Services Administration website](#).

### **Baggage Fees**

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

## **Lodging**

### **Hotel Reservations**

Travelers are expected to use the Concur Travel online booking tool or the university's travel agency, World Travel, to book hotel rooms. If lower rates for accommodations are available (e.g., conference room block rate), these may be booked directly with the hotel or through the conference housing bureau.

### **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. Any room upgrades using rewards/miles/credits would be considered a personal expense and not reimbursable.

## **Ground Transportation**

### **Rental Car Reservations**

Travelers are expected to use the Concur Travel online booking tool or the university's travel agency, World Travel, to book rental cars. The traveler may book directly with the rental agency if lower rates are available.

- **When to Use**

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

- **Car Class and Features**

Rental of up to a mid-sized car is reimbursable. Larger vehicles may be rented if there are three or more individuals traveling together, if the traveler is transporting sizeable equipment, or if there are other valid business needs. The cost of a GPS device may 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.

The following types of vehicles cannot be rented without prior authorization from [Risk and Insurance Management](#):

- Passenger vans with seating capacities greater than 8
  - Trucks or similar vehicles rented for the primary purpose of transporting any type of cargo or property
  - Sports or utility vehicles to be used off of maintained roads
  - Rentals of vehicles for use within the United States by authorized foreign national guest of the university
- **Fuel For Rented Automobiles**  
Travelers should decline the pre-paid fuel options and refuel the rental car prior to returning to the rental agency. The cost of business related fuel will be reimbursed.
  - **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.

## Personal Automobile

- **Acceptable Use**  
Use of personal automobiles for business travel is reimbursable when it is less expensive than alternative means of transportation or when convenience or safety issues justify the additional cost. Use of personal automobiles for normal commuting will not be reimbursed.
- **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. The mileage reimbursement covers all costs related to the operation of the vehicle, including service, maintenance, insurance, depreciation, and fuel. A copy of google maps mileage calculation is acceptable documentation for mileage reimbursement.

Personal automobile mileage reimbursement will not exceed the total cost of round-trip coach airfare to the nearest commercial airport. If mileage exceeds 600 miles, a round-trip airfare cost comparison must be attached to the traveler's expense report. For additional guidance or questions regarding mileage reimbursement, please reference the [Business Mileage Reimbursement](#) guidelines or email [OracleExpense@vanderbilt.edu](mailto:OracleExpense@vanderbilt.edu).

- **Parking and Tolls**  
Reasonable parking charges and tolls associated with business travel will be reimbursed.

## Bus or Rail

Travel by bus or rail is reimbursable when it is less expensive than alternative transportation.

## Meals and Entertainment

Individual meals while traveling are reimbursable based on the following guidelines.

### Actual Expense Method

When to Use	<p>If the funding source is federally funded or a combination of federally funded and non-sponsored/unrestricted sources</p> <p style="text-align: center;">Or</p> <p>If the funding source is non-federally funded</p>
Reimbursement Method	Based on actual expenses incurred as supported by itemized receipts
Receipt Requirement	\$75
Special Considerations	The same reimbursement method must be used for the duration of the trip

### Vanderbilt Per Diem Method

When to Use	<ul style="list-style-type: none"> <li>• If the funding source is 100% non-federally funded and/or unrestricted</li> <li>• Meal per diem is only considered for overnight business travel away from home</li> </ul>
Reimbursement Method	Vanderbilt's per-diem rate of \$51/day
Receipt Requirements	Not applicable
Special Considerations	<ul style="list-style-type: none"> <li>• The same reimbursement method must be used for the duration of the trip</li> <li>• Vanderbilt per diem rate includes all meals, snacks and incidental expenses (baggage tips, porter tips) for the entire day</li> <li>• Cannot be used when trip includes travel purchases made with Vanderbilt One Card</li> <li>• Vanderbilt meal per diem is not allowed for relocation expenses.</li> </ul>

Business meals and entertainment are reimbursable based on actual expenses incurred and cannot be used in conjunction with the per-diem method. These expenses must be reasonable and directly related to university business with the business purpose documented in the expense report. Entertainment may not be charged to restricted centers.

## **Alcohol**

Alcoholic beverages are generally 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. If a meal includes alcohol, and the non-alcohol portion of that meal is going to be charged to a sponsored grant or contract, the traveler must clearly identify and segregate the alcohol, related tax, and tip expense during the reimbursement request process. Alcohol expenses must be charged to an unrestricted funding source.

## **Business Meal and Entertainment Documentation**

The Internal Revenue Service requires all business meals and entertainment expenses to include:

- Original receipts over \$75.00
- Proof of payment
- Supportive documentation, e.g., flyer or invitation
- List of attendees with titles and affiliations or identification of a discernible group
- Number of attendees
- Geographic location
- Business purpose

## **Miscellaneous Travel Expenses**

### **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, an additional, temporary international plan added to a personal cell phone will be reimbursed.

### **International Passports and Visas**

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

### **Internet Access**

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

### **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.

### **Global Entry & TSA Pre-Check Expenses**

Subject to departmental approval, individuals who travel frequently may be reimbursed for application fees related to trusted traveler programs, such as TSA Pre-Check and the U.S. Customs and Border Protection Global Entry Program.

### **Tips and Incidental Expenses**

Vanderbilt will reimburse reasonable tips and incidental expenses if not claiming Vanderbilt meal per diem expense.

### **Vaccinations**

Expenses for vaccinations required for business travel are reimbursable. Travelers are strongly encouraged to obtain vaccinations through the [Occupational Health Clinic](#) and/or the [Vanderbilt Travel Clinic](#).

## **Other Travel Considerations**

### **Third Party Funded Travel**

When traveling on behalf of Vanderbilt and your travel is funded in whole or in part by an outside agency, the travel booking may be managed through Concur Travel and related expenses may be expensed through Oracle. Additionally, if you do not use the Concur Travel online booking tool or the university's travel agency, World Travel, consider the following:

- Reviewing the [Conflict of Interest Policy](#) requirements;
- Ensuring you have obtained appropriate departmental approval; and
- Registering your travel with register with [International SOS](#).

### **Combined Personal and Business Travel**

If personal travel is combined with business travel, only the business portion of the trip is reimbursable. Employees are not covered by the university's insurance programs while on personal travel. The Concur Travel online booking tool should only be used to make business travel arrangements. To make accommodations for a travel companion(s), please contact World Travel directly, which may include additional service fees. "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).

### **Spouse, Domestic Partner, and Dependent Expenses**

As a general practice, no travel expenses, including but not limited to, e.g., transportation, lodging, meals, or registration fees for any persons accompanying travelers on business travel, will be reimbursed.

### **Frequent Flyer/Guest/Reward Points**

Travelers may accept travel-provider rewards related to travel (e.g., Delta Sky Miles, Marriot Rewards, etc.). Travelers should not incur additional expense on behalf of the university 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.

## Expense Reporting

### Pre-travel Expense Reimbursement

Vanderbilt employees and students can be reimbursed for airfare prior to travel only if purchased through the Concur Travel online booking tool or the university's travel agency, World Travel.

Please coordinate with your financial unit manager to ensure compliance with departmental guidelines prior to seeking any pre-travel reimbursement.

### Allowable Business Expenses

Vanderbilt prefers that non-travel business expenses be paid by using the appropriate university purchasing methods, e.g., e-procurement. However, when an individual pays for a business expense from personal funds this is considered a reimbursable expense. When using restricted funds and an expense is in question, contact the Office of Contract & Grant Accounting to determine whether it is allowable.

### Unallowable Expenses

Expenses incurred related to university business should be allowable, reasonable, and ordinary in the normal course of business. Examples of non-reimbursable expenses include, but are not limited to, the following:

- Babysitting
- Car service for normal commute
- Car washes and detailing
- Clothing, luggage and toiletries
- Damages incurred to any form of lodging, rental accommodations or vehicles as a result of engaging in activities not directly related to Vanderbilt business.
- Fines, credit card interest and fees, bank fees, late fees, etc. However, foreign currency conversion fees are reimbursable.
- Fuel for personal vehicle
- Hair or shoeshine services
- Hotel or car "no-show" charges without a business purpose
- Personal membership dues (including airport clubs)
- Magazines, newspapers
- Non-business postage
- Optional baggage insurance
- Personal accident insurance
- Personal or in-room entertainment (e.g. sporting events, movies, games, etc.)
- Personal property insurance
- Pet care
- Prescription medication

- Souvenirs and personal gifts
- Vacation and personal expenses

### **Recoupment of Unallowable Expenses and Dispute Resolution**

Violations of the travel and business expense policy will result in the recoupment of unallowable expenses from the employee through a payroll deduction. In situations where an employee submits a personal item as a business expense, the employee will be notified of the payroll deduction.

If a payroll deduction does not result in full repayment, Vanderbilt retains the right to collect the remaining funds by other means necessary (e.g., a civil suit or criminal prosecution as appropriate under the circumstances). In addition, disciplinary action may be taken under Human Resources policies or other appropriate internal policies.

### **Substantiation and Original Receipts**

In order for a business expense to be approved and reimbursed, it must be properly substantiated. Original itemized receipts for all expenditures greater than or equal to \$75 are required. Appropriate receipts should include transaction amount, itemization of goods or services purchased, method of payment (e.g., receipt showing last 4 digits of card number), date, and merchant name. If sponsor or departmental requirements are more restrictive, this will take precedence.

When the receipt for a reimbursable expense greater than or equal to \$75 is lost or otherwise unavailable, and all measures to obtain a copy have been exhausted, the employee will be required to provide missing receipt justification with the expense report.

### **Reimbursement of Sales Tax**

Vanderbilt University is recognized as a non-profit, educational 501(c) (3) institution, and is exempt from sales tax on most purchases. Individuals purchasing materials, supplies, and services subjected to Tennessee state sales tax should request the tax exemption number found [here](#).

The university also maintains sales tax exempt status for a number of additional states. (Please click [here](#) for a listing by state.) These exemptions are not applicable for goods/services purchased for personal use or with personal funds.

Employees will be reimbursed for applicable sales tax only in those situations in which the employee could not avoid the tax and the goods or services were purchased utilizing the appropriate procurement method.

### **Reimbursement Approval**

Two approvals are required for each reimbursement: the individual who has incurred the expense or requestor and the financial unit manager. The financial unit manager can forward the reimbursement request for additional approvals as appropriate.

### **Timing of Expense Report Submission**

Business expenses must be submitted within certain time limitations in accordance with IRS Publication 463. These time limitations determine whether the cost may be reimbursed by the



university as a business expense and whether the reimbursement will be treated as taxable income to the employee. For further detail, please see [IRS Publication 463](#).

The university has adopted an "accountable plan," which allows it to reimburse properly substantiated business expenses without including the reimbursement in the taxable income of the individual incurring the expense. "Accountable plan" standards established by the Internal Revenue Service ("IRS") require that the expense be an "ordinary and necessary expense" of operating a business and be substantiated in writing within a "reasonable time" of the incurrence of the expense.

Vanderbilt has adopted the IRS standards for establishing reasonable time limitations for determining the tax treatment of reimbursements, as follows:

If an expense report is submitted more than 60 calendar days after the expenses were incurred or after returning from travel, the request will be reviewed and, if determined to be taxable, will be reported to payroll as taxable income.

- [Vanderbilt Credit Card \(One Card\)](#) – The cardholder is responsible for ensuring that all Vanderbilt Credit Card transactions are reviewed, allocated, and expensed using Oracle Expense within 30 days of the transaction date.
- [Pre-travel Reimbursement](#) – For out-of-pocket expenses 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. Please see the section above labeled **Pre-travel Airfare Reimbursement** for additional guidance on airfare.

Reimbursement of business expenses will be limited to those expenses incurred within the previous 12 months.

## **Moving / Relocation Expenses**

The university is required to report all reimbursements for moving expenses to the Internal Revenue Service. Only reimbursements for qualified moving expenses are excluded from gross income. For further detail, please see [IRS Publication 521](#). Vanderbilt meal per diem is not allowed for relocation expenses.

Non-taxable "qualified" moving expenses (assuming your move meets the IRS time and distance tests) include:

- Packing of furniture and personal belongings
- Transportation of furniture and personal belongings from the previous principal place of residence to the new principal place of residence
- Insurance and in-transit storage for periods of up to 30 days

- Travel and lodging cost (other than meals) associated with one trip to move to the new residence by the employee and members of the employee's household

Taxable non-qualified moving expenses include:

- Pre-move house hunting, including travel meals and lodging once an offer has been accepted
- Meals associated with the trip to move to the new residence
- Meals and lodging in temporary quarters, including university provided housing
- In-transit storage charges beyond the 30 day limit
- Personal items such as a driver's license and auto insurance
- Real fees incurred when leaving the former residence or acquiring the new residence
- Return visits to original city

If reimbursed for taxable items, the amount must be treated as compensation, subject to required payroll tax withholding, and reported on the employee's Form W-2.

### **Relocation Payment Reimbursement**

House hunting and relocation expenses for future employees should be reimbursed using a check request. Any expenses incurred for a future employee by a Guest Travel Coordinator should be submitted in Oracle using the appropriate relocation expense types. New employees are directed to use Oracle expense for relocation reimbursement.