

# Charleston Research Institute Policy Memorandum

**Title:** Travel Reimbursement Policy

**Reviewed by:** Board of Directors

**Implementation Date:** September 27, 2006

**Revision Date:** September 1, 2009, January 28, 2010, February 28, 2011, June 18, 2012, February 28, 2013, April 26, 2016

**Next Scheduled Review Date:** April 26, 2019

**Approval:** Amanda C. LaRue, Ph.D., Chairperson

## **Policy Statement:**

Charleston Research Institute requires all travelers, whether an employee, board member, principal investigator, or other individual, to provide documentation that supports a VA research or an educational activity related to research for travel reimbursement. If CRI residual funds will be used for travel reimbursement, refer to Residual Funds Policy for travel reimbursement guidance.

CRI will reimburse the traveler only for essential costs such as conference registration, transportation, accommodations and meals using an "IRS accountable plan". This eliminates the determination by the IRS of excess benefit transactions where payments are considered taxable income to the recipient, rather than reimbursements, and CRI would be responsible for income tax withholding and FICA taxes.

## **Background:**

To exclude expense reimbursements, advances, or allowances from wage or compensation income, the following IRS conditions must be met:

1. There must be a business connection between the expense and the purpose of the activity which is being reimbursed (or for which amounts have been advanced or allowed);
2. There must be substantiation of documentation of the expense as to the amount, the time and place, the business purpose, and the business relationship of the organization to the individual;
3. In the case of advances, there must be a return to the organization of any amounts received in excess of substantiated expenses, and
4. The organization must require the recipient of the reimbursement, advance, or allowance to adequately account to the organization of the expenditures.

## **Guidelines:**

The IRS allows the use of federal per diem rates to establish reimbursement rates for some expenses and eliminates the need for detailed documentation for those expenses covered by the per diem. Federal employees are not restricted to federal per diem rates when travel is paid by a non-governmental organization; however, both VA and IRS regulations prohibit extravagance. The Executive Director will determine if the amount, purpose, and supporting documentation for a request for travel reimbursement are acceptable.

A travel reimbursement request must be submitted within thirty days of completion of travel. IRS requires nonprofits to report travel reimbursements paid to government officials whose total government compensation exceeds a specific threshold, currently \$145,700. The IRS definition of government officials includes VA investigators who earn more than \$145,700 in

compensation **from VA and/or a state university**. Requestors must indicate if total government compensation exceeds \$145,700.

**ACCOMODATIONS:** Lodging may be reimbursed at amounts higher or lower than the federal rate applicable to lodging in the destination city for that day. Amounts in excess of the federal per diem rate constitute taxable income unless substantiated by the itemized hotel invoice and program material detailing the meeting site and prevailing hotel room rates. Reimbursement will be made for reasonable laundry and dry cleaning costs if the hotel stay is five nights or more.

**MEALS & INCIDENTALS (M&I):** Meals and incidentals are reimbursed at the federal M&I rate established for the destination city. Per diem for meals will not be paid if meals are provided as part of the program. No receipts are required for meals and incidentals. CRI will use the 75% federal M&I rate for first and last travel days regardless of time of departure and arrival.

**TRANSPORTATION:** Maximum transportation reimbursement is limited to the direct coach fare by airplane or train. Use of personal car is reimbursed at the prevailing federal mileage rate and cannot exceed roundtrip coach airfare rate to the location in question. Substantiation including receipts for an airline/train ticket and MapQuest (or equivalent) mileage estimates must accompany requests for reimbursement.

**GROUND TRANSPORTATION:** Ground transportation will be reimbursed at cost based on submission of original receipts. Reimbursements are limited to travel to and from the city-of-departure airport/train station plus parking; from airport/train station to hotel, and hotel to airport/train station. A receipt is required for parking charges. In addition, a receipt is required for all cabs over \$25.00. Once the traveler has arrived at the hotel, taxi cab fares will not ordinarily be reimbursed (to go out for dinner, etc...).

**TRAVEL STATUS:** VHA employees traveling on CRI-reimbursed funds for domestic travel must have authorized official travel orders. Travelers must be on official duty and have a travel authorization to receive reimbursement for their travel expenses. Authorized Absence (AA) for domestic travel is not official duty. Documentation includes "Advance Review of Offer to Donate Support for Official Travel" (VA Form 0893) approved by the Medical Center Director

VHA employees traveling on CRI-reimbursed funds for foreign travel must have authorized official travel orders or authorized absence (AA) to receive reimbursement for their travel expenses. For authorized absence (AA), documentation includes signed and approved "Request for Leave or Approved Absence" (Office of Personnel Management Form 71) and "Advance Review of Offer to Donate Support for Official Travel" (VA Form 0893), the latter signed by the Medical Center Director. With travel orders, documentation includes "Advance Review of Offer to Donate Support for Official Travel" (VA Form 0893) approved by the Medical Center Director.