

Travel and Business Expense Payments Policy

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I. Policy

The California State University (CSU or University) pays or reimburses employees, students, and others for business-related travel expenses that are ordinary, reasonable, not extravagant, and necessary to conduct official university business. All expense reimbursements and business travel arrangements must comply with CSU policies and procedures, prudent accounting practices, and applicable collective bargaining agreements.

This policy applies to all CSU employees, students, and others traveling on university business. The terms set forth in an extramural funding agreement govern only when such terms are more limiting than the CSU's travel policies and procedures.

Travelers are held accountable for their conduct under any applicable CSU and campus policies, procedures, collective bargaining agreements, and applicable state and federal laws. Where the provisions of this policy are in conflict with the collective bargaining agreements pursuant to Higher Education Employer-Employee Relations Act (HEERA), the collective bargaining agreements shall take precedence.

Exceptions to this policy must be documented and approved by the chancellor, campus president, or designee. Please see the Travel site for the memo from the President's office for any updates to the designees for different scenarios. The memo can be found at the following link under Delegation of Authority for Travel Policy Exceptions:

[CSUF Travel Policies](#)

II. Travel Procedures

This set of procedures has been developed to provide guidance to business travelers, approving authority, and payment processors for travel conducted on behalf of the University. It supplies the details to the policy and explains the taxability of certain travel and business expenses. The travel procedures have been separated into sections based on travel destinations, lengths of stay, mode of travel, and type of traveler, due to different rules. These procedures are applicable to all travel unless specified to the contrary.

Exceptions for expenses that are typically non-reimbursable, and arise because of special or unusual circumstances, must be authorized, approved, and documented by the appropriate approving authority.

A. Scope

The procedures contained in this document shall apply to all official University travel, including sabbaticals funded by the University and travel funded under federal grants and contracts. Pursuant to the Code of Federal Regulations 2 CFR §200, costs incurred by travelers shall be considered reasonable and allowable only to the extent that such costs do not exceed charges normally allowed by the University in its regular operations as a result of the University's travel policy and procedures, and the amounts claimed under sponsored agreements represent reasonable and allocable costs. The terms of an extramural funding agreement will govern only when such terms are more restrictive than the policy and procedures.

In addition, the terms of a collective bargaining agreement shall govern when such terms do not conform to the provisions of these procedures. These procedures are neither intended to nor shall be interpreted in any manner that would diminish the rights of employees under a settlement agreement.

These procedures include special rules for non-employees.

B. Travel Authorizations

1. Requests for Travel

A Travel Request should be approved before any travel expenses are incurred. For domestic travel, a Travel Request should be initiated 4-6 weeks prior to travel and 6-8 weeks prior to travel for international travel. Travel Requests should be submitted via Concur for all employee travelers, for additional resources and help all employees can access the Concur user guides via the following website [Concur User Guides](#). Any nonemployee travelers that require a travel request should use the Business Travel and Prepayment Request form located on the Travel website under forms. Nonemployee travelers that cannot submit travel requests via Concur should use the paper form this includes students and auxiliary funded travel for state employees. For prospective employees, departments submit a travel request for candidates via the Authorization for On-Campus Interview Expense form.

Blanket Travel is used for employees to travel to destination near CSUF main campus in situations where they may need to pick up supplies, travel to a retreat, or similar situations. The purpose is to streamline the reimbursement of mileage and parking only when driving on University business. Blanket Travel Requests should be submitted via Concur and should span the Fiscal Year, authorizations for Blanket Travel Requests are under the understanding that the only expenses allowed are for parking and mileage.

2. Split Funding

Split funding refers to the use of auxiliary and state funds to cover the cost of travel, this frequently happens when departments have funds available at one of the CSUF auxiliary organizations. When CSUF travelers are traveling on University business and using a combination of state and auxiliary funds, CSUF travel policy must be followed. When requesting travel it is important to note a Concur Travel Request must be completed and approved before any expenses are incurred. Upon final department approval, traveler must complete one of the following steps dependent upon which auxiliary funds will be used to cover some of the travel expenses.

For ASC:

When the split funds are coming from ASC, the completed and approved Concur Travel request must be downloaded as a PDF and submitted to ASC finance office for authorization of funds. Upon approval, ASC personnel will return the approved packet to the traveler which is to be attached later to the Travel Expense Report. The Travel Expense Report, with the attached approved travel request. Note: ASC approval must come from ASC personnel within their accounting office, a CSUF staff or faculty that oversees a grant cannot approve the travel request on behalf of ASC.

For CSFPF (foundation):

When split funds are coming from CSFPF, the complete and approved by travel department Travel Expense Report will be forwarded to CSFPF. CSFPF will use the report in lieu of a PO and create a TAA# assigned to the traveler to process the expenses.

C. Reporting Travel Expenses

A Travel Expense Claim form ([STD. 262](#) or an equivalent, in paper or electronic version) shall be used to account for all travel expenses incurred in connection with official University travel when traveler cannot otherwise use Concur to submit travel request and travel expense claim. Electronic expense reports are considered equivalent to the Travel Expense Claim. When traveling on state business and incurring expenses in addition to parking and mileage, the report header to be used in Concur is "State Travel" for expense claims and "state approve then book" for the travel request. If traveler is only incurring mileage and parking expenses when driving on university business "state blanket travel" should be used on both the Concur Travel Request and Travel Expense Claim.

When properly completed and approved, these forms are used to reimburse the traveler for any additional amounts due. For direct billing arrangements that have been approved in advance, a Claim must still be processed as verification that the expense was incurred even if no reimbursement is due the traveler.

1. Reporting Period

The Travel Expense Claim must be submitted to the campus Travel Office within 60 days after the expenses were paid or incurred unless there is recurrent travel, in which case Travel Expense Claims may be aggregated and submitted monthly. Claims submitted after the 60-day window are left to the discretion of the campus, considering the facts and circumstances, if reporting as taxable income will be required.

For Blanket Travel, a "state blanket travel" request should be submitted at the beginning of the fiscal year to cover the entire fiscal year. Once approved, travelers driving on university business should submit expense claims in Concur monthly no later than the tenth of the following month (i.e. July parking and mileage should be submitted by August 10th). For more instruction and guides, including screenshots and short videos, please visit the [Travel Operations Site](#). If additional expenses are incurred beyond parking and mileage, traveler will need to submit a travel request and expense claim using the "state travel then book" header for the request and "state travel" for the expense claim.

When a trip lasts more than 90 days, the traveler must submit a quarterly report of expenses to the Travel Office.

2. Completion of a Travel Expense Claim

The total amount of all expenses pertaining to a particular trip must be accounted for when submitting a Travel Expense Claim. Except for trips that require quarterly reporting, all expenses for a trip should be reported on one Travel Expense Claim including University paid expenses. Previously reimbursed amounts related to the trip should be detailed on the Concur State Travel Expense Claim. Supplemental Travel Expense Claims may be submitted if necessary, but must be clearly marked "Supplemental" and must identify the original Travel Expense Claim submitted in connection with the travel. Traveler and department approvers must take extra caution when reviewing to ensure expenses are not claimed twice.

3. Substantiation of Expenses- State Travel

Substantiation for "State Travel" Expense Claims must include the following:

- A. The origin and destination of the trip and the route taken. Travel within a local area also should be indicated; continuous travel between major points, such as from city to city, should be shown separately. Any substantial deviation from the distance shown in a standard highway mileage guide must be explained;
- B. The purpose for the travel or the nature of the business benefit derived as a result of the travel;
- C. The amount of each expenditure listed by date and location;

- D. Claims for reimbursement of expenses paid for others shall be submitted by the group leader and must include the names of persons on whose behalf expenses were incurred, an itemization of the expenses, and other pertinent supporting documentation. For additional information on group expenses, see [Payment of Group Subsistence Expenses](#);
- E. If needed for calculating meal/incidental reimbursements, the claim package must contain documentation to discern the date and time of departure from and return to the traveler's normal work location or residence;
- F. If any personal leave is taken while on official travel status, the dates of personal leave must be specified within the claim package.

4. Substantiation of Expenses- Blanket Travel

Substantiation for "State Blanket Travel" Expense Claims must include the following:

- a. The origin and destination of the trip and the route taken or the destination from the main campus, whichever is closer to the destination. Travel within a local area also should be indicated; continuous travel between major points, such as from city to city, should be shown separately. Any substantial deviation from the distance shown in a standard highway mileage guide must be explained;
- b. The purpose for the travel or the nature of the business benefit derived as a result of the travel;
- c. The amount of any parking expenditure listed by date and location, itemized receipts should be provided when available

5. Documentation Requirements

Receipts

An itemized receipt:

- a. Demonstrates the cost (shows what was purchased), and
- b. Provides proof of payment (shows how it was paid).
- c. Itemized receipts for all expenses in excess of \$75 dollars must be submitted with the Travel Expense Claim. Receipts for expenses under \$75 may be required depending on funding source being used, please check with your department for clarification of when additional documentation is needed. Itemized receipts are always required for expenses made on a P-card.

Electronic Receipts

Electronic receipts are acceptable provided that the detail contained in an electronic receipt is equivalent to the level of detail contained in an acceptable paper record. For example, an electronic receipt must show the name of the payee, the amount of the charge, the transaction date, and the form of payment. When required to ensure adequate documentation of the costs incurred, the traveler is responsible for providing additional detail, e.g., a receipt with itemized hotel charges.

E-mailed or faxed documentation provided by an airline or travel agency for electronic ticketing expenses for airfare is acceptable for substantiating such expenses. A copy of the faxed itinerary and receipt or a copy of the e-mail itinerary and receipt printed locally should be attached to the Travel Expense Claim.

Missing Original Receipts

When original receipts are required but cannot be obtained or have been lost and all measures to obtain a duplicate receipt have been exhausted, a statement should be provided explaining why such receipts are not being submitted with the Travel Expense Claim. The statement must include a certification that the amount shown is the amount actually paid and that the traveler has not and will not seek reimbursement from any other source.

The approving authority must approve the travel claim form for the expense. In the absence of a satisfactory explanation or administrator approval, the amount involved will not be reimbursed. Please use the Lost/Missing receipt form located on the CSUF Accounts Payable and Travel website under the forms tab [Travel Forms](#).

6. Certification of Travel Expenses

The traveler must certify that the amounts claimed are a true statement of the expenses incurred while on official University business and that the original of all required receipts has been submitted. For expenses where a receipt is not required, the employee's signature is substantiation for that expense.

Submission of the Travel Expense Claim under a traveler's electronic authorization will be considered certification that the traveler incurred the expenses being claimed. In accordance with IRS regulations, an electronic signature must:

1. Identify the traveler who is submitting the electronic form;
2. Authenticate and verify the submission; and
3. Be the final entry in the submission.

D. Approval of Travel Expense Claim

The approving signature provides additional substantiation to ensure expenses are appropriate and in compliance with policy. Approvers may request receipts or additional documentation.

Authorized approvers shall not approve:

1. Travel expenses of individuals to whom they report to either directly or indirectly, that is, the approving authority should be the supervisor (or higher level) of the traveler. Campus presidents are an exception. The chief financial officer of the campus shall approve the travel expenses of their campus president, including the spouse, registered domestic partner, or an associate of the president.
2. Travel expenses of a near relative (e.g., spouse, registered domestic partner, significant other, child, or parent);
3. Their own travel expenses.

Travel expenses incurred by vice presidents and deans may be approved by a vice president (or other responsible administrator) designated by the president. Authority delegated to the designated vice president may not be re-delegated to another individual, except when the vice president is not available due to business travel, vacation, illness, or other leave. The president or designee must approve travel expenses of the designated vice president, provided that the designee does not report to the vice president.

Use of Contracted Suppliers

University business travelers are asked to be diligent about the cost effectiveness of travel related expenses. Travelers are expected to purchase travel services, when available, from CSU, campus, or State of California contracted suppliers.

The CSU, campus, or State of California contracted suppliers deliver competitive value in the range of services required by University travelers. Such suppliers could include airlines, car rental agencies, hotels, travel agencies, and online booking providers. Although it might be possible to obtain a lower cost from other sources, use of CSU, campus, or State of California contracted suppliers should, on average and over time, reduce the University's overall travel costs and provide the best value to the traveler.

E. Payment Standards

These guidelines are intended to conform to the accountable plan rules as defined by the Internal Revenue Service (IRS). Payments for travel expenses according to the accountable plan are not considered taxable income.

Travel expenses are considered by the IRS to be taxable income to the traveler under the following conditions:

- Travel Expense Claims that are not properly substantiated;
- Meals & incidental expenses (M&IE) reimbursed on single day travel with no overnight stay;
- M&IE reimbursed in excess of published federal rates without appropriate documentation;
- Travel Expense Claims submitted 60 days after the expenses were paid or incurred;
- Excess amounts not returned to the University within 120 days after the expense were paid or incurred;
- Expenses for travel in excess of one year;
- AUXILIARY ONLY Reimbursement of an employee's spouse or registered domestic partner's travel expenses that do not serve a bona fide University business purpose;
- Travel expenses reimbursed during a period that lasts more than one year in a single work location;
- Certain international travel expenses combined with personal travel; or
- Certain travel expenses related to moving a new appointee or a current employee. See [CSU Internal Procedures Governing Payment or Reimbursement for Moving and Relocation Expenses](#).

When a University employee travels under the sponsorship of a non-University entity, travel expenses, including advances, prepayments, or billings, shall not be charged to a University account or billed to the University. Airline tickets must be obtained from the sponsor. Payment of travel costs for CSU employees by another party may constitute a conflict of interest. See [Conflict of Interest Handbook](#) by the Office of General Counsel for additional information.

Under no circumstances shall expenses for personal travel be charged to, or be temporarily funded by, the University, unless otherwise noted in these procedures.

F. Responsibilities

It is the responsibility of each individual who spends funds related to official University business travel and for each administrator and approving authority who approves use of funds related to official business travel to adhere to the policy and related procedures in effect at the time of travel.

1. Traveler

The traveler is responsible for:

1. Utilizing CSU preferred vendors and CSU negotiated terms and conditions whenever possible. Using additional waivers and discounts available to government employees is strongly encouraged;
2. Taking all steps to minimize risk to themselves and the University. This includes utilizing safe transportation and lodging options and appropriate insurance coverage;

3. Making certain that the business related expenses they incur are ordinary, reasonable, not extravagant, and necessary for the purpose of the trip;
4. Submitting Travel Expense Claims no more than 60 days after the expenses were paid or incurred;
5. Submitting quarterly Travel Expense Claims when trip lasts more than 90 days;
6. Providing the business purpose and inclusive dates of each trip;
7. Returning the refunded amount to the University in the event that the payment for travel related expenses received a full or partial refund, no later than 120 days after the expense was paid or incurred; and
8. Certifying that the traveler:
 - a. Was authorized to travel;
 - b. Expenses are in compliance with travel policy;
 - c. Has not and will not seek reimbursement for (1) a duplicate claim or (2) from any other source;
 - d. Has verified that the amount due is accurate; and
 - e. Traveled on official business.

2. Approving Authority

The approving authority is responsible for:

1. Ensuring expenses are charged to funds authorized for the purpose and in compliance with the travel policy and related procedures.
2. Ensuring expenses requested are ordinary, reasonable, not extravagant, necessary, and supported by a business purpose or justification, as appropriate.
3. Validating, to the extent possible, that the approving authority reasonably believe expenses listed were incurred by the employee and appropriate supporting documentation is attached;
4. Reviewing and approving the business purpose and ensuring the request is in compliance with any applicable sponsored project/grant requirements;
5. Approving/denying payment of the Travel Expense Claim in a timely manner;
6. Denying expenses not directly related to official University business.
7. Ensuring traveler has all required documents signed and submitted if driving on university business, including STD 261 and INF254, see [CSUF Risk Management Driving Requirements](#)

3. Travel Office

The designated travel office is responsible for:

1. Reviewing the submitted Travel Expense Claim for compliance with the travel policy and related procedures.
2. Verifying the appropriate approver.
3. Ensuring appropriate documentation is submitted.
4. Processing reimbursements and payments.

4. Exceptions

The chancellor, campus president, or their designee may approve exceptions to the travel policy and these procedures. Any delegation of such authority by the chancellor or president must be made in writing.

G. Payment of Travel

Prepaid expenses, and direct charges may be authorized when these methods are more cost effective than the normal method of payment in arrears. In order to document the business purpose for these payment methods, the traveler must submit a Travel Expense Claim no later than 60 days after the expenses were paid or incurred, even if no additional reimbursement is owed.

See [Reporting Travel Expenses](#) for information on substantiation of travel expense.

1. University Paid Expenses

The University may choose to pay travel related expenses directly, either through direct payment, or through CSU issued credit card. The University must have documented procedures designed to ensure that any disallowed expenses are recovered. Furthermore, the University must have procedures that inform travelers that policy prohibits duplicate payment for a cost that was directly billed to the University.

Travel payments, such as registration fees, and airline tickets, issued to a third party by the University on behalf of an employee who has not submitted a Travel Expense Claim within the 60-day period are excluded as taxable income to the employee, provided the expenses are ordinary and necessary. This requirement will be satisfied if the payment procedures (e.g., check request form) substantiate the time, place, and business purpose of the trip.

2. Travel Reimbursements in Advance of Travel

CSUF will not grant cash advances.

In the event the employees pay for travel costs up front, such as lodging, registration, or airfare using personal funds, employees may seek reimbursement for expenses before travel occurs. Every effort should be made to use other methods of payment such as campus P-card issued to employee traveler or department. No more than one such reimbursement, as described above, will be allowed at any time for each trip.

a. *Tax Considerations*

As a result, the amount of unsubstantiated expenses and unrecovered advances will be reported through payroll as taxable income to the employee, subject to withholding, no later than the first payroll period following the end of the 120-day period. No refund of such taxes or any adjustment to gross income shall be made with respect to any substantiation or reimbursement received from the employee after the 120-day period.

b. *Recovery Procedures*

The Travel Office should initiate proceedings for the recovery of any outstanding advanced travel reimbursements 60 days after expenses have been paid or incurred. Recovery procedures may include reminder letters and notification to the appropriate administrator and a list provided to division Vice Presidents.

Travel reimbursement advances cannot be recovered using payroll deduction. [Accounts Receivable Management](#) limits the collections by payroll deduction to receivables resulting from payroll overpayments. Receivables resulting from travel advances that cannot be recovered from the traveler shall be cleared by charging the account indicated on the travel advance request or check request form, or as otherwise designated by the Travel Office.

3. Payment of Expenses on Behalf of Others

University travelers normally shall not be reimbursed for expenses paid on behalf of other persons, except in the case of co-travelers who are sharing a room. If paying on behalf of someone else, it must be clear who/ how many attendees so daily max can be taken into account for other traveler. See [Payment of Group Subsistence Expenses](#) for more information.

4. Cancellations and Postponements

If a trip must be canceled or changed, the traveler must make every effort to cancel/change any travel reservations. Fees incurred as a result of cancelling/changing a trip will be covered if the cancellation/change was work related or due to unforeseen circumstances out of the control of the traveler. A business justification must be submitted and approved by the approving authority.

Travelers who are unable to honor a reservation shall be responsible for canceling the reservation in compliance with the cancellation terms established by the vendor. Charges or lost refunds resulting from failure to cancel reservations, registrations, etc. shall not be paid unless the traveler can show that such failure was the result of circumstances beyond the traveler's control.

If the reservation was paid by the University, then the traveler must promptly return any refunds received to the University. A travel advance must be returned immediately if a trip is cancelled or indefinitely postponed.

Funds paid on behalf of or reimbursed to the traveler for expenses incurred prior to the actual dates of travel should be returned to the department. Refunds should be requested for registration fees paid directly to a vendor unless applied to another participant from the department. A non-refundable ticket associated with a cancelled trip must be used for the employee's next trip.

Expense Type	P-Card Expense Report	P-Card Travel Expense Report	Travel Expense Report
Transportation - air, rail, rental car		X	X
Lodging		X	X
Meals & Incidentals (tips for meals/hotel staff) – <i>Per Diem</i>			X
Gratuities – tips for taxi, shuttle, parking		X	X
Hospitality (D-11) – food/beverage and entertainment services	X		
Supplies – goods and services	X		

H. Transportation Expenses

Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the purpose of the trip. Transportation expenses allowable under this policy and procedures are those that are considered necessary to accomplish the official business purpose of the trip.

1. Transportation Tickets

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier or negotiated by the University. Such tickets should be purchased from the campus contracted travel agency. Travelers will not be reimbursed for travel certificates, vouchers or frequent traveler miles that are used for the purchase of transportation tickets.

2. Lost Tickets

Service charges for tickets lost by travelers may be reimbursed, provided such occurrences are infrequent. Charges for re-ticketing, schedule changes, etc., are reimbursable if incurred for a valid business reason. The reason for the charge must be specified on the Travel Expense Claim.

3. Indirect or Interrupted Itineraries

Additional expenses resulting from an indirect route or interrupted travel for other than University business shall be borne by the traveler. Reimbursement of expenses shall be limited to the lesser of actual costs incurred or the charges that would have been incurred via the usually traveled route.

Any resulting excess travel time will not be considered work time, and will be charged to the appropriate type of leave. The employee shall be responsible for accurate reporting of such leave time.

4. Surface Transportation Used in Lieu of Air Travel

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. Lodging, parking, mileage, tolls, taxis, ferries, and M&IE incurred while in transit by surface transportation may be reimbursed.

Such costs, however, shall not exceed the cost of airfare, based on the lower of the regular coach fare available for the location of travel from a standard commercial air carrier or the campus travel program fare, plus transportation costs to and from the terminals. Documentation demonstrating the cost of regular coach in effect at the time of travel should be included with the Travel Expense Claim form.

5. Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs (e.g., a Saturday night stay for domestic travel) may be reimbursed when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip, provided the expenses were incurred in compliance with the policy and procedures.

Such expenses, which include lodging, car rental, M&IE incurred within the vicinity of the business destination, shall not exceed the amount the University would have paid had the traveler not extended the trip.

I. Air Travel

1. Commercial Airlines

a. *Coach or Economy Class*

Coach or any other discounted economy class fare shall be used whenever ticketing restrictions are reasonable. This applies to all travel (domestic or international, or any combination thereof) regardless of the purpose or fund source.

b. *Baggage Fees*

The University will pay the cost for checked baggage that is considered reasonable and necessary for the business purpose and length of the trip. The approving authority is responsible for determining if the fees are appropriate.

c. U.S. Flag Air Carriers

Under the Fly America Act, only US carriers shall be used for travel reimbursed from federal grants and contracts, unless one of the following exceptions applies:

1. A US air carrier is not available
2. Use of US carrier service would extend travel time, including delay at origin, by 24 hours or more;
3. U.S. carriers do not offer nonstop or direct service between origin and destination. However, a U.S. carrier must be used on every portion of the route where it provides service unless, when compared to using an international air carrier, such use would:
 - a. Increase the number of aircraft changes outside the United States by two or more; or
 - b. Extend travel time by at least 6 hours or more; or
 - c. Require a connecting time of 4 hours or more at an overseas interchange point.
4. When the costs of transportation are reimbursed in full by a third party, such as an international government or an international agency.
5. When there is an applicable Open Skies Agreement in effect that meets the requirement of the Fly America Act. Open Skies Agreements are bilateral or multilateral agreements between the US Government and the governments of foreign countries that allow travelers to use foreign air carriers from these countries for government-funded international travel.

Code sharing agreements with international air carriers, whereby US carriers purchase or have the right to sell a block of tickets on an international carrier, comply with the Fly America Act Regulations. The ticket, or documentation for an electronic ticket, must identify the US carrier's designator code and flight number.

Reimbursement of travel on an international air carrier may be denied in the absence of such justification. See [Fly America Act](#) for more information.

2. Private Aircraft

Before a private aircraft (including a rented aircraft) may be used for official travel, the pilot must register with and obtain written approval from the executive vice chancellor/chief financial officer or president. In addition, the following requirements must be met:

1. The pilot must have a valid private license;
2. The pilot must have logged at least 10 hours of flight time within the preceding 90 days as a pilot in command of an aircraft of the same make and model as the one to be used on the trip;
3. To carry passengers, the pilot must either have logged a minimum of 500 hours of flight time as a licensed private pilot in command of an aircraft or possess a valid commercial (or higher type) pilot's license issued by the Federal Aviation Administration.
4. A current pilot history form and a certificate of insurance must be on file with the campus risk management office; and
5. Evidence must be provided of Aviation Liability Insurance coverage with the trustees named as additional insured and a minimum combined single limit as specified in Travel Related Insurance: Privately Owned Aircraft, Boats and Motorcycles.

Transportation expenses for a flight carrying passengers shall not be reimbursed if the University pilot does not possess the above qualifications. For purposes of the foregoing rule, anyone traveling in the aircraft other than the pilot is considered to be a passenger.

When the pilot has obtained prior approval to use a private aircraft, reimbursement shall be made based on the lesser cost of one of the following two options:

1. **Private Aircraft Option.** An amount for mileage using the private reimbursement rate per mile shown in [Appendix B: Mileage Reimbursement Rates](#), plus the cost of lodging and M&IE while in transit.
2. Mileage shall be computed on the basis of the shortest air route from origin to destination. The Travel Expense Claim must show the aircraft registration number and shall be clearly marked "Air Miles." Only the pilot will be reimbursed for mileage expenses. Reimbursement shall be made for actual landing and parking fees. Reimbursement is not allowed for storage or parking fees at the location where the aircraft is normally stored. However, parking and transportation costs to and from the place of storage may be reimbursed.
3. **Commercial Aircraft Option.** The cost of the lowest regular coach fare available for the location of travel from a standard commercial air carrier, plus the cost of transportation to and from the terminals, lodging, and M&IE that would have been allowed had the traveler used a commercial airline. The cost lodging and M&IE while in transit also may be taken into account in determining the appropriate reimbursement amount.

3. Chartered Aircraft

The actual expenses of chartering an aircraft are allowable; however, prior approval must be obtained from the executive vice chancellor/chief financial officer or president.

J. Automobile

Individuals traveling by automobile for University business must possess a valid driver's license in the State of California or in other state, with the correct class for the type of vehicle driven. Vehicles shall be used in accordance with established campus procedures. See [Use of University & Private Vehicles Guidelines](#).

Individuals receiving a car allowance:

- Are precluded from mileage reimbursement for university related travel when using their personal vehicle.
- May be reimbursed for renting a car when there is a valid business purpose.

1. Campus Vehicles

University vehicles, if available, should be used by employees for transportation while conducting University business.

2. Rental Cars

When renting a vehicle, travelers are expected to utilize rental agencies with which the State of California or the University have negotiated contracts that include insurance coverage. The primary rental agency with which CSUF is contracted is Enterprise Rent-A-Car and National Car Rental is also available, please contact the Accounts Payable and Travel department for the necessary Business code and PIN. Renting vehicles from a non-contracted vendor is prohibited, unless vehicles are unavailable from a contracted vendor. See [Travel Related Insurance: Rental Vehicles](#) for insurance requirements.

a. *Authorization to Rent*

A vehicle may be rented when renting would be more advantageous to the University than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and an economy or

intermediate class vehicle requested. These classes should be used unless a no cost upgrade is provided or if the recommended sizes are not adequate to meet the business purpose of the trip.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. The discount negotiated with car rental agencies should be requested when available. The University's identification number should be given to the rental car company at the time of rental in order to secure the contract rate and ensure that the vehicle is covered by physical damage insurance.

b. *Fuel Requirements*

Travelers are strongly encouraged to return their rental cars with a full tank of gas purchased prior to dropping off the vehicle. Gas should not be purchased from the rental car company due to the increased cost and additional fees that may be applicable. Pre-purchasing fuel is not recommended because the traveler is charged for a full tank of gas regardless how much gas is actually used.

c. *Additional Options*

Charges for additional options including, but not limited to, items such ski racks, GPS devices, car seats, and satellite radio will not be reimbursed unless the traveler provides a business-related requirement for these additional options.

d. *Payment Options*

Rental vehicles may be booked directly with the individual rental car company or through a designated travel agency. The recognized forms of payment for commercial rental car contracts with Enterprise Rent-A-Car and National Car Rental are:

1. A CSUF P-card issued to employees; and
2. Personal credit cards

Cash and personal checks are not authorized forms of payment for the commercial rental car contracts.

3. Private Vehicles

When using a private vehicle, qualified drivers are responsible for carrying and maintaining liability insurance. See [Travel Related Insurance: Private Vehicles](#) for insurance requirements and allowable reimbursements in case of an accident.

Individuals requesting mileage reimbursement are certifying the number of miles driven is accurate. When two or more persons on University business share a private vehicle, only the driver may claim reimbursement for mileage. A duly completed [STD 261: Authorization to Use Privately Owned Vehicles on State Business](#), updated every year must be on file when using a private vehicle for University business.

e. *Allowable Mileage Expense – With Overnight Stay*

Mileage shall ordinarily be computed between the traveler's normal work location and the common carrier terminal or assignment location.

Mileage expenses may be allowed between the traveler's residence and the common carrier terminal or assignment location if University business travel occurs during the traveler's non-working hours, or during a regularly scheduled day

off. When a traveler is authorized to drive a private vehicle to or from a common carrier terminal, mileage may be reimbursed as follows:

1. One round trip, including parking for the duration of the trip; or
2. Two round trips, including short-term parking expenses, when an employee is driven to a common carrier terminal.

f. Allowable Mileage Expense – No Overnight Stay

If an employee has an assignment away from their normal work location, (e.g., single day workshop, local conference, training, assignments at more than one location, etc.) which does not require an overnight stay, reimbursement shall be made for mileage expenses as follows:

1. Mileage between Home and a Single Assignment Location: Reimbursement shall be made for round trip mileage between home and the assignment location, or between the normal work location and the assignment location, whichever is less.

2. Mileage between Home and Multiple Assignment Locations: Reimbursement shall be made for round trip mileage between the normal work location (not home) and the first assignment location visited and round-trip mileage between successive assignment locations visited.

3. Mileage between Normal Work Location and an Assignment location: Reimbursement shall be made for round trip mileage between the normal work location and the assignment location.

4. Mileage between Home, Normal Work Location and then on to a Single Assignment Location (or any combination thereof): Reimbursement shall be made for round trip mileage between the normal work location and the assignment location.

5. Mileage between Home, Normal Work Location and then on to Multiple Assignment Locations (or any combination thereof): Reimbursement shall be made for round-trip mileage between the normal work location and the first assignment location visited and round-trip mileage between successive assignment locations visited.

g. Standard Mileage Rate

The standard business reimbursement rate per mile is published annually by the IRS. This rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, maintenance and repairs, tires, depreciation, vehicle registration, and insurance. Travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle. See [Appendix B: Mileage Reimbursement Rates](#).

According to IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

h. Rate for Travelers with Physical Disabilities

A traveler with a physical disability who must use a specially equipped or modified automobile may claim reimbursement at the standard rate per mile. However, if the traveler incurred higher than standard operating costs, the traveler may seek reimbursement by submitting a statement with the Travel Expense Claim certifying that higher operating costs were incurred associated with a specially equipped vehicle. The actual fixed and variable costs must be specified in the statement. Refer to [IRS Form 2106 Employee Business Expenses](#), to obtain additional information on the calculation of actual vehicle operating costs.

i. Miscellaneous Automobile-Related Expenses

The driver may claim charges for ferries, bridges, tunnels, or toll roads. Reasonable charges for parking while an employee is on travel status or on University business away from regular duties also will be allowed for the following:

1. Day parking on trips away from an employee's normal work location;
2. Day and all night parking on overnight trips away from an employee's normal work location or residence if free overnight parking is not available; and
3. Parking charges incurred when an employee without a parking permit is occasionally required to drive to and from their normal work location.

K. Rail or Bus

Rail transportation may be used when required by the destination or by business necessity. When a traveler's destination is served by a regularly scheduled airline, use of rail transportation shall be reimbursed in accordance with the procedures specified in [Transportation Expenses: Surface Transportation Used in Lieu of Air Travel](#). This rule does not apply to intercity rail travel that is equivalent to air transportation in total travel time.

Reimbursement for the cost of Pullman Roomette accommodation is allowed. If more expensive accommodations are used, the traveler must justify the expense in a written explanation submitted with the Travel Expense Claim. If accommodations are included in the rail fare (e.g., Pullman Roomette accommodation), lodging expenses shall not be reimbursed for each night that such accommodations are used. Roomette accommodations, lodging expenses shall not be reimbursed for each night that such accommodations are used.

L. Other Forms of Transportation

1. Local Public Transportation, Shuttle Service, and Taxis

Local public transportation fares (e.g., buses, subway, streetcars) shall be allowed. The cost of shuttle service (including airport car service, if appropriate) to and from an airport or railroad station, plus reasonable tips, is allowable to the extent such service is not included in air or rail fares. Taxi fares and other ride-hailing services, including tips, shall be allowed when the use of public transportation or airport shuttle service is impractical or not available. The cost must be reasonable in relation to personal car use costs,

including parking, tolls, etc.

2. Motorcycles

Motorcycles, except those of University police department employees on motorcycle assignment, shall not be authorized for use on official University business, nor shall any reimbursement be made for the use of such vehicles.

M. Subsistence Expenses

Subsistence expenses incurred while on travel status consist of charges for lodging, and M&IE. For purposes of determining the applicability of this section, an official University business trip begins upon leaving the traveler's residence or normal work location, whichever occurs last and ends upon returning to the traveler's residence or normal work location, whichever occurs first. Subsistence expenses for travel within 25 miles of an employee's normal work location or residence shall not be reimbursed.

No expenses for M&IE will be reimbursed for travel of less than 12 hours except under the circumstances listed below in [Subsistence Expenses: Meals & Incidental Expenses \(M&IE\): Less than 24 Hours Travel](#)

1. Lodging

Travelers may secure lodging when traveling on business more than 25 miles one way, from their normal work location or home whichever is closer. The nightly lodging rate for domestic travel based on actual expense incurred may not exceed \$333 per night, excluding taxes and other related charges. University employees are always expected to seek the best value whenever they obtain lodging.

Lodging expenses must be substantiated with a receipt. If the traveler is unable to provide a required receipt, they must include a statement with the Travel Expense Claim explaining why a receipt is not available.

A traveler who attends an approved conference where the prearranged conference lodging rate exceeds the \$333 per night limit may stay at the conference hotel without additional approval.

See [Travel to Alaska, Hawaii, or the US Possessions](#) and [International Travel](#) for lodging outside the contiguous US.

a. California City and County Transient Occupancy Taxes Exemption

In some California cities and counties, employees traveling on official business are granted an exemption from the payment of occupancy taxes imposed by these cities or counties on the transient rental of rooms.

Travelers should identify themselves as University employee and claim exemption from the tax upon arrival. The traveler may be required to complete an exemption certificate, [STD 236: Hotel/Motel Transient Occupancy Tax Waiver \(Exemption Certificate for State Agencies\)](#), or an adapted version of the form. The option to grant the exemption is at the discretion of the hotel.

b. Use of Non-Commercial Facilities

When non-commercial facilities such as cabins, house trailers, vans, field camping equipment, or other such facilities are used, the traveler shall be paid for actual expenses incurred (e.g., fees for connection, use, and disconnection of utilities, electricity, gas, water and sewage, bath or shower fees, and dumping fees) as

lodging expense up to the maximum daily limit.

c. Lodging With a Friend or Relative

When a traveler lodges with a friend or relative while on official business for the University, a noncash gift, such as flowers, groceries, or a restaurant meal, may be provided to the host. The type of gift provided should be in compliance with the use rules surrounding the funds used for reimbursement. The actual cost of such a gift may be reimbursed up to \$75.

Only one reimbursable gift per stay may be provided to a host.

2. Meals & Incidental Expenses

The reimbursement of daily M&IE for travel is a per diem allowance as set forth in [Appendix E: M&IE Reimbursement Limits](#). Travelers are eligible for 75% of the total per diem rate on the first and last day of travel. Expenses above the per diem rate will not be paid and are the responsibility of the traveler.

d. Meals Provided Without Charge

When meal expenses are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge (e.g. conferences, professional meetings, etc.), the maximum M&IE per diem rate authorized for travel must be adjusted.

If a meal is provided, the daily per diem amount must be reduced by the applicable meal amounts for the meal provided. See [Appendix G: Meals Provided as Part of Event](#). Situations that may require an adjustment include, but are not limited to, the following:

- Meals furnished as part of a conference or professional meeting;
- Meals are furnished as part of official University entertainment (see [Hospitality Policy](#));
- Meal expenses are included in the event registration fee; or
- Group expenses are billed directly to the University.

In the event the traveler must forego the provided meal for health or business reasons, an explanation for the purchase of the meal replacement must accompany the Travel Expense Claim. Supporting documentation may be required and payment will be at the applicable per diem amount.

The method provided in [Appendix H: M&IE Per Diem Rate for Travel Involving Multiple Locations](#) may be used to determine the appropriate per diem when travel to more than one location occurs. This method may not be used if an alternative method is contractually mandated by the funding source.

e. Hospitality Meals

Expenses for meals incurred by employees who provided hospitality while on travel status are reimbursable in accordance with the [Hospitality Policy](#) and are subject to the campus limitations.

3. Travel of Less Than 24 Hours

Meals for travel of less than 24 hours will not be reimbursed under the Travel Policy. Exception, an overnight stay when providing an itemized lodging receipt is eligible for 75% of the location-based per diem rate.

The [IRS Fringe Benefit Guide](#) states that in order for the reimbursement of M&IE to be excludable from a traveler's income, the individual must be "away from home" in the pursuit of business on a temporary basis. Merely working overtime or at a great distance from an employee's residence does not create excludable reimbursements for travel expenses if the employee returns home without spending the night or stopping for substantial "sleep or rest."

When the entire length of a trip is less than 24 hours, M&IE shall not be reimbursed unless the traveler is away from home overnight as supported by a lodging receipt. If the traveler is unable to provide a lodging receipt, a statement must be included with the Travel Expense Claim explaining why a receipt is not available (e.g., the traveler lodged with a friend or relative, stayed overnight at the airport, or took alternative transportation that required the traveler to be away overnight). The overnight stay requirement does not apply to meal reimbursements authorized under the [Hospitality Policy](#).

For a trip of less than 24 hours that includes an overnight stay, reimbursement shall be authorized for 75% of the total per diem rate for M&IE. The maximum amount for a single day shall be authorized for the entire trip, even if the trip takes place over two consecutive workdays.

M&IE associated with trips without an overnight stay will be reported to the Payroll Office and reported to the IRS as taxable income, subject to withholding.

4. Payment of Group Subsistence Expenses

The University may negotiate agreements with restaurants, hotels, and similar establishments to furnish subsistence to a group or groups of University employees when it is to the University's advantage.

Under such an agreement, the vendor may be paid either by the group leader or by billing the University. Group travelers may claim reimbursement of such expenses as follows:

- Group leaders who pay all or part of the group's expenses may be reimbursed by submitting a claim for the actual expenses incurred. The claim must be accompanied by the vendor's invoice/ receipt showing payment in full.
- Members of a group who have some portion of their subsistence expenses paid by the group leader may claim reimbursement for the remainder of their subsistence expenses.

When negotiated agreements are not feasible or where a university-issued charge card cannot be used, similar to the [Athletic Group Travel](#) policy, the University may issue Instant Cards to Faculty and/or Staff to pay for student meals related to group student travel, work with Contracts & Procurement team to obtain. Funds distributed to students by the group leader must be acknowledged in writing by the students at the time of receipt and this acknowledgement must be attached to the travel claim filed by the recipient (group leader) for the Instant Card funds. This acknowledgement will also serve as substantiation of the expenditure, in lieu of actual receipts. The cash distribution is to the students only and does not apply to those individuals employed by the University.

N. Miscellaneous and Business Related Travel Expenses

Miscellaneous and business related travel expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of the trip. The Travel Expense Claim must include an explanation of why expenses are being claimed. These expenses are not part of M&IE allowance and require substantiation in the form of itemized receipts to be excluded as taxable income.

1. Registration/Event Fees

These include fees for attendance at conferences, conventions, or meetings of professional or learned societies.

2. Lodging Taxes

Lodging taxes, which are excluded in the maximum limit of lodging cost are reimbursable to the traveler limited to the taxes on reimbursable lodging cost. Payment of actual lodging taxes as miscellaneous travel expense is applicable for travel to contiguous US and to Alaska, Hawaii, and the US Possessions. For international travel, lodging taxes have not been removed from foreign per diem rates established by the Department of State. Separate claim for lodging taxes incurred in foreign areas are not allowed.

3. Tips and Gratuities

Tips paid for taxi, shuttle service, courtesy transportation driver, or valet parking attendant (when self-park is not available) will be reimbursed based on reasonable and customary gratuities (generally up to 20% of the total bill). However, tips for meals, hotel staff, porters, and baggage carriers are included in the M&IE per diem rates and will not be reimbursed separately. See Appendix C: Reporting Tips and Gratuities.

4. Business Related Travel Expense

Business related expenses include: internet and travel booking fees; word processing services; equipment rentals; fax and computer expenses; copy services; overnight delivery/postage; purchase of materials and supplies, when normal purchasing procedures cannot be followed; rental of a room or other facility for the transaction of official business; local and long-distance telephone calls; and laundering, cleaning, or pressing of clothing if a trip exceeds six days.

O. Non-Reimbursable Expenses

This section identifies various expenses not addressed elsewhere in this policy that are not permitted using University funds. Non-reimbursable expenditures can be characterized as those with a personal purpose and will not be reimbursed by the University. Per California Government Code § 8314 (b)(1), "Personal purpose' means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business."

The following non-reimbursable expenditures are only meant to provide examples of expenses that will not be reimbursed by the University. Such expenses include but are not limited to personal domestic ATM/credit card fees; fines/citations; clothing and accessories; frequent traveler program participation and points; account fees or deposits for FastTrack (or equivalent) that are not related to individual toll charges; club membership fees; luggage (lost luggage may be covered, see [Personal Property](#) or [Baggage Loss](#)); personal entertainment; personal care; and dependent/pet care.

P. Special Travel Situations

1. Employee Travelers

Travelers in this category include faculty members on sabbatical leave, school site teacher candidate supervisors, athletic coaches, visiting academic appointees, post-doctorates, if employed by the university, and employees on temporary assignments. Travel expenses for these travelers must be paid, reimbursed, and reported in accordance with the travel policy and procedures.

a. *Faculty Member on Sabbatical Leave*

Travel expenses incurred by faculty members on sabbatical leave are reimbursable if the travel is undertaken to perform study or research that cannot be done elsewhere. At the discretion of the department, a faculty member may be reimbursed for additional lodging expenses incurred at the sabbatical location, less any income received for renting out the individual's primary residence.

Sabbatical travel expenses are not reimbursable if the travel is for a personal, recreational, or educational purpose that has no direct relationship to the individual's area of study.

A faculty member who is on sabbatical leave of less than one year is considered to be temporarily away from home and therefore may be reimbursed for reasonable travel expenses incurred at the temporary location, including M&IE, and

lodging. See [Travel Within the Contiguous US — 30 Days or More](#), [Travel to Alaska, Hawaii or the U.S. Possessions: 30 Days or More Travel](#), and [International Travel: 30 Days or More Travel](#), accordingly.

Any sabbatical travel expenses allocable to a spouse or registered domestic partner are considered taxable, and such expenses may not be reimbursed. See [Non-Employee Travelers: Spouse or Registered Domestic Partner](#).

b. *School Site Teacher Candidate Supervisors*

In their roles as School Site Teacher Candidate Supervisors, faculty will be reimbursed in accordance with the Memorandum of Understanding between the California Faculty Association and California State University.

This Memorandum may be found at <https://www.calstate.edu/csu-system/faculty-staff/labor-and-employee-relations>

c. *Athletic Coaches*

Travel expenses incurred by Athletic Department personnel, including coaches, for the purpose of recruiting will be reimbursed in accordance with the policy and procedures. These employees are responsible for compliance with the pertinent National Collegiate Athletic Association (NCAA) and conference rules regarding student recruits.

d. *Visiting Academic Appointees*

An academic appointee with a visiting title who is employed on a full time, temporary basis may be reimbursed for travel and related expenses incurred by reason of appointment. The amount of any authorized advance may not exceed the actual cost of transportation (which may be prepaid) plus 80% of the anticipated allowable subsistence and miscellaneous expenses. After completion of the term of appointment, reimbursement may be made for return travel to the point of origin or another destination, whichever is shorter.

e. *Post-Doctorates*

Post-doctoral fellows, if employed by the University, may be reimbursed for travel expenses if there is a University business related reason for the travel (e.g., the individual is required to present a paper, deliver a speech or lecture, serve on a panel, etc.), as an official representative of the University. The department should substantiate the University business purpose or provide other documentation, such as a copy of the meeting/conference program on the Travel Expense Claim.

Such individuals may also be reimbursed for travel related to their training (e.g., to visit a field site or an off-campus laboratory). The department must certify that the travel directly supports faculty research or other scholarly programs.

Travel funded under a scholarship or fellowship is subject to IRS reporting as set forth in [IRS Revenue Code, Title 26, §117: Qualified Scholarships](#) and [IRS Revenue Code, Title 26, §162: Trade or Business Expenses](#). See [IRS Publication 970: Tax Benefits for Education](#).

f. *Temporary Work Assignments*

Temporary work assignments given that take employees away from their normal work location for a period of time not expected to exceed one year may be reimbursed for travel expenses, including M&IE, and lodging.

Individuals must incur lodging expenses that duplicate the expenses of a permanent residence in another location and satisfy one of the following criteria:

1. The traveler has a family member or members currently residing at the permanent home; or

2. The traveler intends to return to the vicinity where claimed residence is located.

The reimbursement for lodging shall be reduced by any amount received for renting out the primary residence by the traveler.

Expenses to be reimbursed for temporary assignments are subject to the reporting and substantiation rules outlined in this policy and related procedures, including for those extended length of stay, depending on the location. See [Travel Within the Contiguous US — 30 Days or More](#), [Travel to Alaska, Hawaii or the U.S. Possessions: 30 Days or More Travel](#), and [International Travel: 30 Days or More Travel](#), accordingly.

2. Nonemployee Travelers

Travelers in this category include prospective employees, independent contractors and consultants, students and non-degree candidates, volunteers, foreign visiting scholars.

STD. 204 Payee Data Record for each nonemployee traveler is required to be on file with the University prior to making a payment. This is required by California Revenue and Taxation Code, Section 18646 to facilitate tax compliance and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a).

It is mandatory for vendors to furnish the information requested. Federal law requires that payments for which the requested information is not provided may be subject to federal withholding.

Allowable travel expenses for nonemployee travelers are subject to the provisions of the travel policy and related procedures. A Travel Expense Claim must be submitted for a nonemployee traveler in accordance with the requirements set forth in [Reporting Travel Expenses](#).

3. Prospective Employees

The University may reimburse the actual travel expenses related to interviewing prospective employees, when such expenses are necessary to acquire key personnel for employment at the University. Authorization shall be obtained before any commitment to reimburse travel expenses is made to the prospective employee.

Reimbursement of allowable expenses is not reportable and taxable, if the expenses are properly substantiated. In addition, at the executive vice chancellor/chief financial officer or president's discretion, actual travel expenses may be reimbursed for spouses or registered domestic partner who accompany candidates for faculty or high-level administrative positions, including manager and senior professional positions, on final interviews.

Actual transportation expenses shall not exceed one round-trip coach airfare between the prospective employee's current residence and the interview location for each round of interviews. Subsistence and miscellaneous and business related travel expenses may also be reimbursed. Transportation and lodging expenses for such individuals may be paid directly by the University. The department through the campus' designated travel agency should make such travel arrangements.

4. Independent Contractors and Consultants

Reasonable travel expenses incurred by University-retained independent contractors or consultants are reimbursable in accordance with these procedures. Such reimbursements are not taxable, provided the amounts claimed are properly substantiated. Unsubstantiated amounts must be reported as income to the contractor, on the appropriate IRS

document (e.g. Form 1099-NEC Nonemployee Compensation, Form 1042-S Foreign Person's U.S. Source Income Subject to Withholding, etc.).

5. Students and Non-Degree Candidates

A student may be reimbursed for travel expenses when there is a direct connection between the expense and the business purposes of the University. Refer to the [California State University Student Travel Policy](#) for the Release of Liability, Promise Not to Sue, Assumption of Risk and Agreement to Pay Claims requirement. The business purpose of the travel must be substantiated on the Travel Expense Claim, or other substantiating documentation must be provided, such as a copy of the meeting/conference program.

Travel will be considered to have a University business purpose if the travel:

- Directly supports a faculty member's project or research program;
- Is an integral part of the student's degree work, (e.g. attend a conference; visit a field site or laboratory facility);
- Is required for attendance at student-oriented meetings, student government events, University athletic events by student athletes, and the like;
- Enables the student to attend a conference to present research findings for the University or to act in some other capacity on behalf of the University.

Transportation expenses for group travelers may be billed directly to the University, in accordance with [Payment of Group Subsistence Expenses](#). Travel arrangements should be made through the campus designated travel agency.

Student athletes who participate in off-site athletic events are also subject to NCAA rules and regulations governing travel. Refer to CSU Policy [Intercollegiate Athletics Administration](#) and [Athletic Group Travel](#) for additional information.

6. Volunteers

Volunteers who are performing services on behalf of the University may be reimbursed for actual travel expenses provided the expenses are properly substantiated. If the reimbursement does not exceed the substantiated expenses, such payments are not subject to withholding or reporting.

7. Witnesses

The University may reimburse the actual travel expenses related to interviewing witnesses or other parties involved in litigation matters, when such expenses are necessary to acquire key information for legal purposes. Authorization shall be obtained before any commitment to reimburse travel expenses is made.

8. Foreign Visiting Scholars

A foreign visiting scholar who is an *employee of another entity* (e.g., a foreign university) may be reimbursed for substantiated travel expenses. Such amounts are excludable from the individual's income, are not reported as compensation, and are exempt from withholding and payment of employment taxes.

A foreign visiting scholar who is an *independent contractor* may be reimbursed for travel expenses provided the expenses are properly substantiated and the amount of the reimbursement does not exceed the substantiated expenses. If these requirements are met, such payments are not subject to withholding or reporting.

Payments to foreign visitors, including advances for airfare, travel advances, and reimbursements for travel expenses, may be restricted by the visitor's visa status or other requirements established by the Department of Homeland Security (DHS). In most cases, additional documentation must be provided by the visitor in advance of reimbursement. Refer to the campus Tax Compliance Office for more information.

9. Spouse or Registered Domestic Partner Travel

Travel expenses of a spouse or registered domestic partner who accompanies a University business traveler (e.g., the chancellor, provost, executive vice chancellor, presidents, vice presidents, principal officers of the trustees, or other employees as approved by the chancellor or president) are reimbursable under these procedures, provided it can be established that the significant other's presence serves a bona fide University business purpose. **Reimbursements are to be requested via CSUF auxiliary.**

Under IRS regulations, the travel expenses of a spouse or registered domestic partner are not taxable, provided it can be established that their presence serves a bona fide business purpose. A spouse or registered domestic partner who attends a function is considered to have a business purpose if they have a significant role in the proceedings or makes an important contribution to the success of an event.

Generally, protocol or tradition dictates when the participation of a high level official's spouse or registered domestic partner is required at official University functions, such as alumni gatherings, fundraising or ceremonial activities, certain athletic events (see below), and community events. Documentation should be provided with the Travel Expense Claim to show that the spouse or registered domestic partner's attendance at the function meets the above conditions (e.g., an event or meeting agenda, or a letter of invitation requesting that the spouse or registered domestic partner attend the meeting or event).

If a spouse or registered domestic partner has no significant role in the proceedings, or performs only incidental duties of a social or clerical nature, attendance does not constitute a bona fide business purpose. Such expenses are taxable to the employee and therefore may not be reimbursed under this policy.

10. Athletic Travel – Spouse/Domestic Partner and Other Family Members

Travel by a spouse or registered domestic partner who accompanies an athletic director (or assistant director or head coach) to sporting events such as bowl games and tournaments is presumed to have a bona fide University business purpose in situations where the NCAA or potential donors expect that certain high ranking members of the athletic department, and their spouses or registered domestic partners, will participate in events associated with these athletic activities.

The travel expenses of a spouse or registered domestic partner incurred in the pursuit of such activities may be reimbursed provided documentation, such as an NCAA event agenda, is provided to substantiate the business purpose of the travel. Such amounts are not taxable or subject to reporting.

Travel expenses incurred by other family members generally do not satisfy the bona fide University business purpose test and therefore are not reimbursable.

Q. Travel Related Insurance

a. Employees

All University employees, including those engaged by the University in connection with research grants and contracts, are routinely covered 24 hours a day, worldwide, against accidental death or dismemberment while on an official University business trip or while engaged in designated extra-hazardous activities on behalf of the University.

In addition, all University employees are provided with workers' compensation coverage for work related injury or illness that occurs during a University approved and funded business trip.

Employees who travel internationally on University business are required to use the Foreign Travel Insurance Program (FTIP) provided by the California State University Risk Management Authority (CSURMA). Refer to the information under International Travel Resources located at: http://www.calstate.edu/risk_management/rm/ or contact CSUF Risk Management Office.

For insurance coverage purposes, an official University business trip begins upon leaving the traveler's residence or normal work location, whichever occurs last, and ends upon returning to the traveler's residence or normal work location, whichever occurs first.

Refer to the following web site for information on University insurance coverage for employees:

http://www.calstate.edu/risk_management/rm/. Specific questions should be directed to CSUF Risk Management Office.

b. Rental Vehicles

Travelers are expected to use rental agencies with which the State of California or the University has negotiated contracts that include insurance coverage. The following rules apply to insurance coverage for rental cars:

1. For contract rental vehicles used in the contiguous United States, charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).
2. Additional charges for insurance coverage will not be reimbursed if a non-contract agency is used, unless no car rental company in the area has such an agreement with the University.
3. The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions, and foreign countries, is allowable.
4. A vehicle rented from an agency with which the University has an agreement is not covered by insurance when it is being used for a personal day of travel.

Some rental car agreements contain special coverage provisions that differ from the general coverage rules detailed above. For additional information on rental car insurance coverage, see: <http://www.dgs.ca.gov/orim/Home.aspx>. The campus Risk Management Office should be contacted for information on campus-specific contracts or insurance coverage.

A University traveler may be reimbursed for property damage to a rental vehicle only if such expenses were incurred on days the vehicle was being used for University business purposes. The amount reimbursed may be charged to the traveler's department, the department sponsoring the traveler, or to an account designated by the executive vice chancellor/chief financial officer or president, as appropriate.

The traveler shall submit with the Travel Expense Claim a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

c. Private Vehicles

An employee who regularly uses a private vehicle on University business is required to have and provide upon request satisfactory evidence of liability insurance coverage. Regular use on University or State business is defined as being equal to or greater than once a month or equal to or greater than 12 times annually.

When private vehicles are used on University business, the Risk Management Office is responsible for requiring that employees have adequate liability insurance coverage. The minimum prescribed liability insurance coverage is as follows:

- \$15,000 for personal injury to, or death of, one person;
- \$30,000 for injury to, or death of, two or more persons in one accident; and
- \$5,000 for property damage.

When a privately owned vehicle operated by an employee is damaged by collision or receives other accidental damage, reasonable reimbursement for repairs incurred by the employee shall be allowed under the following conditions:

- The damage occurred while the vehicle was being used on University business with the authorization of the employing University;
- The vehicle was damaged through no fault of the employee;
- The amount claimed is an actual loss to the employee, which is not recoverable either directly from or through the insurance coverage of any of the parties involved in the accident;
- The amount of the loss claimed does not result from a decision of an employee not to maintain collision coverage;
- The claim is processed in accordance with prescribed procedures.

Expenses that can be recouped from insurance are not eligible for reimbursement. The amount reimbursed shall be based on receipts submitted by the employee to the individual who approved the travel. See [Use of University & Private Vehicles Guidelines](#) for additional guidelines.

d. Privately Owned Aircraft, Boats, Motorcycles

Traveler must obtain prior approval and is required to provide evidence of personal liability insurance if using privately owned aircraft or boats for the purpose of conducting University business.

When private aircraft are used on University business, the appropriate campus officials are responsible for requiring that employees have adequate Bodily Injury, Property Damage, and Passenger Liability insurance coverage. The minimum prescribed liability insurance coverage is as follows:

- A. Fixed Wing General Aviation Aircraft. Maximum seating capacity of 6. Aircraft Liability Insurance with \$10,000,000 Combined Single Limit per occurrence.
- B. Rotor Wing General Aviation Aircraft with crew. Maximum seating capacity of 6. Aircraft Liability Insurance with \$10,000,000 Combined Single Limit per occurrence.
- C. Fixed Wing General Aviation Aircraft with or without crew. Maximum seating capacity of 20 but not less than 7. Aircraft Liability Insurance with \$50,000,000 Combined Single Limit per occurrence.

Motorcycle use is not allowed.

e. Personal Property or Baggage Loss

If an employee incurs a loss to personal belongings, the first common carrier is typically responsible for reimbursement of losses, and the employee should file an appropriate claim as instructed by the common carrier.

If the common carrier does not provide full reimbursement to the employee for personal effects, then an “equity claim” may be filed with the University Risk Management/Insurance officer. Documentation to substantiate the claim is required. The claim form may be found at: http://www.calstate.edu/risk_management/claims/

f. Emergencies

In case of emergencies while on travel status, the traveler should first contact emergency responders at their location. The traveler’s appropriate administrator and Risk Management Office should be informed as soon as possible. Risk Management can be reached at (657)278-7346 to report an accident, leave a message.

Employees covered by the CSU Group Life insurance plan through Standard Insurance Company are also covered by the MEDEX Travel Assist program when traveling at least 100 miles from home or in a foreign country. For more information, see your Payroll/Benefits office. Additional information about coverage can be found at:

http://www.calstate.edu/Benefits/life_add/basic.page.shtml.

R. Travel Within the Contiguous United States–30 Days or More

A long-term daily expense rate shall be authorized when a traveler can reasonably be expected to incur expenses in one location comparable to those arising from the use of establishments catering to long-term visitors, and when the traveler is expected to be in one location for 30 or more consecutive days but not in excess of one year.

For travel assignments of 30 days or more within the contiguous US, an authorized per diem allowance for lodging (excluding taxes), and M&IE should be determined by the authorized approver based on an estimate of actual daily expenses. Actual costs paid for lodging taxes, which are not included in the published per diem rates, may be reimbursed as a miscellaneous expense.

The agreed upon rate for payment shall not exceed the maximum applicable federal per diem rate for the destination as published by the [General Services Administration](#).

The daily expense rate is computed by dividing the monthly lodging costs plus an appropriate amount for M&IE (determined by estimating actual expenses), by the number of days of occupancy in the rental period. Receipts are not required for M&IE when applying the daily expense rate.

The following recurring expenses may be considered part of the lodging cost when a traveler rents a room, apartment, house, or other lodging on a long-term basis:

- Rental cost of a furnished dwelling;
- Utilities;
- Monthly base telephone charges.

S. Indefinite Travel–Assignments That Exceed One Year

Under the IRS one year rule, travel away from home that lasts more than one year in a single work location is considered indefinite. Any related travel expenses reimbursed during that period must be treated as taxable income subject to withholding.

Accordingly, for an employee whose indefinite assignment requires a change of residence in order to undertake an assignment, who plans to return at the end of the assignment, and who expects to remain in a single location for more than one year, subsistence expense reimbursement shall be treated as follows:

1. The entire reimbursement, effective as of the first day of the traveler's assignment, shall be included in the employee's gross income subject to withholding;
2. The subsistence reimbursement must be paid through payroll as additional income subject to withholding;
3. The reimbursement for such assignments shall be limited to two years. An exception may be granted by the president to extend the reimbursement for a longer period of time; and
4. The cost of moving the employee to and from the location of the indefinite assignment shall be reimbursed in accordance with University policy CSU Internal Procedures Governing Payment or Reimbursement for Moving and Relocation Expenses.

To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for subsistence expenses may be increased up to 150% of the per diem rate that has been negotiated for domestic travel of 30 days or more.

A separate calculation of the amount of the increase must be made for each employee, taking into account each employee's additional federal and state income tax liability, including liability for employment taxes. The formula provided by the IRS for grossing up payments to cover an employee's tax liability should be used to calculate the increase. See [Appendix I: IRS Tax Gross Up Formula](#) for examples.

Under IRS regulations, the following situations also are considered indefinite assignments:

1. **Indefinite Assignment Ends Prematurely.** An indefinite assignment that is realistically expected to last more than one year shall be considered indefinite regardless of whether it actually exceeds one year. Thus, any amounts withheld in connection with the employee's travel expense reimbursements would not be refundable if the assignment ends prematurely.
2. **Temporary Assignment Extended.** If a temporary assignment is realistically expected to last for one year or less, but at some later date is extended to exceed one year, then the assignment shall be treated as temporary until the date the employee's realistic expectations change. Thus, travel expense reimbursements would not be taxable for the period of the assignment that was expected to be temporary. Travel expenses reimbursed thereafter must be included in the employee's income subject to withholding.
3. **Indefinite Assignment Interrupted by Trips to Former Residence or to Normal work location.** An indefinite assignment that is interrupted by occasional trips to the employee's former residence or normal work location shall be subject to the one-year rule. Such return trips do not change the tax status of an indefinite assignment.

T. Travel to Alaska, Hawaii or the U.S. Possessions

a. Assignments of Less Than 30 Days

Costs are generally higher in areas outside the 48 contiguous US, including domestic areas such as Alaska, Hawaii and US possessions. Travelers to these areas will receive a fixed amount per diem for M&IE based on the federal per diem rate for the destination of travel established by the [Department of Defense, Per Diem, Travel and Transportation Allowance Committee \(PDTATAC\)](#), updated at least once a year. These rates are recognized by the IRS and are in effect on the date of travel.

Lodging shall be reimbursed based on actual costs incurred as supported by an original itemized receipt up to the maximum daily lodging rate set forth in [Appendix D: Lodging Limits](#).

b. Travel Less Than 24 Hours

When the entire length of a trip is less than 24 hours, M&IE shall not be reimbursed unless the traveler is away from home overnight as supported by a lodging receipt. If the traveler is unable to provide a lodging receipt, a statement must be included with the Travel Expense Claim explaining why a receipt is not available (e.g., the traveler lodged with a friend or relative, stayed overnight at the airport, or took alternative transportation that required the traveler to be away overnight). See [Subsistence Expenses: Meals and Incidental Expenses \(M&IE\): Less than 24 Hours Travel](#).

c. Assignments of 30 Days or More

The per diem allowance for travel assignments of 30 days or more within Alaska, Hawaii and US possessions should be determined by the traveler's management based on an estimate of actual daily expenses. See [Travel within the Contiguous United States — 30 Days or More](#) for instructions on calculating the daily expense rate.

The rate for payment shall not exceed the maximum non-foreign locality per diem rate applicable for the destination. The traveler is expected to seek long-term accommodations when staying in one location for 30 or more consecutive days but less than one year.

Actual costs paid for lodging taxes, which are not included in the published per diem rates, may be reimbursed as a miscellaneous expense.

d. Indefinite Travel – Assignments that Exceed One Year

Under the IRS one year rule, travel away from home that lasts more than one year in a single work location is considered indefinite. Any related travel expenses paid during that period must be treated as taxable income subject to withholding. See [Travel Within the Contiguous US - Assignments of 30 Days or More: Indefinite Travel — Assignments that Exceed One Year](#), for procedures similar for travel to Alaska, Hawaii, or the US Possessions.

e. Adjustment of Per Diem Rates

When lodging or meals incurred for travel in Alaska, Hawaii, or the US Possessions are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the maximum per diem rate authorized for travel must be adjusted.

When lodging is provided without charge, only the M&IE portion of the maximum per diem will be reimbursed. If a meal is provided, the M&IE rate must be reduced by the applicable meal amounts for the meal provided. See [Subsistence](#)

Expenses: Meals & Incidental Expenses (M&IE): Meals Provided Without Charge for more information. See also Appendix G: Meals Provided as Part of Event for example.

See [Payment of Group Subsistence Expenses](#) for more information on claiming group expenses.

U. International Travel

Employees planning to travel to foreign destinations must request approval from their campus president, or their designee prior to making any travel arrangements and should contact the campus Risk Management Office for guidance. Travel to countries on the US Department of State, Bureau of Consular Affairs Current Travel Warning List or those deemed high hazard risk requires approval from the Office of the Chancellor.

CSUF has the authority to approve travel to high hazard areas, countries on the US Department of State Travel Warning List, and the CSURMA High Hazard Country List. Such requests must be approved by the president and can only be delegated on occasions wherein the president is not on campus. President travel to high hazard areas will continue to be approved by the chancellor or designee. Employees must refer to the Office of the Chancellor for approval for travel to countries designated as “war risk” by the Foreign Travel Insurance Program (FTIP) underwriters. Refer to the information provided by System wide Risk Management under International Travel Resources located at:

http://www.calstate.edu/risk_management/rm/

a. Less Than 30 Days Travel

Travelers to foreign destinations will receive a fixed amount per diem for lodging, and M&IE in accordance with the federal per diem rate for the destination of travel established by the [Department of State](#), updated monthly. Receipts will not be required for reimbursement.

If actual expenses are claimed due to special or unusual circumstances, the traveler must document such circumstances by submitting a written explanation with the Travel Expense Claim. The amount reimbursed,

however, may not exceed 300% of the applicable federal rate established for the location of travel. The reimbursement of actual expenses must be supported by receipts, as specified in [Reporting Travel Expenses: Completion of a Travel Expense Claim: Documentation Requirements](#).

Following are some examples of special or unusual circumstances that warrant reimbursement of actual expenses:

1. A traveler is required to attend a meeting or conference where meals and lodging must be obtained at a prearranged place, and lodging consumes all or most of the applicable maximum per diem allowance;
2. The travel is to an area where the per diem is normally adequate, but subsistence costs have temporarily increased because of a special event or function, e.g., a national or international sports event; or
3. Due to the situation described above, affordable lodging is not available within a reasonable commuting distance of the employee’s meeting or conference and transportation costs to commute to and from the less expensive lodging facility consume most or all of the savings achieved from occupying less expensive lodging.

b. Travel Less Than 24 Hours

When the entire length of a trip is less than 24 hours, M&IE will not be reimbursed unless the traveler is away from home overnight, and lodging is supported by a receipt not to exceed the maximum per diem rate. If the traveler is unable to provide a lodging receipt, a statement must be included with the Travel Expense Claim explaining why a receipt is not available (e.g., the traveler lodged with a friend or relative, stayed overnight at the airport, or took alternative transportation that required the traveler to be away overnight). See [Subsistence Expenses: Meals & Incidental Expenses \(M&IE\): Less than 24 Hours Travel](#).

c. Assignments of 30 Days or More

The per diem allowance for travel assignments of 30 days or more for international travel should be determined by the traveler's management based on an estimate of actual daily expenses. [Travel within the Contiguous United States — 30 Days or More](#) for instructions on calculating the daily expense rate.

The rate for payment shall not exceed the maximum per diem rate applicable for the destination location. The traveler is expected to seek long-term accommodations when staying in one location for 30 or more consecutive days but less than one year.

Actual costs paid for lodging taxes are included in the published per diem rates. Separate claim for lodging taxes incurred in foreign areas are not allowed.

d. Indefinite Assignments That Exceed One Year

The rules for domestic indefinite travel set forth in [Travel Within the Contiguous US - Assignments of 30 Days or More: Indefinite Travel — Assignments that Exceed One Year](#), also apply to the reimbursement of travel expenses incurred in connection with indefinite international assignments of one year or more, with the following exceptions:

1. To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for subsistence expenses may be increased by up to 150% of the applicable federal per diem rate authorized for long-term travel.
2. The amount of the increase, if any, calculated for each employee must take into account the effect of the annual foreign earned income exclusion that may be available to the employee.

e. Adjustment of International Per Diem Rates

When international lodging or meals are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the maximum per diem rate authorized for international travel must be adjusted.

When lodging is provided without charge, only the M&IE portion of the maximum per diem will be reimbursed. If a meal is provided, the M&IE rate must be reduced by the applicable meal amounts for the meal provided. See [Subsistence Expenses: Meals & Incidental Expenses \(M&IE\): Meals Provided Without Charge](#) for more information. See also [Appendix G: Meals Provided as Part of Event](#) for example.

See [Payment of Group Subsistence Expenses](#) for more information on claiming group expenses.

f. Taxability of International Travel With Personal Use

The IRS allows a deduction of all travel expenses to get to and from the assignment location when the international travel is considered entirely for business. When an employee spends a portion of time on personal travel, any employer reimbursement applicable to the personal portion of the trip is taxable unless an exception applies.

The traveler's international flight cost is considered entirely for business and is nontaxable, if the traveler meet at least one of the following four exceptions:

1. No substantial control. The trip is considered entirely for business if the traveler didn't have substantial control over arranging the trip. Control over the timing of the trip doesn't by itself mean that there is substantial control over arranging the trip. The traveler don't have substantial control over the trip if the traveler is:
 - a. An employee who was reimbursed or paid a travel expense allowance; and
 - b. Not related to the employer; or
 - c. Not a managing executive. A managing executive is an employee who has the authority and responsibility, without being subject to the veto of another, to decide on the need for the business travel.
2. Outside US no more than a week. The trip is considered entirely for business if the traveler is outside the US for a week or less, combining business and nonbusiness activities. One week means 7 consecutive days. In counting the days, don't count the day the traveler leave the US, but count the day when the traveler return to the US.
3. Less than 25% of time on personal activities. The trip is considered entirely for business if the traveler:
 - a. Is outside of the US for more than a week; and
 - b. Spent less than 25% of the total time outside of the US on nonbusiness activities.
4. Vacation is not a major consideration. The trip is considered entirely for business if the traveler can establish that personal vacation wasn't a major consideration, even if there is a substantial control over arranging the trip.

If none of the four exceptions listed above applies, then an employee's international travel is primarily not for business. Only the business portion of the cost of getting to and from the destination is nontaxable. To determine the taxable portion of the round trip flight, apply the following ratio to the total cost of the flight:

$$\text{Taxable portion of the roundtrip flight cost} = \frac{\text{Number of nonbusiness days during travel outside the US}}{\text{Total number of days outside the US}} \times \text{Roundtrip flight cost}$$

When a travel day consists of both business and personal time, the day will be classified as a business day in order to determine the percentage of personal time associated with the trip.

The rules set forth in this section are limited to the cost of the transportation to and from an international destination. To determine the taxability of other travel expenses reimbursed by the employer, besides transportation, refer to the relevant part of this policy and procedures. Travel associated with sabbaticals will be treated as official University business. See [Appendix J: Taxability of International Travel with Personal Use](#) for examples.

See IRS Revenue Code, Title 26, §1.274-4 Disallowance of Certain Foreign Travel Expenses and IRS Publication 463: Travel, Gift, and Car Expenses.

g. Special Fees For International Travel

Travelers may be reimbursed for unique costs associated with international travel, such as: the actual cost of obtaining or renewing a passport, visa, tourist card, and necessary photographs; cost for certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion, ATM and check cashing fees outside the U.S.; the cost of traveler's checks; costs related to hiring guides, translators, and local labor; and the cost of full collision insurance on automobiles rented in foreign countries.

III. Laws, State Codes, Regulations, and Mandates

Internal Revenue Service (IRS)

IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits for tax reporting requirements IRS

Publication 463, Travel, Entertainment, Gift, and Car Expenses

IRS Publication 970, Tax Benefits for Education

IRS Revenue Procedure 98-25, 1998-1 CB 689, Automated Records

IRS Revenue Procedure 97-22, 1997-13IRB, Electronic Record Retention Rules IRS

Revenue Code, Title 26, Section 117, Qualified Scholarships

IRS Revenue Code, Title 26, Section 162, Trade or Business Expenses

IV. References

1. CSU Policies

Provisions for Extension and Summer Session Independent Study Programs Involving Foreign Travel Delegation of Authority; Approval of Travel Requests

Designation of Chief Financial Officer Delegation of

Fiscal Authority and Responsibility California State

University Student Travel Policy Intercollegiate

Athletics Administration

Athletic Group Travel CSU

Hospitality Policy

Accounts Receivable Management

High Hazard International Travel Approval Process and Requirement to Purchase Insurance

2. *Collective Bargaining Agreements*

Unit 1: Union of American Physicians and Dentists – UAPD

Unit 2, 5, 7 and 9: California State University Employees Union – CSUEU Unit 3:

California Faculty Association – CFA

Unit 4: Academic Professionals of California - APC Unit 6:

State Employees Trades Council – SETC

Unit 8: Statewide University Police Association - SUPA Unit

10: International Union of Operating Engineers Unit 11:

UAW - Academic Student Employees

Unit 12: SEIU – Head Start

Unit 13: English Language Program Instructors, CSU Los Angeles

3. *Per Diem Rates*

Maximum travel per diem allowances for various type of travel by location:

- For Continental US travel, rates set annually by General Services Administration;
- For Alaska, Hawaii, or the US Possessions travel, rates annually set by Department of Defense (Per Diem, Travel and Transportation Allowance Committee (PDTATAC))
- For International travel, rates set monthly by Department of State

4. *Other*

CSU Use of University & Private Vehicles Policy Guideline Conflict of

Interest Handbook

CSU Office of General Counsel University Volunteers Handbook (requires login)

California Government Code § 8314 (b)(1)

V. Authority

This policy is issued pursuant to Section II of the Standing Orders of the Board of Trustees of the California State University as further delegated by the Standing Delegations of Administrative Authority. The president may delegate

authority and responsibility described in this policy to other campus officials pursuant to Section VI of the Standing Orders of the Board of Trustees of the California State University.

VI. Appendix A-Definitions

For the purposes of these procedures, the following definitions shall apply:

Accountable Plan: A reimbursement or other expense allowance arrangement is under an accountable plan if it meets the requirements of business condition, substantiation, and returning amounts in excess of substantiated expenses. Amounts paid under an accountable plan are excluded from the employee's gross income, and are exempt from withholding and payment of employment taxes.

Administrator: The University executive vice chancellor/chief financial officer or president or University employees who have been re-delegated authority by the executive vice chancellor/chief financial officer or president to approve requests for travel.

Approving Authority: A person to whom authority has been delegated in writing to approve expenses in accordance with the University policy.

Assignment Location: A place, away from an employee's normal work location, and residence, where the employee is authorized to travel. The assignment location is a temporary location, that when the trip is completed, the traveler will return to their residence, and normal work location.

Business Purpose: A statement that adequately describes the expense as necessary, reasonable, and appropriate business expense for the University. Activities that serve a business purpose are consistent with the mission and fiduciary responsibilities of the CSU that include activities contributing to any one of the University's major functions of teaching, research, or public service. It is the primary reason the employee must incur travel related expenses.

Campus: The campus or other official University location including the Office of the Chancellor under the jurisdiction of a president or the chancellor.

Contiguous US: refers to the 48 States and the District of Columbia excluding Alaska, or Hawaii.

Daily: That which occurs on a calendar day.

Delegation of Authority: The executive vice chancellor/chief financial officer and university presidents have been delegated authority and responsibility for effective oversight of all funds held by the University.

Incidental Expenses: Fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.

Maximum Lodging Rate: The maximum amount allowed per night, excluding taxes and other related charges, for overnight sleeping facilities. Does not include accommodations on airplanes, trains, buses, or ships, which are included in the cost of transportation.

Non-Degree Candidate: Students who are not currently matriculated into a degree program.

Normal Work Location: The place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments. The employee's department determines what constitutes an individual employee's work location for the purpose of this policy and procedures consistent with the definition.

Official University Business Travel: To be considered official university business travel, at least one of the following criteria must apply:

- A trip is certified by the president or designee to be essential to University operations;
- The trip relates directly to University programs including professional development activities and objectives;
- The trip is to a meeting of a professional association or society to deliver a paper, to serve as moderator or group leader, to serve on a panel, or to fulfill obligations as an association or society officer; or
- The trip has as its primary purpose recruitment of faculty or administrative personnel.

Out of Pocket Expenses: Expenses that are incurred and paid for by the traveler using cash or other mechanism.

Per Diem: The daily subsistence allowance authorized under the federal per diem rates for a location of travel. The payment of a per diem does not require supporting receipts so long as the claim meets the other substantiation requirements including date, place, and business purpose. See [Appendix D: Lodging Limits](#) and [Appendix E: M&IE Reimbursement Limits](#) for the covered per diem for travel.

President: The chief executive officer of the campus. For the purposes of this policy and procedures, the authorities and responsibilities assigned to the president are also assigned to the executive vice chancellor/ chief financial officer; and the principal officers of the trustees.

Receipt: a written acknowledgment of money received. For substantiation of an expense, a receipt indicates what was purchased, the amount due, the form of payment and preferably a zero balance.

Registered Domestic Partner: A domestic partnership is established when persons meeting the criteria specified by Family Code §297, file a Declaration of Domestic Partnership with the Secretary of State of California or a comparable agency in another jurisdiction.

Reporting Period: the 60-day period within which a Travel Expense Claim must be submitted after it is paid or incurred. Refer to [Reporting Period](#) for more information.

Residence: the primary residence where the traveler lives, regardless of other legal or mailing addresses. However, when an employee is required to reside temporarily away from the permanent residence because of official travel away from normal work location, such residence may still be considered permanent if it is unreasonable to expect the employee to move the permanent residence to the temporary job location.

Subsistence Expenses: Expenses such as (1) lodging, including taxes and service charges; (2) meals, including taxes and tips; and (3) incidental expenses (see Incidental Expenses above).

Substantiated Expense: Generally, a traveler must be able to substantiate claimed expenses by adequate records and/or sufficient evidence corroborating the traveler's own written statement as to (1) amount, (2) time and place, (3) business purpose, and (4) name(s) for whom the expense was incurred.

Transportation Expenses: Include charges for commercial carrier fares, travel agency service fees, car and aircraft rental charges including fuel for rentals, private car mileage, emergency repair to University cars, overnight and day auto parking, bridge and toll roads, taxi and public transportation fares, and all other charges for transportation services necessary to accomplish the University business purpose of the trip.

Travel Expenses: expenses that are ordinary and necessary to accomplish the official business purpose of a trip. Refer to the following sections for a description of travel expenses eligible for reimbursement: Transportation Expenses, Subsistence Expenses, and Miscellaneous Travel Expenses.

Travel Expense Claim: A written request, supported by documentation and receipts where applicable, for reimbursement of expenses incurred in the performance of official travel.

Travel Status: the period during which a traveler is traveling on official University business.

Valid Driver’s License: A driver’s license shows that you have been given permission to drive on public roadways. Licenses are valid until the date indicated. A license is not valid if it has been suspended, cancelled or revoked.

Work Day: the work day refers to the hours an employee is scheduled for work on any one calendar day, or may consist of consecutive hours an employee is scheduled to work over two (2) consecutive calendar days when the scheduled hours cross midnight.

VII. Appendix B-Mileage Reimbursement Rates

The following mileage reimbursement rates shall be used to reimburse travelers who use an automobile loaned to the University for assignment to employees or aircraft on official University business:

- A. Automobiles employee-owned or procured, including vans: [Current IRS Standard Rate Per Mile.](#)
- B. Standard Rate for travel in connection with move or relocation: [Current IRS Standard Rate Per Mile.](#)
- C. Automobiles and vans Loaned to the University for assignment to University employee. Refer to IRS Publication 15-B, Employer’s TaxGuide to Fringe Benefits for tax reporting requirements: 23.5¢
- D. Aircraft: [Current IRS Standard Rate Per Mile.](#)

VIII. Appendix C-Reporting Tips and Gratuities

	Type of Expense	Report As
Tips given to hotel staff (such as bellhops, baggage carriers, porters, hotel housekeepers), stewards, and hotel servants in foreign countries.	Incidental Expense	Included as part of the location-based federal per diem rate for meals & incidentals.
Tips for meals.	Incidental Expense	Included as part of the location-based federal per diem rate for meals & incidentals.
Tips given to taxi, shuttle service, courtesy transportation driver, or	Transportation Expense	Actual reasonable cost incurred; included as part of transportation expense.
Tips given to valet parking attendant	Parking Expense	Actual reasonable cost incurred; included as part of parking fee.

IX. Appendix D-Lodging Limits

The following chart summarizes the maximum rates authorized for lodging incurred while on travel status:

	48 Contiguous United States	Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and US Possessions	International
Less than 24 Hours	Actual lodging not to exceed \$333/night	Actual lodging not to exceed \$333/night	Location-based federal per diem rate
Less than 30 Days	Actual lodging not to exceed \$333/night	Actual lodging not to exceed \$333/night	Location-based federal per diem rate
30 Days or More	<ul style="list-style-type: none"> Authorized per diem allowance based on estimate of actual daily expenses; Not to exceed the applicable location-based federal per diem rate 	<ul style="list-style-type: none"> Authorized per diem allowance based on estimate of actual daily expenses; Not to exceed the applicable location-based federal per diem rate 	<ul style="list-style-type: none"> Authorized per diem allowance based on estimate of actual daily expenses; Not to exceed the applicable location-based federal per diem rate
In Excess of One Year	Authorized per diem allowance up to 150% of the applicable 30 Days or More per diem rate	Authorized per diem allowance up to 150% of the applicable 30 Days or More per diem rate	Authorized per diem allowance up to 150% of the applicable 30 Days or More per diem rate

X. Appendix E-M&IE Reimbursement Limits

The following chart summarizes the maximum rates authorized for M&IE incurred while on travel status:

	48 Contiguous United States	Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and US Possessions	International
Less than 24 Hours	No reimbursement	No reimbursement	No reimbursement
Less than 24 Hours Without Overnight Stay	75% of the location-based federal per diem rate	75% of the location-based federal per diem rate	75% of the location-based federal per diem rate
Less than 30 Days	75% of the location-based federal per diem rate on the first and last day of travel. 100% of the location-based federal per diem rate on full days of travel.	75% of the location-based federal per diem rate on the first and last day of travel. 100% of the location-based federal per diem rate on full days of travel.	75% of the location-based federal per diem rate on the first and last day of travel. 100% of the location-based federal per diem rate on full days of travel.
30 Days or More	Authorized per diem allowance based on estimate of actual daily expenses. Not to exceed the applicable location-based federal per diem rate.	Authorized per diem allowance based on estimate of actual daily expenses. Not to exceed the applicable location-based federal per diem rate.	Authorized per diem allowance based on estimate of actual daily expenses. Not to exceed the applicable location-based federal per diem rate.
In Excess of One Year	Authorized per diem allowance up to 150% of the applicable 30 days or more per diem rate.	Authorized per diem allowance up to 150% of the applicable 30 days or more per diem rate.	Authorized per diem allowance up to 150% of the applicable 30 days or more per diem rate.

XI. Appendix F-Travel of Less than 24 Hours – M&IE Reimbursements

Subsistence Expenses: Meals & Incidental Expenses (M&IE): Less than 24 Hours Travel does not allow for the reimbursement of M&IE for travel of less than 24 hours unless the traveler is away from home overnight as supported by a lodging receipt or other evidence explaining why the traveler was unable to obtain a receipt. The following examples from IRS illustrate the application of the overnight rule:

Example 1: A consulting engineer works with clients in a three state area by making one day trips to each client. The traveler frequently leaves home at 6:30 a.m. and does not return until midnight. During the day, the traveler stops in a rest area for 20 minutes to refresh for the drive home. The cost of M&IE cannot be deducted on these trips because the traveler is not away from home long enough to obtain substantial sleep or rest.

Example 2: An employee is required to travel from Milwaukee to Madison to work on a project. The employee leaves home at 11:00 a.m. on Monday, with plans to return home the same day. Unable to complete the project on Monday, the employee spends the night in Madison. After completing the project the next day, the employee returns to Milwaukee by 10:30 a.m. Even though the employee had not planned to spend the night and is gone for less than 24 hours, the “away from home” rule was met because the traveler spent the night away from residence on business.

Example 3: An employee is required to travel from Dallas to Austin to work for the day. The employee leaves home at 6:30 a.m. and returns that night at 10:00 p.m. On the trip home the employee stops for dinner and rests in the car for two hours. Even though the employee has been away from home for substantially longer than her normal workday, it is not considered to be in travel status. The courts have ruled that stopping for a meal or a rest in a car does not meet the substantial “sleep or rest” rule.

Example 4: A government agency supplies office equipment to other agencies within the state. An employee drives a tractor-trailer with equipment from the warehouse in Sacramento to an agency in San Diego. After 10 hours, the employee stops and rents a room at a rest stop for a 4-hour nap before completing the round trip. Because the driver rented a room to sleep, he is considered to have met the “sleep or rest” rule.

Reimbursements for M&IE and lodging are not taxable to the employee if the accountable plan rules are met.

XII. Appendix G-Meals Provided as Part of Event

If the trip include meals that are already paid for, such as through a conference registration fee, the provided meals must be deducted from the meals & incidentals per diem rate by using the [GSA M&IE Breakdown](#). For example:

Meals & Incidentals Total	Breakfast	Lunch	Dinner	Incidental Expenses	First & Last Day of Travel
\$59.00	\$13.00	\$15.00	\$26.00	\$5.00	\$44.25

If lunch is provided as part of an event, \$15.00 must be deducted from the per diem rate for the day. \$59.00 - \$15.00 = \$44.00 is the reimbursable per diem rate for that day.

XIII. Appendix H-M&IE Per Diem Rate for Travel Involving Multiple Locations

The following guideline is used to determine M&IE per diem rate when a trip involves multiple locations:

- The traveler's per diem is based on the temporary assignment location.
- The traveler is only eligible for 75% of the per diem rate on their first and last day of travel.
- The per diem rate should be reduced when meals are provided as part of the event.

Example: A traveler will be attending a conference in New York City, New York for 3 days and afterwards to Las Vegas, Nevada for another 2-day conference. Dinner is provided on the arrival night at the New York conference. Calculation of the traveler's per diem rate is as follows:

- Locate the per diem rate for New York City, New York on the GSA website. The traveler will claim 75% of the per diem rate on the first day of travel.
- Locate the amount associated with the provided meal by using the M&IE allocation on the GSA website.
- Locate the per diem rate for Las Vegas, Nevada on the GSA website. The traveler will claim 75% of the per diem rate on the last day of travel.

	Per Diem Location	Per Diem Amount	
First Day	New York	\$23.25	$\$79 \times 75\% = \59.25 less \$36.00 (M&IE Dinner Portion)
Second Day	New York	\$79.00	M&IE for the day
Third Day	New York	\$79.00	M&IE for the day
Fourth Day	Las Vegas	\$69.00	M&IE for the day
Fifth Day	Las Vegas	\$51.75	$\$69.00 \times 75\% = \51.75
		\$302.00	Total Meals & Incidental Expenses (&IE)

XIV. Appendix I: IRS Tax Gross Up Formula

Under the IRS one-year rule, travel expense reimbursements for assignments that exceed 1 year must be treated as taxable income. To compensate for additional federal and state income including applicable employment taxes owed by an employee, the reimbursement rate may be increased up to 150% of the applicable federal per diem rate authorized for the location of travel. Refer to Subsistence Expenses for additional information.

Following are two examples of the gross up procedure for a trip of more than 1 year. In both examples, a \$91.00 daily reimbursement rate is assumed where the gross up formula is applied.

Example 1: Salary Subject to Social Security Tax

This example is based on the following assumptions:

- 15% federal income tax rate
- 5.1% California income tax rate
- 1.45% Medicare rate
- 6.2% Social Security rate

$$\text{Gross Up Amount} = \frac{\text{daily reimbursement rate}}{1 - \text{applicable tax rate}} = \frac{\$91.00}{1 - 15\% - 5.1\% - 1.45\% - 6.2\%} = \frac{\$91.00}{72.25\%}$$

The gross up amount on this example is \$125.96 or 138% of the daily reimbursement rate.

Example 2: Salary Exceeds Social Security Wage Base

This example is based on the following assumptions:

- 28% federal income tax rate
- 6.7% California income tax rate
- 1.45% Medicare rate

$$\text{Gross Up Amount} = \frac{\text{daily reimbursement rate}}{1 - \text{applicable tax rate}} = \frac{\$91.00}{1 - 28\% - 6.7\% - 1.45\%} = \frac{\$91.00}{63.85\%}$$

The gross up amount on this example is \$142.53 or 157% of the daily reimbursement rate. The maximum amount reimbursable in this example would be only up to \$136.50 or 150%.

with Personal Use

Reimbursements for international travel that have both a business and a personal component may be subject to tax. An employee's international travel will be considered entirely for business, and thus completely nontaxable, when any one of the four exception applies:

1. No substantial control;
2. Outside US no more than a week;
3. Less than 25% of time on personal activities; or
4. Vacation is not a major consideration

Five examples on international travel with personal component are provided below:

Example 1: Trip with a Taxable Event

An employee plans a personal vacation to coincide with a business conference in France. Travel to France lasts for 10 days, of which 7 days are business related and 3 days are personal; 70% of the trip is business and 30% is personal. The employee is a managing executive who does not need authorization for travel. The traveler is reimbursed for airfare and 7 days of M&IE and lodging. The other 3 days of M&IE and lodging are considered personal and are not reimbursed.

Since none of the four exceptions applies: 1. the employee exercised substantial control in arranging the trip; 2. the trip was longer than one week; 3. at least 25% of the time outside the U.S. was spent on personal activities; and 4. vacation was a major consideration in planning the trip, the employee must be taxed on 30% of the airfare, which is considered personal use under IRS regulations

Example 2: Trip with No Taxable Event Due to Exception 3

An employee travels to Switzerland for 10 days, of which 8 days are business related and 2 days are personal; 80% of the trip is business and 20% is personal. The traveler is reimbursed for airfare and 8 days of M&IE and lodging. The other 2 days of M&IE and lodging are considered personal and are not reimbursed.

The cost of airfare, even though it is reimbursed to the traveler, is not taxable since the personal component is not equal to or greater than 25% of the trip. In this example, because one of the exceptions is met, there is no need to examine the other 3 exceptions for applicability.

Example 3: Trip with No Taxable Event Due to Exception 1

An employee who is neither a managing executive of, nor related to Y Company, travels to Japan for a business conference on behalf of the company. The employee is reimbursed for the traveling expense to and from the conference location.

The trip took more than a week and the employee took advantage of the opportunity to enjoy a personal vacation which exceeded 25% of the total time on the trip. Since the employee, traveling under a reimbursement arrangement is not a managing executive of, or related to Y Company, and is not considered to have substantial control over the arranging of the business trip, the travel expenses shall be considered fully allocable to the business activity.

Example 4: Trip with no Taxable Event Due to Exception 4

A managing executive and principal shareholder of X Company, travels from New York to Italy, to attend a series of business meetings. At the conclusion of the series of meetings, which last 1 week, the employee spends one week on a personal vacation in Italy. If the employee establishes either that he did not have substantial control over arranging the trip or that a major consideration in determining to make the trip was not to provide an opportunity for taking a personal vacation, the entire travel expense to and from Italy shall be considered fully allocable to business activity.

Example 5: Trip with No Taxable Event Due to Exception 2

Employee flew from New York to Rome where business was conducted for 1 day. The next 2 days was spent sightseeing in Rome and then flew back to New York. The entire trip, including 2 days for travel en route, took 5 days.

Since the time outside the US away from home during the trip did not exceed 1 week, the entire travel expense to and from Rome shall be considered fully allocable to business activity.