

About This Policy

Effective Dates:

10-01-1990

Last Updated:

10-07-2021

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Patty Cole

Director, Travel Management Services

Scope

1. Any individual, including but not limited to faculty, staff, visiting scholars, students, and non-university personnel, seeking reimbursement of travel expenses from university or Sponsored Research funds, and any university unit seeking to use university funds to pay for travel expenses on behalf of any individual.
2. This policy also applies to anyone who approves or processes travel arrangements and expenses.
3. A unit may set more restrictive requirements. In such case, the unit is responsible for documenting, communicating, and enforcing any such requirements.

Policy Statement

1. The university may pay for or reimburse travel expenses where an individual or university unit incurs those expenses for university business and the fiscal officer or unit leader approves those expenses.
2. The university will not reimburse travelers for:
 - any expenses that will be reimbursed from another source;
 - any expenses of a personal or political nature, or
 - any expenses not actually incurred by that individual with their own personal funds.
3. Travel Management Services publishes the university's reimbursement rates for various types of expense (e.g., per diem, mileage, and shared ride transportation) at www.indiana.edu/travel.

Reason For Policy

1. The purposes of this policy are to:
 - provide guidance to individuals and university units regarding what travel expenses may be paid or reimbursed with university funds,
 - promote good stewardship of university resources, and
 - explain the relevant requirements and guidelines for travel expenses to be paid or reimbursed.
2. Travelers are strongly encouraged to procure travel services, when available, from university preferred vendors. These vendors include Designated Travel Agencies, online booking provider(s), and vehicle rental agencies. See the [Travel Management Services Website](#) for a list of preferred vendors.

Procedure

1. Reimbursement Requirements

Travelers are expected to spend university funds prudently (and in accordance with sponsor requirements when the travel is supported by a sponsored award) and to request reimbursement for all travel expenses on a timely basis. Reimbursement requirements are as follows;

- a. Reimbursement requests must be submitted via an expense report through the IU travel system and will be paid after the completion of a trip. The expense report should be submitted by either the traveler or the travelers' delegate within the travel system ("Delegate").
- b. A business purpose must be clearly identified on the expense report for each trip to validate the business need for the travel.
- c. In compliance with IU's [Accountable Plan](#), employees, students, and non-employee travelers (or their Delegates) are required to submit reimbursement requests, with required supporting documentation, within a reasonable period of time (as defined in [TSOP 9.02 Account Plan Reimbursements](#)).

2. Travel Funded by Sponsored Research Awards

- a. Travel charged to sponsored awards may be subject to specific restrictions set by the sponsor. Travel restrictions may vary between federal and non-federal sponsors.
- b. Travelers on university business funded by a federal award must comply with the requirements of both the [Uniform Guidance \(2 CFR Part 220\)](#) and are required by 49 U.S.C. 40118, commonly referred to as the "Fly America Act," to use United States air carrier service for all travel and cargo transportation services funded by the United States Government.
- c. Certain expenses (e.g., for alcohol) are "unallowable" in accordance with federal cost principles and cannot be charged to a federal award. Some expenses not allowed on a sponsored award may, however, be reimbursed by a non-sponsored fund under specific circumstances if those expenses meet the requirements under this policy for reimbursement.
- d. Questions about sponsor restrictions should be addressed to the appropriate representative in the Office of Research Administration.

3. Receipt Requirements for Out-of-Pocket Expense Substantiation

- a. The traveler (or Delegate) must submit itemized receipts along with the traveler's expense report within the travel system. Each receipt must reference the vendor name (and in the case of lodging, the vendor location), the date and amount of the transaction, and the method of payment, and must align with the nature or business purpose of the expense. The following chart sets forth the university's receipt requirements for various categories of expenses:

Airfare	Yes, regardless of amount	Receipt must show airfare segments
Lodging	Yes, regardless of amount	Receipt must be itemized
Meals – Individual Travel	No, regardless of amount	Expense paid as per diem
Meals – Student Group Travel	Yes, regardless of amount	Receipts must be itemized
Rental Vehicle	Yes, regardless of amount	Receipt must be itemized
All other travel expenses	Yes – if individual expense is \$75 or greater No – if individual expense is under \$75	If individual expense is \$75 or greater, receipt must be itemized.

- b. If a sponsored research program has more restrictive receipt requirements, the more restrictive receipt requirement will take precedence. The traveler should confirm receipt requirements with the Office of Research Administration or the sponsor.
4. **Travel Days:** For travel within the contiguous United States, an individual traveling solely on university business to one destination should only need one travel day to arrive at that destination and one travel day to return home. As such, the university will typically reimburse travel expenses for up to two travel days in total for an individual traveling for university business to one destination in the contiguous United States. If an individual has to travel to multiple locations and each location is for university business or if that individual is traveling internationally, the university may reimburse travel expenses for additional travel days where travel cannot reasonably be completed in two days.
5. **The following chart details the policies that govern travel expenditures:**

1. The university will reimburse for lodging expenses incurred for lodging that is more than thirty-five (35) miles from the metropolitan area of the employee's official workstation or residence.
 2. Lodging claims for individual travelers may not exceed the single occupancy lodging rate, or standard business room rates.
 3. Per IRS guidelines, lodging claims require an original, itemized receipt (or equivalent documentation) that displays the traveler's name, lodging location, dates of stay, and the amount paid.
 4. Miscellaneous lodging charges, such as tips, room service, movies, laundry services, meals, etc., are not reimbursable. Note: since meals are reimbursed as per diem, this expense is not reimbursed along with the lodging charge. These types of charges and fees are included in the Per Diem incidental expenses as noted below (Per Diem B).
 5. Lodging charges may be reimbursed to a single traveler when they have paid the expense on behalf of others who are traveling on the same trip/program if the following criteria are met:
 - a. The other traveler(s) is/are conducting official university business;
 - b. The name(s) of the other traveler(s) is/are included on the reimbursement document;
 - c. The itemized lodging receipt is attached to the reimbursement document.
- *NOTE: Lodging of a personal nature is not reimbursable. For example, if lodging for a family member resulted in additional lodging costs, only the employee's portion of the lodging would be eligible for reimbursement.

1. Per Diem rates are established by the General Services Administration (for the lower 48 Continental U.S.), the State Department (for international rates), and the Department of Defense (for non-foreign rates, which include Alaska, Hawaii and all U.S. territories).
2. Per Diem rates include incidental expenses (service tips, maps, ATM fees, etc.); therefore, these expenditures are not reimbursed separately.
3. The first and last days of travel are paid at 75% of the daily per diem allowance.
4. For overnight trips, the per diem rates are based on where the traveler spends the night, not the location of the meeting (if different cities).
5. For non-overnight trips, per diem is based on the traveler's business destination.
6. Trips lasting less than 12 hours are not eligible for per diem.
7. Trips lasting more than 12 hours, but not overnight, are eligible for 75% of the daily per diem allowance. Reimbursement for non-overnight per diem is taxable.
8. Proof of lodging (such as a lodging receipt) for each day per diem is claimed is required to substantiate the per diem reimbursement unless the lodging was prepaid through the university's online booking tool.
9. If the traveler lodges with friends, family, or colleagues in lieu of staying in a hotel, the dates of stay and the city and state location of the individual(s) who provided the lodging must be provided on the expense report to substantiate per diem.

10. Per Diem is not reimbursed when the traveler stays in the traveler's own residence unless the residence is not the traveler's primary dwelling. In these instances, a note must be included on the expense report explaining that the lodging location is not the traveler's primary residence.

1. Reimbursement is limited to the cost of economy coach class round trip airfare.
2. The flight must originate from the closest commercial airport to the traveler's official IU workstation, unless travel from a different airport is more economical or there is a documented business need for travel from a location other than the airport closest to the traveler's workstation. The fiscal officer of the account being used to fund the trip or the unit leader (whichever is applicable) will determine if travel from a different airport other than the location closest to the traveler's workstation is reasonable and/or necessary and that adequate documentation is provided to support the determination.
3. Any upgrades from economy coach class airfare must be paid using non-IU funds, such as IU Foundation funds. Airfare class upgrade is also allowed for certain international travel or by medical exception as specified below.
4. If personal travel is included with business travel and the flight contains a personal segment(s), a price quote must be obtained at the time the airfare is reserved showing only the round trip cost of the business portion of the travel. The traveler will be reimbursed for the round trip quote to and from the business destination unless the travel that includes the personal segment is more economical.
5. Personal air segments must not be charged to an IU account (through a Designated Travel Agency or otherwise) unless there is documented substantiation (as detailed above) that the inclusion of the personal segment was more cost effective than the round trip business travel.
6. Fees associated with flight changes may be reimbursed as long as there is a valid business reason for the change. The reason for the flight change must be included on the expense report.

International Airfare

1. Business class airfare may be allowable for international flights outside of North America.
2. Federal grants or other external grants or sponsored research may not allow business class travel as they may require the most restrictive class of travel. If traveling on federal funding, it is the traveler's responsibility to determine if business class airfare is allowed in advance of booking the flight.
3. Unit leaders and/or the unit fiscal officer may set more stringent guidelines based on budget and other considerations. Consult with the unit fiscal officer prior to booking business class travel.

Privately Owned Aircraft

1. Travel on a privately owned aircraft will be limited to the reimbursement cost of a 30-day advance purchase round trip economy class airfare ticket and may be subject to additional restrictions as disseminated by Travel Management Services and the Office of Insurance, Loss Control, & Claims (INLOCC).

Charter Aircraft

1. Charter travel by the President is governed by Board of Trustees process.
2. Senior administrators who wish to use a charter flight because of emergency, time or scheduling conflicts, or fiscal responsibility (lower cost than alternatives) must obtain written approval from the Office of the President prior to using a charter flight.

3. The Athletic Director (or a representative from Athletics designated by the Athletic Director) shall approve, in writing, all charter flights paid by the university for athletic teams and coaches.

Exceptions to Requirements for Economy Coach Air Travel

1. Exceptions for business or first class airfare may be allowed for a documented medical reason.
2. A written approval for the exception to the standard business requirement to use economy coach travel is required from the unit leader (definition below) and must be included with the supporting documentation on the expense report.

Air Travel Reimbursement when Supported by Federal Grant Funding

1. Travel supported by federal funds to international destinations must comply with the Fly America Act and the Open Skies Act. These federal laws restrict the selection of carriers to US carriers or those based in countries with which the US has an applicable agreement.
2. Commercial Air Travel: Domestic and International airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines (economy class) are unallowable except when such travel:
 - a. Would require circuitous or excessively prolonged travel, or
 - b. Is not reasonably adequate for the traveler's medical needs. In this case, the traveler must justify and document the condition(s) on a case-by-case basis in order for the use of first class or business class airfare to be allowable.
3. Business class travel on international trips may not be allowable on federally funded or other external grants. If a traveler books a business class trip when not allowed, the unit account will be required to reimburse the grant funding.

1. Reimbursement is limited to the cost of an economy or mid-size vehicle unless there is a business or medical need for a larger vehicle.
2. The fiscal officer of the account being used to fund the trip or the unit leader will determine if a larger vehicle is reasonable and necessary for the business being conducted, and documented justification by the unit should be included on the expense report to expedite Travel Management approval for reimbursement.
3. The Office of Insurance, Loss Control and Claims (INLOCC) carries liability/damage insurance for business travel. Therefore, rental car insurance for reservations within the United States and Canada should be declined through the rental vehicle agency. For this reason, **insurance on rental vehicles within the United States and Canada will not be reimbursed.** Travelers should purchase rental car insurance when traveling in Mexico.
4. INLOCC recommends purchasing insurance for all rental vehicle reservations outside of the United States and Canada. Therefore, rental vehicle insurance for travel outside of the United States and Canada will be reimbursed.

Taxi/Shuttle

1. Reimbursement is allowed for the cost of transportation between the airport and the site(s) of official university business, including the lodging site if different from other official business locations.

Limo

1. Reimbursement is limited to the shared ride cost negotiated with IU's preferred vendors and posted on the Travel Management Services website.

2. The cost associated with a private limousine service is not reimbursed by IU. The differential between the shared ride and the private ride costs must be paid using non-IU funds, such as IU Foundation funds or the traveler's personal funds, when private limousine services are utilized.

Personal Vehicles

1. The cost of a traveler using the traveler's own private vehicle is reimbursed through the university's mileage reimbursement rate.
2. Fuel charges may be claimed in lieu of mileage, but will be limited to the cost of the mileage calculation.
3. If a traveler uses a vehicle other than the traveler's personal vehicle for university business travel, mileage cannot be reimbursed. Instead, the cost of fuel paid for by the traveler will be reimbursed.
4. Mileage reimbursement rates are determined by the IRS. This rate includes wear and tear, fuel and insurance costs for the personal vehicle.
5. Mileage must be substantiated using the Map feature within the travel system.
6. Reimbursement for mileage costs is limited to the cost of a comparable 30-day advance purchase round trip economy class airfare ticket if the airfare is more economical than reimbursing mileage.
7. Mileage costs up to 500 miles are reimbursed at the full rate. Mileage above the first 500 miles is reimbursed at fifty percent (50%) of the full rate.
8. Mileage can be accumulated over several trips and claimed as a single expense report provided the following criteria are met:
 - a. the purpose of each trip is approved university business;
 - b. each trip is non-overnight;
 - c. no per diem is being claimed; and
 - d. the daily mileage amount and the date and purpose of each trip is documented on the expense report.
9. An employee's daily commute to and from the employee's residence and official workstation is not "travel" for purposes of this policy and mileage will not be reimbursed.

Train/Rail

1. Reimbursement is limited to the coach fare rate and will not exceed the cost of a comparable 30-day advance purchase round trip economy class airfare ticket. Exceptions are allowed if approved by a fiscal officer or unit leader and should be noted on the expense report.

1. In prescribed circumstances, the university will provide a travel advance in the form of check or automatic bank deposit to travelers in order to minimize out-of-pocket expenses during the trip. A travel advance is not intended to pay/reimburse travel expenses in advance of a trip; therefore, IU prepayment programs must be used to prepay travel expenses whenever possible in advance of the trip.
2. Travel advances are allowable for the following:
 - a. International travel;
 - b. Student group travel;
 - c. Student travelers without the financial means to fund the student's business travel.
3. Every effort must be made to utilize Indiana University prepayment programs whenever possible to minimize the need for a travel advance.
4. For international travel, the advance amount is limited to 80% of the estimated per diem and lodging expense, or 80% of the trip limit as identified by the unit, or an amount established by the fiscal officer of the account being used to fund the trip; whichever is the least amount.
5. For student group travel and student travel, the advance amount is limited to 80% of the estimated travel expenses, the trip limit, or an amount established by the fiscal officer of the account being used to fund the trip; whichever is the least amount.

6. A trip budget must be submitted in the travel system along with the advance request to substantiate the advance amount.
7. A travel advance must be requested through the travel system no more than twenty-one (21) days prior to the trip begin date but no less than seven (7) days before the trip.
8. The traveler must comply with the specific advance guidelines, detailed in the cash advance certification message on the expense report, before a travel advance will be issued.
9. The travel advance must be reconciled and substantiated with applicable supporting receipts uploaded to the travel system within 60 days from the return date of the trip.
10. Any excess advance funds not used for the trip must be returned to the unit account within 60 days of the return of the trip.
11. All unsubstantiated and/or excess advance funds not returned to the unit account within 60 days of the return date of the trip will be payroll deducted from the employee's payroll, billed to the bursar account of the student traveler, or included in the traveler's income subject to tax withholding; whichever is applicable.

1. To qualify as student group travel, a trip must consist of three (3) or more students accompanied by an Indiana University faculty member or staff employee, who will be designated as the group leader for the trip.
2. All travel expenses for the group must be charged under the group leader's name using Indiana University prepayment programs, charged to an Indiana University Travel Meeting Card issued in the group leader's name, or paid out-of-pocket by the group leader to be reimbursed after the completion of the trip.
3. The group leader is responsible for obtaining and submitting all applicable receipts to substantiate the group travel expenses within the travel system.
4. A roster including the name of each student participant must be submitted along with the expense report.
5. Actual meal costs for the group are reimbursed as a total meal expense in lieu of per diem. Itemized meal receipts must be submitted along with the expense report to substantiate the group meal costs. The total meal cost must not exceed the calculated per diem allowance for the group (based on the GSA per diem rate table).
6. Service tips for baggage handling and transportation may be reimbursed provided the tip amounts are itemized on the expense report and there was a bona fide business need for the service provided.

Definitions

Appropriate: An expense that is suitable or fitting for a particular valid business purpose.

Allowable Expense: a necessary, reasonable, and appropriate expense incurred for the primary benefit of university business and therefore permitted to be reimbursed or directly charged based on the permission of the university or by the terms of the federally or privately sponsored agreements.

Business Travel: Travel for the purpose of conducting business for the sole benefit of the university.

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

Official Workstation: The primary physical location(s) where the majority of work is conducted.

Unit Leader: The director or vice president for an administrative unit, the dean of an academic unit, the vice chancellor or vice provost of administrative services of the campus, or the delegate of one of these individuals.

Out-of-Pocket Expense: An expense incurred by the traveler and paid with personal funds during the trip.

Per Diem: An allowance determined by the U.S. government to cover meals and incidentals while traveling for business purposes. Per Diem amounts are published by the General Services Administration (domestic) and State Department (international) and are specific to major cities.

Reasonable Expense: An expense that is ordinary and reflects a prudent decision to incur the expense on behalf of university business; not extreme or excessive.

Segment of the Trip: Non-stop, in-flight, continuous travel from one point to another point.

University Preferred Vendors: Vendors with whom Indiana University has an established business relationship and, in most cases, negotiated pricing and other benefits.

Travel Advance: Advance payment to the traveler to pay for travel expenses when other payment options are not available or do not meet the business need.

Indiana University Prepayment Programs: Programs established by Indiana University to allow payments to university preferred vendors via a direct bill process whereby a university account is used to charge the business travel expense. These programs include Designated Travel Agencies, online booking tools, and ground transportation providers.

Travel Meeting Card: An Indiana University corporate credit card that is used to pay approved travel expense for student group travel. The meeting card is for student group travel only. Eligibility for the credit card will be determined by Travel Management Services and will be based on the purchase needs of the group requesting the card.

Sanctions

1. Failure to comply with this policy could result in a traveler's expense report being denied by the unit or by Travel Management Services or a lower amount of reimbursement being provided to the traveler than requested.
2. Falsification of travel expenses may subject travelers to disciplinary procedures according to university policies.

Additional Contacts

Travel Management Services	Travel Staff	812-855-2873	travelbl@indiana.edu
Office of Research Administration for Federal or other external funding questions	Bloomington Office of Research Administration	812-855-0516	resdev@indiana.edu
Office of Research Administration for Federal or other funding questions	Indianapolis Office of Research Administration	317-278-3473	srsinfo@iupui.edu
University Tax Services	IU Taxpayer	812-856-4861	taxpayer@iu.edu
Office of Insurance, Loss Control & Claims	Kutina England	812-855-0837	kudavis@iu.edu

History

This policy was established on October 1, 1990.

Revised to add scope November 2016.

This policy was updated August 2, 2018 and October 7, 2021.

This policy consolidates the following historical policies;

[FIN-TRV-1.0 Authorization for Out-of-State Travel](#)

[FIN-TRV-2.0 Reimbursement of Travel Expenditures](#)

[FIN-TRV-3.0 Travel Reimbursement Deadline Policy](#)

Related Information

[Reimbursement Under the Accountable Plan, FIN-ACC-620](#)
[Mobile Plan and Device Allowance, FIN-ACC-480](#)
[Travel Management Services](#)
[Insurance, Loss Control and Claims](#)
[Allowable Travel Payments to Faculty Members on Leave, FIN-ACC-610](#)
[Use of Aircraft on University Business, FIN-INS-09](#)
[Vehicles Rented, Leased or Chartered, FIN-INS-06](#)
[Use of 12- and 15-Passenger Vans, FIN-INS-05](#)
[Fly America Act](#)
[Open Skies Act](#)
[Uniform Guidance \(2CFR part 220\)](#)