



RHODE ISLAND SCHOOL OF DESIGN

BUSINESS AND TRAVEL EXPENSE POLICY
November 1, 2013

This Policy replaces previously provided Business and Travel Policies

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I. WHO SHOULD READ THIS POLICY?

Employees who incur expenses on RISD's behalf, including through use of the RISD purchasing card and other direct payment mechanisms.

Employees who travel on RISD business.

Employees who supervise employees incurring RISD business expenses.

Employees who make travel and other arrangements or prepare expense transactions for:

- RISD employees
- Prospective RISD employees
- RISD visitors
- Students who travel on approved RISD business; or
- RISD sponsored conventions, conferences, or seminars
- Non-employees such as independent contractors and consultants who travel for RISD related business or incur expenses for which RISD has agreed to pay
- Students traveling on RISD sponsored activities

II. DEFINITIONS

These definitions apply to these terms as they are used in this Policy

Accountable Plan	An Internal Revenue Service (IRS) term for a plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business purpose, substantiate expenses, and return any amount in excess of substantiated expenses to the employer.
Away from Home	Generally, for purposes of business expenses, “home” is defined as the person’s regular place of business, not his/her personal residence. Travel expenses qualify as business expenses only if the traveler is away from home at a temporary work site.
Foreign Travel	Foreign travel is any travel to, between, or within countries outside the 50 United States and the U.S. possessions and territories.
Incidentals	An Internal Revenue Service (IRS) term for minor expenses included in the <i>per diem</i> rate for “meals and incidentals” (M&I). Minor expenses include tips, mailing expenses, etc.
Official Travel	Travel on approved college business between “home” (i.e., regular place of business) and another destination. Travel between one’s personal residence and ones’ regular place of business is commuting and not official travel.
Ordinary, Necessary, and Reasonable Expense	An expense is ordinary if it is normal and customary. An expense is necessary if it is appropriate and helpful to the business. An expense is reasonable if a prudent person would incur the expense in similar circumstances.
<i>per diem</i> – Domestic	Reimbursement rates established by the federal government for travel within any of the continental United States. See foreign <i>per diems</i> for Hawaii and Alaska.
<i>per diem</i> – Foreign	Reimbursement rates established by the federal government for travel outside the continental United States. Foreign <i>per diem</i> rates are used for Hawaii and Alaska.
Personal Expense	An expense for personal items such as clothing, luggage, toiletries, newspapers, magazines, movies, personal insurance, and other items. Items considered as ‘personal expense’ are described throughout this Policy; however, a listing of items included in this definition is found at IV.B. – “General Provisions.”
Proof of Payment	Documentation that reflects date, amount, and that a payment was made (cash register receipt, credit card receipt, a bank or credit card statement, a copy of a check, or a cancelled check).
Receipt	A written acknowledgement that something has been received; some receipts do not include key information required by accountable plan rules such as date, amount, description of good or service, etc.
Sponsored Project	A signed award (grant, contract, or cooperative agreement) under which the College agrees to perform a certain scope of work for an external sponsor.
Substantiated Expenses	An IRS term under the accountable plan rules that requires documentation as to amount, time and place and business purpose and evidence that the expenses were incurred or paid.
Sufficient Documentary Evidence	Information and documentation that, when taken as a whole, substantiates the expense and business purpose under the accountable plan rules. Sufficient documentation should include who, what, when, where, why, and how much.
Temporary Work Site	An IRS term for a work location away from an individual’s regular work site. Travel expenses qualify as business expenses only if the traveler is “away from home” at a temporary work site.
Travel Advance	Payment made to or on behalf of a traveler prior to travel and recorded in a receivable account in the college’s accounting system.
Travel Expenses	For tax purposes, the ordinary, necessary and reasonable expenses of traveling away from home to a temporary work site.
Travel Status	A RISD employee is considered on “Travel Status” while traveling directly to and returning from business travel destinations and while staying in those destinations for business purposes. An employee is not on ‘travel status’ while engaged in personal travel in conjunction with business travel, whether that personal travel is before, during or after the business travel.

¹ U.S. territories and possessions include: The Commonwealth of Puerto Rico, Guam, The U.S. Virgin Islands, American Samoa, The Commonwealth of the Northern Mariana Islands, The Midway Islands, Wake Island, Kingman Reef, Navassa Island, Johnston Atoll, Palmyra Atoll, Baker, Howland and Jarvis Islands

III. INTRODUCTION

This document is meant to provide a clear and consistent statement of the RISD Business and Travel Expense Policy. The Policy applies to all faculty, staff, students and others who incur expenses while engaged in RISD business or related travel. The Policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with IRS, other government agency regulations, and the policies of RISD. It pertains to travel and business expenses supported by any source of RISD funds including, but not limited to general operating budgets, designated funds, restricted gifts and endowment income, sponsored agreements and student organizations. Where sponsor, agency, or other regulations are more restrictive than prescribed by this Policy, the sponsor, agency, or other regulations will apply.

RISD management expects its personnel to exercise good judgment in committing RISD funds. RISD's principal revenue sources are from students (tuition, room and board), from donors (individuals, foundations, industry, etc.) and from research sponsors (Federal, state, local government agencies, corporations and foundations).

The Provost, via the office of Academic Budgets and Facilities Planning, will assist faculty in the preparation, implementation, and ongoing improvement of these processes. The overarching goal in our institutional mission is to ensure RISD's place as the best Art and Design College in the world. The effective management of resources is a critical component of our valuable work and must support our goals and objectives.

RISD is a non-profit institution and a charitable tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Because of this special tax-exempt status, RISD must ensure that its funds are used to further its charitable purposes and that all expenses are reasonable both in nature and amount. Students and their parents, donors, governmental parties and the public are increasingly sensitive about appropriate activity and expenditures on behalf of tax-exempt organizations, and it is very important that we at RISD manage our resources in an appropriate manner.

It is RISD's policy to reimburse individuals and pay outside vendors for all necessary and appropriate transportation and travel related costs incurred by faculty, staff, students, and others in connection with approved RISD activities.

Non-compliance with this Policy may result in disciplinary action up to and including termination of employment. Actions that may be taken include, but are not limited to, the following:

- Reduction of purchasing card limits
- Termination of purchasing card privileges temporarily or permanently
- Removal of travel privileges temporarily or permanently, and/or termination of employment

While traveling on RISD business, travelers should expect to receive service and accommodations that are both safe and comfortable, but not lavish or extravagant. Individuals should not gain or lose personal funds as a result of official travel. In addition, travel arrangements should be well planned as far in advance as possible so that costs will not be excessive and will not exceed budgetary limitations. Travel arrangements made for anyone other than college employees, such as guest speakers, consultants and prospective employees should follow the same policy that pertains to RISD employees.

Control of travel and expense budgets is the responsibility of each Chief Operating Officer, Provost, Vice President, Dean, and Department Director, or anyone charged with responsibility and oversight of a RISD budget. Approval of expense reports is more than a formality; it indicates that expenses submitted have been reviewed and have been found to comply with the elements of this Policy.

This Policy will be reviewed periodically to ensure all information is current and reflects any changes in business process or other changes required by RISD management, sponsors, or evolving practice.

IV. OVERVIEW

A. PURPOSE

The purpose of this Business and Travel Expense Policy (Policy) is to provide departments, supervisors, employees, and non-employees with specific policies and procedures regarding RISD business and travel expenses. Business expenses include those that are directly paid (e.g., purchasing card) as well as expenses reimbursed to individuals who incur them on behalf of RISD.

Business and 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). Failure to observe essential elements of this Policy could result in the traveler having reimbursement requests denied or be taxable to the employee.

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

1. There must be a business connection for the expense and the expense must be reasonable and necessary.
2. There must be a reasonable accounting for the expense.
3. All excess reimbursements must be repaid within a reasonable amount of time.

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

B. GENERAL PROVISIONS

The basic premise governing business and travel expenses is that an individual should not gain or lose funds in the course of conducting RISD business. RISD pays for business and travel expenses incurred in connection with RISD business that are appropriately documented and are in accordance with IRS accountable plan rules and RISD policies. 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.

It is not possible to anticipate all of the circumstances that individuals may encounter in conducting RISD business; thus the Policy is not exhaustive in its content. It is expected that those requesting reimbursement, incurring business or travel expenses, preparing, and approving expenses for payment will follow this Policy in a manner that keeps expenses to a minimum and fairly assigns the costs of business-related activities to RISD.

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

All expenses must have a valid business purpose. Generally, RISD will not reimburse or pay for expenses that are inherently personal in nature. The following list of personal expenses serves as a guide and is not to be considered all-inclusive:

- Personal grooming services, such as barbers, hairdressers, toiletries, and shoe shine
- Childcare costs, babysitting, and housesitting costs
- Pet care, including fees for boarding pets and other animal care
- Any personal clothing and accessories
- Prescriptions, over-the-counter medication, and other medical expenses
- Personal reading material, such as non-scholarly magazines, books, and newspapers
- Personal recreation or entertainment such as greens fees, sightseeing fares, theater tickets, entry fees, lift tickets, etc.
- Credit card delinquency fees and finance charges
- Dues in private clubs (unless specific approval is given by the President, Chief Operating Officer or the Provost)
- Gym and recreational fees, including massages, manicures/pedicures, and saunas
- Amenities such as movies, in-room bars, saunas, massages, etc.
- Personal costs such as life, medical, personal automobile loss of personal effects and baggage insurance
- Business travel accident insurance beyond the college's policies
- Lost baggage
- Loss or theft of travel advance money, airline tickets, personal funds, and/or other personal property
- Parking tickets, traffic violations, auto repairs, or the cost of vehicle towing,
- Membership fees to join frequent flyer clubs and dues for memberships in airline clubs Memberships in: athletic clubs, faculty clubs, social clubs, shopping clubs, business membership, fraternal orders, or other similar organizations



If an item is not included in the list shown above, that does not mean it is automatically allowable. Questions should be directed to Procurement Services for clarification.

Since departments govern how authorization for business and travel expenses is granted, departments may elect to impose additional restrictions over expenses beyond those required by this Policy for various business reasons, including budget availability.

A *per diem* travel allowance for **meals and/or incidentals** is available for travel by RISD faculty, staff, and student employees, but is not permitted for non-employees. *Per Diem* reimbursement is also available for students traveling for academic purposes. The international and domestic Per Diem rates can be found at Per diem rate link ([Intl](#), [US](#)).

Generally, RISD will not provide travel advances, pay directly or make reimbursements for the travel expenses of companions/spouses or non-employees who accompany faculty or other employees on RISD business (see Companion/Spousal Travel and Business Expenses).



CAUTION: Expenses that may be reasonable and necessary business expenses per this Policy may be unallowable for Federal, state or other sponsored reimbursement, either directly or indirectly. Individuals incurring expenses or requesting reimbursement from agency or other sponsored funds should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions about the interpretation of agency or sponsor procedures or restrictions should be directed to the Controller's Office.

C. TRAVEL AUTHORIZATION

Prior to requesting authorization for a trip, it is important to determine if the potential benefits of the trip justify its time and expense after considering cost-effective alternatives, such as video or teleconferencing.

When traveling internationally, it is the traveler's responsibility to learn if travel advisories have been issued for the locations of the trip. The traveler will notify their supervisor as to whether travel advisories have been issued. It is the supervisor's responsibility to weigh the benefits and risks of travel to a country under an advisory. Any travel by students or faculty conducted outside the US should be reported to and coordinated with the Director of Global Partners and Programs.

D. REPORTING REQUIREMENTS

IRS accountable plan rules require RISD to maintain a policy under which employees and non-employees account for all business and travel expenses, advances, and allowances. The accounting must include:

- Sufficient information to establish a valid business purpose of the travel, entertainment, or other business expense
- Substantiation of the business and/or travel expense with required original receipts and an adequate record of each expense indicating the amount, date, and place for all expenses of \$50 or more.
- All non per-diem expenditures charged to federally sponsored projects (regardless of amount) must be accompanied by original receipts. (Note: Departments may request detail for expenses below \$50 for additional departmental internal control purposes.); and
- The prompt return of any unused monies from travel advances, i.e., within 30 days (See [Travel Advances](#)).

In order to avoid having the reimbursement be taxable to the individual, expenses should be submitted within 30 days of completing the travel or incurring the expense. Generally, expenses submitted for reimbursement longer than 90 days after completing the travel or incurring the expense will not be accepted. Exceptions are considered on a case-by-case basis and require justification and approval from the signatory/signatories appropriate for the traveler.

RISD internal auditors and Procurement Services perform regular audits of travel expenditures to ensure that departments comply with RISD policies and procedures.

E. ORGANIZATIONAL RESPONSIBILITY



The primary responsibility for compliance with this Policy rests with the individuals requesting reimbursement or incurring the expense and the departments and supervisors who are authorizing and approving these business and travel expenses. Authorized persons approving business or travel expenses are responsible for enforcing this Policy and must be satisfied that the expenses are appropriate, reasonable, and sufficiently described and documented in a manner consistent with Policy. Exceptions are only granted by the Chief Operating Officer or the Chief Financial Officer.

The responsibilities are defined as follows:

Individual Requesting Reimbursement or Incurring the Business Expense

The individual requesting reimbursement or incurring the business expense may delegate

responsibility for preparation of the expense report but the individual retains accountability. Individuals requesting reimbursement or incurring the business expense are responsible for ensuring the following:

- The expense has a valid business purpose
- Proper business justification and supporting documentation (e.g., receipts) have been obtained and/or provided to the business expense report preparer
- Proper documentation justifying any upgrades has been obtained and has been provided to the business expense preparer
- A valid RISD account number(s) has been provided to allocate the expenses
- To the best of the individual's knowledge, the expense is in compliance with this Policy and if the expense is to be charged to a sponsored award, the expense is in compliance with all sponsor requirements/Federal regulations

Business Expense Report Preparer

This individual is responsible for preparing the expense report and, by submitting the report, is confirming the following:

- Proper business justification and supporting documentation (e.g., receipts) have been received from the individual requesting reimbursement or incurring the business expense
- Mileage and *per diem* calculations are accurate
- Proper documentation justifying any upgrades has been obtained and submitted by the individual requesting reimbursement or incurring the business expense
- The expense has been properly allocated to the RISD account number(s)

Business Expense Report Approver

This individual is responsible for approving the expense transaction and, by approving, is verifying the following:

- The expense has a valid business purpose
- There is proper supporting documentation (e.g., receipts) for the business expense
- Mileage and *per diem* calculations are accurate
- There is documentation justifying any upgrades
- The expense has been properly allocated to the correct RISD account number(s)
- To the best of the approver's knowledge, the expense complies with the Policy and if the expense is to be charged to a sponsored award, that the expense is in compliance with all sponsor requirements/Federal regulations

F. SHARING EXPENSES WITH EXTERNAL ORGANIZATIONS

Individuals are responsible for seeking reimbursement for expenses payable by external organizations. If an individual is taking a trip that will be paid by an external organization, the College will pay all of the expenses upfront, including those that are the responsibility of an external organization, however those expenses must be clearly identified on the travel expense reimbursement form. When an external organization pays for actual expenses incurred for lodging or meals, the individual may not claim meal *per diem* from RISD. The reimbursement received by the individual from all sources can never exceed the total expenses incurred by the individual.

When expenses are being shared with external organizations and the expense report justification field

contains a detailed explanation of which organization is paying the balance of the expenses, a duplicate copy of the receipts will suffice for reimbursement.

G. PURCHASING CARD

This Policy applies to all business expenses incurred utilizing the RISD Purchasing Card. Cardholders should also refer to the Purchasing Card Guidelines to familiarize themselves with what is and is not allowable to be purchased using the Purchasing Card.

H. SALES TAX INFORMATION

Based on its charitable tax-exempt status, RISD has been granted an exemption from payment of state sales tax on the goods and services it purchases. Payments made through Purchasing or other RISD offices will, as a general matter, be entitled to the sales tax exemption. At the time of purchase, RISD may be required to show its sales tax exemption certificate.

When purchasing goods or services on behalf of RISD, whether through Purchasing or other means, check to see you are not charged sales tax. If you have questions about the applicability of the sales tax exemption, or would like to establish a tax-exempt relationship with a specific vendor, please contact Procurement Services at ext. 6423.

As a general matter, expenses incurred for transportation (plane, rail, etc.) and hotel expenses are not exempt from sales tax. Travel expenses incurred by RISD employees for meals while traveling are also subject to sales tax.

Sales tax incurred with personal funds for RISD business travel and for business meals will be reimbursed. Sales tax incurred with personal funds for other business purchases should include a description supporting the business purpose as to why the sales tax was paid and may be reimbursed when the amount of the sales tax is less than \$20.

If you are planning a trip on behalf of a group, please contact Procurement Services to find out if the sales tax exemption may apply to any of your expenses.

In many countries outside the U.S., a tax often referred to as VAT (or value added tax) will be added to purchases, which may be refundable to non-residents. You should investigate the opportunities for VAT recapture.

To obtain a copy of the relevant RISD sales tax exemption certificate or for additional information or questions regarding sales tax, please contact Procurement Services.

V. SPECIFIC EXPENSE POLICIES

A. INSURANCE, TRANSPORTATION, AND PARKING

Business Travel Accident Insurance

RISD provides business travel accident protection for all active full and part-time faculty and staff members on RISD-approved and directed business travel. Prior authorization of travel is important to support claims made under this policy.

Specific questions regarding the RISD business travel accident insurance coverage should be directed to the Office of Risk Management and Compliance.



Like all other business expenses, all travel is subject to institutional and departmental budgetary availability.

Air Transportation

Federal law (the Fly America Act) states that Federal awardees and others performing Federal government air travel between the United States and a foreign country or between foreign countries should generally use United States flag carriers to the maximum extent.

The practices specified by the Fly America Act may differ among Federal agencies. Accordingly, individuals traveling abroad whose travel will be charged to a Federal grant or contract should consult agency guidelines to ensure that all agency procedures and restrictions are followed. Any questions or interpretation of Federal regulations should be directed to the Controller's Office.

The most efficient means for purchasing airfare is to use the RISD purchasing card. Reimbursement for airfare purchases made with a personal credit card should be made only after proof of payment has been submitted with the expense report. Specific elements to consider when making travel arrangements that involve airfare:

- **Class** - The class of air travel chosen is expected to be the lowest-priced or most efficient, i.e., non-stop, coach airfare ticket available.

For airline tickets funded by a sponsored grant or contract, the individual requesting reimbursement should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Federal regulations generally prohibit the charging of Business Class or First Class to federally sponsored research projects unless it is specifically approved by the sponsor and is documented. Questions or interpretation of Federal restrictions should be directed to the Controller's Office. In rare cases premium (e.g., first class, business class) fares may be an appropriate business expense subject to budget. Examples may include, but are not limited to, the following:

- ✓ Flights exceeding eight (8) continuous hours
- ✓ Flight by a traveler with a medical condition. Proper documentation must be secured from the Office of Human Resources.

Flights sourced on sponsored projects follow the Federal '14-hour rule' and the traveler

may use other than coach-class in the following circumstances:

- ✓ The origin and/or destination are outside the continental U.S. (OCONUS), and
 - ✓ The scheduled flight time, including non-overnight stopovers and change of plans, is in excess of 14 hours; and
 - ✓ You are required to report to duty the following day or sooner. (FTR §301-10.125)
- **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. RISD will not purchase frequent flyer miles from travelers or reimburse them 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 RISD.
 - **Airport Airline Club Memberships** - Dues for memberships in airline clubs are personal expenses and are not reimbursable.
 - **Baggage** - Charges by airlines for checked baggage when traveling on RISD business are a reimbursable business expense. Excess baggage expenses are reimbursable in any of the following circumstances:
 - ✓ Traveler is transporting college materials
 - ✓ Department has approved of the charge
 - **Upgrades** - Proper documentation justifying any upgrades must be obtained and submitted by the individual requesting reimbursement or incurring the business expense. Additional expense may not be charged to a sponsored project unless specifically approved by the sponsor and documented.
 - **Parking** - Airport or other business parking will be reimbursed, but travelers should use long-term, lower-cost parking lots when available, unless there is a credible reason for not doing so. If public transportation or a cab/car service taken to and from the airport or other business location would result in a lower cost or a safer mode of transportation, the traveler is encouraged to take advantage of these savings/safety measures.
 - **Early Departure or Late Return** - Additional costs incurred when the traveler departs earlier than required for business or returns after required for business 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 Baggage/Items** - RISD does not maintain any lost baggage/items insurance coverage for any loss of personal belongings of its employees while on RISD business travel. College employees are encouraged to make their own arrangement for this type of insurance coverage either through their personal homeowners/renters insurance company or with their travel agent at the time of travel. RISD will not reimburse for this type of insurance.

Automobile Travel

When driving on RISD business, drivers must adhere to and follow all laws and regulations of the state or country in which they are driving.

- **Personal Automobiles** - When the use of a personal automobile is necessary for RISD business, reimbursement for its use will be made at the mileage rate published by [IRS](#) and [GSA/FTRs](#), or in accordance with other Federal regulations. In cases where an employee also receives an auto allowance, the reimbursement rate will be the IRS rate for “fuel only.”

When driving on RISD business and using a personal vehicle, a traveler must carry a valid driver’s license, vehicle registration, and proof of insurance. If a traveler uses his/her own vehicle, it is the traveler’s responsibility to carry adequate personal insurance coverage for themselves, the vehicle, any passengers and any other costs associated with an accident. The traveler’s insurance carrier will provide primary coverage while RISD’s carrier will provide coverage once the traveler’s limits of insurance have been exceeded. Travelers should review their personal insurance coverage before making the decision to use their personal vehicle for business purposes. Travelers should consult with his/her insurance agent to determine appropriate coverage. Should an accident occur, the traveler should immediately contact the following individuals or authorities:

- ✓ Personal insurance agent or company
- ✓ Local authorities, as required
- ✓ The traveler’s supervisor
- ✓ Director of Risk and Compliance (by the next business day).



It is the traveler’s responsibility to ensure they have appropriate coverage. The traveler’s insurance is the primary insurance coverage when using a personal vehicle for RISD business.

It is the responsibility of the traveler to ensure that the proper mileage rate is being used and the distance is based upon actual driving distance using the most direct route. The mileage reimbursement rate includes 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. Tolls and parking fees are separately reimbursable. RISD will not reimburse employees for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance. If more than one authorized traveler is transported in a personal vehicle, mileage is payable to only one person. The owner of the personal vehicle will not be reimbursed for transporting multiple authorized travelers.

When claiming or authorizing reimbursements for miles related to moving to RISD or for activities as a RISD volunteer, use the lower IRS rates established for those purposes.

- **Rental Cars**- In all circumstances, the use of a rental car should be thoughtfully considered and the relevant costs and convenience associated with the use of available ground transportation such as taxis, hotel and airport shuttles, should be weighed against the cost and need for a rental car.

Due to the need for a commercial driver's license, and the inherent instability of this type of vehicle, it is never permissible to rent a 15-passenger van.

Ordinarily, approval will be given for only one car and use should be coordinated among the attendees when multiple RISD attendees are at the same conference and a rental car is deemed necessary/appropriate.

Standard vehicles are the recommended vehicle size for rental purposes. Upgrades to full-size cars are permissible if the individual's supervisor provides approval, a detailed explanation (e.g., number of persons, luggage accommodations) is included in the business justification and it is an allowable cost by the governmental sponsoring agency (if applicable). In addition to the payment for the cost of the rental car, the only other permissible expense for rental cars in most cases is the cost to purchase gasoline.

Vehicles rented for RISD business purposes for less than 30 days are considered short-term rentals by the RISD current automobile insurance carrier. Coverage of short-term rentals under RISD's automobile insurance policy is subject to the following conditions.

- ✓ All drivers of rental vehicles must be over 21 years of age.
- ✓ Coverage under the RISD automobile insurance policy is only provided for vehicles rented in the United States, the territories, and possessions of the United States², and Canada.
- ✓ Rented vehicles should be leased as: Rhode Island School of Design- (name of faculty, staff, or student).
- ✓ Individuals renting vehicles for more than 30 days should contact the Director of Risk Management and Compliance to confirm applicable insurance coverage.

When renting a vehicle for RISD business purposes the traveler should always use your RISD Purchasing Card as it provides additional insurance coverage.

When renting a vehicle the traveler should refuse supplemental rental car insurance as RISD's insurance will provide full coverage.

Any accident involving a rental vehicle in a domestic location must be immediately reported to both the car rental agency and the Director of Risk Management and Compliance for handling of claims and coordination of coverage. Should an accident occur internationally, contact local authorities and RISD public safety at (401) 454-6666.

² U.S. territories and possessions include: The Commonwealth of Puerto Rico, Guam, The U.S. Virgin Islands, American Samoa, The Commonwealth of the Northern Mariana Islands, The Midway Islands, Wake Island, Kingman Reef, Navassa Island, Johnston Atoll, Palmyra Atoll, Baker, Howland and Jarvis Islands



Insurance coverage for the categories shown below should not be purchased and should be declined by those traveling in the United States, any territory or possession of the United States, Puerto Rico, or Canada. RISD already maintains automobile liability insurance within these countries and territories.

Costs for the following categories of coverage will not be reimbursed: Loss Damage Waiver/Collision Damage Waiver; Liability insurance supplement/Additional Liability insurance, and; Personal accident insurance.

- **International Vehicle Rentals** - RISD employees renting vehicles for international business travel outside the coverage territory of the United States, the territories and possessions of the United States and Canada are advised to purchase any automobile liability and physical damage insurance required by the specific country. RISD employees will be reimbursed for any required coverage and/or the following coverage:

- ✓ Loss damage waiver/collision damage waiver
- ✓ Supplemental liability insurance, if any

Regardless of location, the following optional insurance coverage will not be reimbursed: personal effects coverage/effects protection, and personal accident insurance.

No RISD employee will be reimbursed for any purchase or long-term lease of a vehicle without written permission from the Chief Operating Officer or the Chief Financial Officer.

- **Ground Transportation** - Ground transportation is an appropriate business expense (including a tip) to the extent that such service is necessary for business purposes. Public transportation, cab, bus, or car services are acceptable modes of transportation. The traveler must weigh the benefits of costs, availability, time saving, and safety when choosing the mode for business travel. For example, for trips greater than 20 and less than 200 miles, a personal vehicle or public transportation is likely more economical than a car service.



Generally, it is not allowable for a car service to wait for the traveler for the duration of an off-site meeting.

Rail Travel

Generally, seating (or the class) on rail transportation is expected to be lowest-priced ticket for the type of train taken.

- **Standard Train** - The class of rail travel chosen on standard train is expected to be Coach-class rail ticket. In some cases, premium (e.g., business-class) fares may be an appropriate business expense subject to budget availability.
- **Extra-Fare Trains** - Whenever practical, travelers should determine the appropriateness of booking rail travel on an extra-fare train (Acela or other trains that are described as faster speed or fewer stops). If scheduling constraints, a demonstrated need or the traveler's mission, requires travel on Acela, then seating should be at the basic accommodation on that train, which is Business-class.

International Travel

All of RISD's policies and procedures pertaining to travel apply to foreign travel. Actual costs are reimbursable, to the extent reasonable and necessary, provided valid business purposes and appropriate documentation are submitted with the expense report. Any travel by students or faculty conducted outside the US should be reported to and coordinated with the Director of Global Partners and Programs.

The [U.S. State Department](#) maintains a list of countries for which travel advisories have been issued. Countries where avoidance of travel is recommended will have Travel Alerts (short term events) and Travel Warnings (long term issues). When traveling internationally, it is the traveler's responsibility to learn if travel advisories have been issued for the locations of the trip. As part of the trip authorization process, the traveler will notify their approver as to whether travel advisories have been issued. The approver should consult with the department of Global Partners and Programs (GPP) for further information on Travel Alerts. If the GPP doesn't feel that the trip is safe it will meet with the International Travel Committee who will make the final recommendation as to authorizing the trip.

Traveling to other countries and/or conducting work in other countries raises a significant number of legal issues involving both U.S. and foreign law and it is advisable that you consult the Office of Risk Management and Compliance on the purpose of your travel. For example, U.S. export control laws will restrict the computer devices and data you may take out of the country; the immigration laws of many countries will require a visa for any visit for purposes of conducting work; and laws in many countries will restrict exports of samples or materials from the country. Please consult with the Director of Risk Management and Compliance in advance of your planned travel for information on U.S. and foreign laws, which may be applicable to your travel or work outside of the U.S. In the case of any international accident or emergency immediately contact RISD public safety at (401) 454-6666.

Foreign travel funded by sponsored grants or contracts may require agency or sponsor approval prior to travel. Individuals traveling abroad should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal restrictions should be directed to the Controller's Office. Most Federal agencies require that all foreign travel be on a U.S. carrier unless circumstances, such as lengthy holdovers, preclude using a United States airline ([See Air Transportation](#)). Many sponsoring agencies or sponsors must specifically approve trips abroad well in advance of departure. This requirement exists whether or not travel is referenced in the grant or contract award notification. Arrangements for foreign travel supported by sponsoring agencies or sponsors can be complex, requiring not only prior approval but also detailed justification for each trip, as well as detailed trip reports.

Receipts in foreign languages should be translated if the type of expense is not clear, or if the detail of the expense has to be known in order to determine appropriateness of approval. Normally, receipts for expenses such as taxi or other transportation need not be translated, as long as the cost is reasonable for the activity.

B. LODGING

General

Generally, trips of less than 50 miles one way do not qualify for RISD support of an overnight stay. Reimbursement for lodging for a trip of less than 50 miles one way must be justified and specifically approved by the signatory/signatories appropriate to the traveler. Lodging is not subject to the *per diem* options.

RISD will directly pay or reimburse a traveler for lodging expenses for the single occupancy cost of a standard room incurred during college-related travel.

RISD 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.

Individuals traveling should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures related to lodging are followed. Any questions or interpretation of Federal restrictions should be directed to the Controller's Office.

Travelers are encouraged to ascertain prior to booking the travel whether the hotel grants an educational discount. Some hotels provide a discount based on presentation of a college faculty or staff ID.

Cancellations

RISD 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 signatory/signatories appropriate for the traveler and 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.

C. Travel *per diem* Options – For Employees Only

General

Employees have the option to choose between reimbursement on a *per diem* basis or for actual cost of meals, and incidental expenses (tips, etc.). Hotel expenses should not be included in the *per diem* reimbursement.



Per Diem may not be used to substantiate expenses incurred on a purchasing card. Actual receipts are required to confirm all purchasing card charges.

Departments may require reimbursement based on actual expenses with receipts in lieu of *per diem* based upon department-specific policies and procedures (including for budgetary requirements). Employees traveling to international locations and reimbursed on a federally sponsored projects may be required to adhere to country specific *per diem* rates and should consult the Controller's Office with any questions.

U.S. General Services Administration (GSA) periodically revises the *per diem* rates based on

the costs of meals and lodging. Employees must use the *per diem* rates in effect at the time of travel. The per diem rates used must comply with those listed on the [GSA website](#).

Per diems apply to the entire travel period – an employee cannot be reimbursed on a *per diem* basis for only a portion of a trip. A *per diem* reimbursement will not be provided if there is reason to believe that the employee will not incur expenses for meals or other incidental expenses (e.g., if meals and other incidental expenses are a part of registration fees at a conference, free transportation is provided by the place of lodging, or these items are provided and paid for by RISD).

For the day of departure and day of return, the reimbursement rate is limited to 75% of the *per diem* rate based on the location where the traveler is most likely to incur the meal expense. If the travel day extends longer than 16 hours, then 100% *per diem* is allowable and appropriate.

Additionally, RISD's meal and incidental expense *per diem* should be reduced to account for meals furnished at no cost to the employee. For example, if meal costs are provided in the cost of a conference or hotel, those meals should be deducted from the daily *per diem* rate as defined on the GSA website. The traveler should reduce the *per diem* for any meal otherwise paid for or provided (20% for breakfast; 25% for lunch; 55% percent for dinner).

Employees who are eligible to receive *per diem* reimbursement need not submit receipts for the meals covered by a *per diem*. However, recipients of *per diem* must submit documentation (e.g., airline and conference itineraries) confirming the dates they have been in a travel status.

In addition to *per diem*, employees may be reimbursed for certain other travel and business expenses. These expenses may include the costs of business transportation (including local transportation), business telephone calls, and other miscellaneous business expenses; all of the latter must be reimbursed on an actual basis, with appropriate receipts.

Trips Over 30 Days

Travel for more than 30 consecutive days in one location may be reimbursed either for the actual and reasonable costs incurred or with a per-diem allowance equal to 60% of the standard rate for the appropriate geographic area. The reduced rate begins with the first day of travel.

D. ALCOHOL, MEALS, AND ENTERTAINMENT

General

RISD will reimburse travelers for the reasonable cost of alcohol, meals and entertainment that are allowable in this Policy. Depending on the particular circumstances under which the expenses are incurred, expenses for alcohol, meals, and entertainment will fall into one of the following categories.

- Entertainment expenses (see Business Entertainment) incurred in the course of conducting business, none of which are allowable as either a direct or indirect expense of federally sponsored projects
- Business expenses, some, or all of which may be allowable as either a direct or indirect expense of federally sponsored projects, and some of which may not be (alcohol is always unallowable)
- Unreimbursed personal expenses

Federal regulations require that these expenses be recorded correctly.

For meals and entertainment funded by a sponsored grant or contract, the individual incurring the business expense should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal restrictions should be directed to the Controller's Office.

Traveler's Meals

RISD will reimburse travelers for the reasonable cost of their own meals incurred during the time they are away from home (as distinguished from business entertainment expenses or local business meals covered in the following sections).

Employees can choose to be reimbursed via *per diem* or actual cost for meals. Non-employees can only be reimbursed for actual costs incurred for meals.

As a general rule, travelers are expected to incur no additional cost for meals, which are provided as part of a fee for attendance at conferences, workshops, hotel cost, etc. When meals are provided in this way, the daily meal *per diem* must be reduced accordingly ([see Travel per diem Options – For Employees Only](#)). If there is a business justification provided regarding dietary restrictions, the traveler may be reimbursed for the meal.

Travelers sometimes pay for meals for others for college business reasons. These business expenses must include the name(s) of the meal attendees and the business purpose of the meal. If the attendees are not RISD employees, their affiliation with the College should be provided. For meals with six or more individuals including the traveler, the traveler need only identify the number of other people at the meal. These may be considered legitimate RISD business expenses (if conforming to the specifics of this paragraph); however they may not be appropriate on Federal grants or contracts.

Business Meals and Meetings When Not Traveling

- **Employee Only Business Meals** - In cases where RISD employees meet over a meal when they are not traveling, the cost of the meal is considered a personal expense unless the primary purpose of the meeting is to conduct RISD business and there is

a need to meet over the meal. Generally, these requirements are met when it is not possible for one or more employees to meet during working hours (e.g., when travel plans conflict with other meeting times), and the purpose of the meeting is to conduct college business in accordance with a formal agenda. IRS regulations do not allow for payment of meal expenses incurred by employees who are not traveling away from home (e.g., their travel does not require an overnight stay) unless the above criteria are met. These business expenses are permissible when the name(s) of the meal attendees (all names are required for those meals with five or fewer individuals) have been documented and the business purpose of the meal is justified.

It is permissible to incur expenses for meals as part of a local conference, seminar, workshop, presentation, or other similar group meeting involving employees when it extends through the usual mealtime(s). Such meals must be reasonable in nature and the purpose of the meeting must be documented accordingly to ensure that it is an appropriate business expense.



Like all other business expenses, all business meals are subject to institutional and departmental budgetary availability and supervisory approval.

- **Occasional Employee Banquets and Functions** - Occasional (typically, annual or semi-annual) functions for employees are considered business expenses when the function is intended to serve as a token of appreciation that primarily promotes employee relations/morale, or that recognizes individual or group achievements, such as holiday parties, employee banquets, retirement parties, etc. While reasonable expenses for these functions may be considered appropriate business expenses per this Policy, they may be unallowable for Federal reimbursement.

Occasions that are personal in nature such as parties to celebrate births, birthdays, marriages, etc., or small in-office functions with purchased food or beverages are ordinarily paid for by the employees involved and are not ordinarily considered business expenses.

- **Recruiting and Other Business Meals** - Expenses for dining involving non-college personnel are considered business expenses when the purpose of the meeting is to conduct RISD business and when it is necessary or appropriate to have the meeting in conjunction with, or during, a meal. Expenses for such meals should be kept to a reasonable level. The typical business meal might involve interviews of prospective employees, discussions with vendors, consultants, or other individuals with whom the College does business, or meetings of organizations and groups at which agenda items pertinent to RISD business are covered.

Inclusion of companions/spouses or other individuals who are not directly involved in conducting college business are general indications that the occasion is not a business meal, but an entertainment function (see [Business Entertainment](#)). Recruiting expenses are further subject to departmental specific policies and procedures.

- **Alcohol in Conjunction with Business Meals and Individual Travelers**
While not encouraged, alcohol may be considered a business expense (as distinguished from an entertainment expense) when served at college functions primarily intended to promote employee relations, such as faculty receptions, holiday parties, and the like. Because alcohol cannot be charged to a Federal grant or contract (either directly or indirectly), alcohol costs must be charged to a non-sponsored account.

E. BUSINESS ENTERTAINMENT

What is Business Entertainment?

Meals and functions are considered entertainment if they are intended to provide hospitality to non-college individuals. This hospitality, while partially social in nature, is necessary and customary in furthering the College's business.

Examples of business entertainment include:

- Receptions for college guests and visitors
- Alumni reunions or similar alumni functions
- Entertaining donors or prospective donors; and
- Welcoming receptions for parents and students

Entertainment expenses should be reasonable in relation to the nature of the meal or function and the resulting business benefit expected to be derived from the expenses. A description (either a list of names or identification of the hosted group) and the total number in attendance at an entertainment meal or function must be indicated along with the business purpose of the entertainment.

Alcohol in Conjunction with Business Entertainment

Alcohol in conjunction with business entertainment functions is allowable if it is deemed appropriate by the individual's Vice President/Provost or Dean or Department Director.

F. OTHER BUSINESS AND TRAVEL EXPENSES

Visitors, Recruits, Independent Contractors, Consultants, Students, Courtesy Appointments and Other Non-Employees

When RISD has agreed to cover the cost of travel, room and/or board, and other expenses of visitors, recruits, independent contractors, consultants, students, and/or other non-employees (hereinafter referred to as non-employees), unless the relevant contract with the non-employee requires otherwise, this Policy applies to their expenses as well. Non-employees must adhere to the same reasonableness standards and submit required receipts or other documentation supporting expenses. It is the responsibility of the department to make non-employees aware of this Policy.

Payment of non-employee's expenses requires documenting the relationship of the individual, clearly describing the business purpose of the expenses, proper supporting documentation, and approval by the applicable department.

Departments may also consider entering into an appropriate contract with the non-employee for payment of fees that includes the non-employees expenses rather than

submitting a non-employee expense report for payment of expenses. RISD will reimburse or pay for the travel costs of students and non-employees (such as job applicants, student pre-admission visits, seminar speakers, lecturers, consultants and other individuals) when it has agreed to do so, such as when one of the following circumstances exists:

- Required by contract
- Part of an established educational program in which the costs are included in the educational program fee charged
- Participating in research or group educational activities at the College's request
- Participating in approved student events or activities
- Recruiting for the College; or
- Approved by a Vice President/Provost, Dean or Department Director

In cases where the payment may be considered a reimbursement of the student's personal expenses rather than a RISD business expense, the reimbursement may be taxable to the student as a non-qualified scholarship. Questions regarding whether a payment may be considered a non-qualified scholarship should be directed to the Controller.

For non-employee expenses funded by a sponsored grant or contract, the individual incurring the business expense should consult agency guidelines and/or the relevant contract to ensure that all agency or sponsor procedures and restrictions are followed. Any questions or interpretation of Federal restrictions should be directed to the Controller's Office.

Professional Development

Reasonable expenses incurred in attending professional development programs are considered business expenses. Department supervisors determine who may attend such programs at RISD expense, subject to budget availability. Supervisors should ensure that the content of the program is of a substantive nature that directly relates to the employee's job responsibilities at RISD. Supervisors should ensure budget availability.

Professional organizations can often provide expertise and training that is not available on campus. Program content should be carefully considered in weighing the cost of travel as compared to the benefit to RISD.

Travel expenses and fees associated with continuing education credits required to maintain a professional certification that is not directly related to the employee's job responsibilities at the College are not reimbursable business expenses.

Sabbatical

Generally, RISD does not reimburse for travel while at the work site associated with sabbatical leave or other extended leaves.

Memberships, Dues and Subscriptions

RISD's affiliation with an organization or group is based upon the business benefit to be derived by RISD from such affiliation. In the case of certain civic, community, and educational organizations that serve a broader purpose and constituency, RISD typically joins as an institutional member and, as such, designates employee representatives. Institutional

memberships often provide certain benefits (such as reports, studies, etc.) to RISD at large and may also provide news updates and magazines that are routinely sent to a specified number of individual employees on the membership mailing list. Employees who attend meetings or functions as representatives of RISD are eligible for reimbursement of travel expenses if approved by their respective departments.

Fees for individual memberships in business associations as well as fees for magazine, newspaper, or newsletter subscriptions are generally not allowable business expense; however, Vice President/Provosts, Deans, and Department Heads may elect to cover these costs on a case-by-case basis. Individual membership in professional associations or other costs incurred to maintain professional certifications or licenses that are required as part of the employee's job responsibilities at the College and have a clear business benefit to the College may be considered appropriate business expenses; however this will not be an allowable expense on federally sponsored projects.

Memberships in athletic clubs, faculty clubs, social clubs, shopping clubs, fraternal orders, or other similar organizations generally do not qualify as a business expense. Employees must pay for these memberships personally, unless there is a clear business benefit to RISD and the primary purpose of the membership is to benefit RISD.

Miscellaneous Travel Costs

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

- Business telephone calls using personal devices while traveling
- Hotel internet service fees
- Fees for currency exchanges
- Necessary and reasonable laundry and dry cleaning charges after completing five consecutive days of business travel and documented with receipts
- Expenses associated with baggage handling and storage, including excess baggage charges and tips; and
- Personal calls that are reasonable (generally not more than an average of 15 minutes per day)

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

Personal and Companion/Spousal Business and Travel Expenses

- **General** - RISD will not directly pay or reimburse travelers for expenses that are inherently personal in nature. Please refer to the Overview section of this Policy for examples of items that are personal in nature.
- **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 RISD 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, gas and mileage charges for out-of-the-way travel to visit friends or relatives are personal expenses. Such expenses must be identified and deducted from the expenses reported on the expense report.
- **Companion/Spousal Business and Travel Expenses** - Expenses incurred for

accompanying companions/spouses are considered personal in nature except on occasions when attendance of a companion/spouse at an event serves a bona fide business purpose for RISD and the presence of the companion/spouse is essential (not just beneficial) to the employee being able to carry out the business purpose for RISD.

In these cases, the business and/or travel expense should be authorized in writing by the Vice President/Provost, Dean, or Department Director. The written approval must be submitted with the expense report and must detail the business purpose served by the companion/spouse's attendance at the event and how the companion/spouse's presence was essential in carrying out that business purpose.

Amounts paid by RISD for companion/spousal travel and/or business expenses must be included in the employee's W-2 as taxable wages unless the companion/spouse's attendance at the event meets the above requirements. Departments should consult the Controller prior to making commitments to reimburse for companion/spousal travel and/or business expenses as the reimbursement may be taxable to the employee.

G. RELOCATION OF NEW EMPLOYEES

General Requirements

RISD departments may, in hiring new employees, agree to pay a portion of the cost of relocating the new employees and their families.

Relocation and Taxable Income

Certain types of moving expenses paid or reimbursed by RISD must be treated as additional compensation to the employee, subject to both income and employment tax withholding. Generally, if the expenses paid by RISD qualify as deductible moving expenses by the employee and are supported by original receipts or other appropriate documentation, the payments are not required to be reported on the employee's W-2 for United States Federal income tax purposes.

A department may elect to cover all or a portion of taxable expenses of relocating a new employee; in this situation the new employee should be informed in advance of the move that the payment of these expenses will be subject to both income and employment tax reporting and withholding.

The IRS classifies payments for "indirect moving expenses" as taxable wages (e.g., house-hunting trips; settling-in costs, such as temporary lodging to a new work site). Please also be aware that the IRS mileage reimbursement rate for moving is lower than the reimbursement rate for ordinary business travel.

VI. PAYMENT OF BUSINESS EXPENSES

A. TRAVEL ADVANCES

General

RISD will provide travel advances in appropriate amounts for employees traveling on authorized RISD business to cover reasonable miscellaneous costs, such as taxi fares, tips, and other business expenses. 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 secure cash or other valuables). Employees 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.

Procedures for Obtaining Travel Advances

Travel advances are not a benefit. Rather, they are a mechanism to support the business needs of RISD employees when traveling and appropriate. Requests for travel advances are submitted on the Travel Expense Advance Request form.

Advances will not be granted to employees who have an uncleared prior travel advance unless the signatory/signatories appropriate to the traveler certifies that extenuating circumstances warrant the second advance.

Availability of Travel Advances

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

Employees must immediately return any travel advance to Procurement Services 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 (by cash or personal check) to Procurement Services at the same time the expense report is submitted.

It is the department's responsibility to ensure the travel occurs.

Uncleared Travel Advances (including payroll reporting)

Procurement Services monitors uncleared travel advances and sends email notifications to travelers if the advance is not cleared within 30 days of travel completion. If an individual fails to substantiate the business expenses covered by the travel advance within 90 days after completing the travel (e.g., clearing the advance), RISD is required by the IRS to report these payments as taxable income to the employee.

B. EXPENSE DOCUMENTATION

General

Thorough documentation and accounting for expenses is required. RISD business and travel expenses are subject to audit by government agencies, internal and external auditors, and other sponsors.

Required Documentation and Receipts

All individuals requesting reimbursement or incurring business and travel expenses are required to attach original receipts (or scan thereof) to substantiate their business expenses (except in the case of *per diem* reimbursements – see Travel per diem Options – For Employees Only). As with any RISD payment, original documentation is necessary to verify expenditures and eliminate the possibility of duplicate payments. All single expenditures of \$50 and greater need to be accompanied by original receipts. All non per-diem expenditures charged to federally sponsored projects (regardless of the amount) must be accompanied by original receipts.

It is not appropriate to round-off amounts or to estimate expenses. In cases where receipts are not required to be submitted, e.g., highway tolls, tips, or an expense in an amount less than \$50, etc., individuals must still report the actual amounts of the charges and itemize these expenses.

Detailed receipts that support credit card charges are considered to be original receipts and must be submitted. Copies of credit card charge slips (without the detail) or credit card statements are not sufficient documentation. Tear-off stubs for meals should be accompanied by a cash register receipt. If no other form of receipt can be obtained, the original credit card statement or charge slip will be accepted. Travel itineraries do not constitute receipts for reimbursement purposes.

Meal and restaurant receipts should include the name and location of the restaurant, the number of people served and the date and amount of the expense. If alcohol is included in the receipt total, and expenses are being charged to a federally sponsored project, the cost of alcohol must be identified and recorded separately from the rest of the meal. This must be done since alcohol is not an allowable direct or indirect expense on federally sponsored projects.

Receipts in foreign languages should be translated if the type of expense is not clear, or if the detail of the expense has to be known in order to determine appropriateness of approval. Normally, receipts for expenses such as taxi or other transportation need not be translated, as long as the cost is reasonable for the activity.

Original documentation is required to comply with Federal regulations.

- **Itemizing Expenses** - Expenses should be allocated to the proper RISD account number(s) based upon object code/expense type. Charges on itemized hotel or other bills such as meals, telephone, parking, Internet fees, etc. should be broken out and reported separately. Authorized persons approving business or travel expenses are

primarily responsible for enforcing this Policy and, in so doing, must be satisfied that the expenses are appropriate, reasonable, and sufficiently described and documented in a manner consistent with this Policy.

- **Approval Authority** - No individual is authorized to approve his or her own, a peer's or a supervisor's business or travel expenses. In assigning approvers for expense transactions, bear in mind that an individual must have signature authority over the accounts and organizations in which expense transactions will be charged. This restriction is imperative due to the nature of business and travel expenses and the authority that must be exercised by supervisors in approving or disallowing expenses in accordance with the Policy.
- **Proof of Payment** - When requesting reimbursement for travel or business expenses paid via personal check, a copy of the front and back of the check or scanned image may be required to substantiate the expense.