BUSINESS AND TRAVEL EXPENSE

Procedure

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<td>September 6, 2012</td>
<td>AD 3.02 P1</td>
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1.0 Definitions

1.1. Account Holders are individuals holding positions at the University which have been delegated front-line operational and administrative responsibility for a responsibility centre and the signing authority to approve expenditures from related accounts.

1.2. One-level-down delegation is from an Account Holder to a directly reporting University staff member.

1.3. One-up approval is by an individual in an authorized position for that responsibility centre and who is higher in the organization than the claimant. It occurs when an Account Holder, or their delegate, is the claimant and it is required because Account Holders are prohibited from approving payments to themselves. Claims by the President, members of the Board of Governors, Vice Presidents, and Associate Vice Presidents are approved by the Vice President, Finance and Administration.

1.4. University-administered funds are all funds that flow through the University’s bank accounts, including grants, contract payments and funds held in trust.

2.0 Travel Purpose and Preparation

2.1. Purpose of expenses which are reimbursed must relate to approved University business consistent with the mission of the University and must comply with University policies, contracts, professional standards, and Canadian and international laws.

2.2. Pre-approval by an individual in a position with appropriate approval authority, and review of external agency guidelines where applicable will assist in ensuring that expenditures made are reimbursable.

2.3. Reasonable actual costs are the basis of reimbursement except where allowances are provided per Appendix 1. If claimants exceed reasonable costs, only the reasonable portion is reimbursable. Determining the reasonableness of expenses is the responsibility of Account Holders or their delegates, or supervisory personnel.

2.4. Planning for foreign travel must consider the potential hazards and risks posted on the Department of Foreign Affairs and International Trade Canada website. The University’s Safety & Risk Services department is available for consultation.

2.5. Externally sponsored funding agency contractual requirements and University rules for reimbursement must be complied with. Where the University would normally not allow an expense but it is permitted by an external sponsor, the expense may—at the University’s discretion—be reimbursed from the external sponsor’s funds.
2.6. **Departments or Faculties** may have additional restrictions on business and travel expense reimbursement.

3.0 **Accommodation**

3.1. **Accommodation** reimbursement is limited to reasonable amounts in the circumstances and normally will not exceed the rate of a single standard room unless approved by the President, a Vice President or an Associate Vice President; and, in the case of externally funded projects, the approval of the external sponsor. Any additional charges for individuals who accompany the claimant and are not on University business do not qualify for reimbursement. Government rates or Canadian Association of University Business Officers (CAUBO) rates are to be requested at hotels in Canada.

3.2. **Lower Mainland accommodation** is not reimbursable for claimants who reside in the region, unless approved by the President, a Vice President, or an Associate Vice President; and, in the case of externally funded projects, the approval of the external sponsor.

3.3. **Private accommodation** (i.e., staying with friends, colleagues, or family) may be reimbursed at allowance rate per night as specified in Appendix 1. No receipts are required.

4.0 **Meals**

4.1. **Meals during travel** may be claimed when not otherwise provided (e.g., by conferences, transportation carriers, hosts, or as a part of field or course work).

4.2. **Meals for individual other than the claimant** will not be allowed unless the expense is approved as hospitality (see section 8, Hosting Expenses) in accordance with this Policy. However, group meals of employees travelling together may be paid for and claimed by the group member with the highest authority based on the organizational chart. If there are equally senior members of the group, either may claim the expense.

4.3. **Meal receipts** providing itemized details of the meal are reimbursable for reasonable actual costs of food, non-alcoholic beverages, gratuities and taxes when travelling on University business.

4.4. **Per diem allowances** for meals include tips and taxes; may be claimed without receipts at the rates established in Appendix 1; and, cannot be claimed on behalf of others.

4.5. **The claimant is given a choice** to claim the actual costs with receipts or the *per diem* amount without the need for receipts.

5.0 **Transportation**

5.1. **Travel** must be the most direct and economic travel option, with due consideration to the effective use of the traveler’s time. Acceptable travel modes include flights, private vehicle use, vehicle rental, train, bus, and other forms of public transportation.

5.2. **Private vehicles**

5.2.1. **Private vehicle usage** will be reimbursed at the rate set out in Appendix 1, which is not greater than the amount eligible under the Income Tax Act for tax-free
reimbursement for the first 5,000 km of travel. Home to work and return travel (commuting) is not reimbursable. A portion of the reimbursement for kilometers in excess of the calendar-year annual 5,000 km will be reported as a taxable benefit to the employee, as required by the Income Tax Act.

5.2.2. **Insurance on private vehicles** is included in the per kilometer reimbursement rate. Collision costs are not reimbursable.

5.2.3. **Additional cost of insurance of a private vehicle for business purposes** beyond to and from work coverage is reimbursable, at the department’s expense, only where the frequency of use (currently, six or more days per month) necessitates this coverage. For externally funded research projects, reimbursement is conditional on this being defined as an eligible expense by the funding agency.

5.3. **Rental vehicles**

5.3.1. **Rental vehicles** are permitted to save time and reduce costs, not as a matter of personal convenience. Rentals must be non-luxury, with intermediate or smaller size vehicles utilized unless four or more persons are travelling together. CAUBO has negotiated preferential vehicle rental rates for all Canadian universities.

5.3.2. **Insurance on rental vehicles** is to be arranged by obtaining a Collision Damage Waiver (CDW) from the rental vehicle agency with the lowest possible deductible. For areas outside of Canada and the United States liability coverage must be included in the rental agreement. Any insurance coverage provided by use of a credit card is considered additional to the purchased collision coverage and is not to be relied upon as the sole insurance for the rental. Insurance for periods greater than 30 days may be arranged through Safety & Risk Services.

5.4. **Air travel**

5.4.1. **Economy Class air** travel should utilize the most direct route, with due consideration to effective use of the traveler’s time. Business Class may be allowed with approval of the President, a Vice President, or an Associate Vice President, but only for flights of more than 8 hours’ of flight duration. In the case of an externally funded project, the approval of the external sponsor is also required. First Class is not allowed. Executive approval is not required where a grant or contract explicitly provides for Business or First Class travel.

5.4.2. **Expense claim submission prior to travel** is allowed, with documentation of payment, for prepaid air travel, conference registration, and hotels which require the full payment at the time of booking (section 12.0, Claim Preparation and Documentation), except for externally funded projects due to sponsor requirements of one claim per trip. When expenses have been reimbursed before the trip, evidence of travel and payments must be submitted upon completion for audit purposes.

5.4.3. **Air travel purchased for non-employees** (e.g., contractors, non-employee researchers, etc.) cannot be expensed to externally sponsored projects in advance of
travel due to sponsor requirements. In these cases, the sponsoring department may choose to expense it to their operating account immediately and then transfer the cost to the project after travel occurs and boarding passes are obtained. Documentation to meet external sponsor requirements must accompany the transfer.

5.4.4. **Air travel cancellation insurance** is not reimbursable as the University will compensate the purchaser for the cost of cancelled or changed flights in the following circumstances:
- Sickness, bodily injury or death of the individual or a member of the individual’s immediate family;
- Terrorism which leads the Canadian Government to issue a general recommendation that Canadians should not travel to the destination;
- A disaster which renders the principal residence of the individual uninhabitable or the individual’s place of business inoperative;
- Quarantine or hijacking of the individual;
- The individual being called for jury duty or being subpoenaed as a witness in a case being heard during the period of the trip;
- The death or hospitalization of the individual’s host at the destination;
- Cancellation of a business meeting due to the sickness, injury or death of the person with whom the meeting has been arranged in advance;
- Being summoned to service in the case of reservists, active military, police and fire personnel;
- Non-issuance of a travel visa for reasons beyond the control of the individual, other than late application or a refusal of a prior application;
- Complications of pregnancy; and,
- Redirection of activities by the University.

5.4.5. **Compensation for cancellations** applies only to flights and is not applicable to cancellation in relation to conference fees or accommodation. Safety & Risk Services will provide information about insurance claims and the use of airline flight credits.

5.5. **Flexibility for travel arrangements** is provided to the traveler to:

5.5.1. **Extend the duration** of travel to take advantage of reduced airfare. In this case the University will pay the additional hotel and meal costs, provided that the extra costs do not exceed the demonstrated savings; and

5.5.2. **Utilize a private vehicle** for personal convenience: The University may reimburse actual costs (kilometers driven, meals, accommodation, etc.) for the travel, but not exceeding the demonstrated cost of full economy airfare.

5.5.3. **Evidence** of savings is required with submission for reimbursement.

5.6. **Other transportation expenses** such as parking, road tolls, ferries, taxis and public transportation are reimbursable based on receipts. Receipts are not required where the individual receipt is below the threshold published in Appendix 1. Externally funded projects require receipts regardless of the amount.

5.7. **Inter-campus travel** reimbursement is guided by the following principles:
• Travel to and from the first daily place of work is not eligible as a tax-free reimbursement is not provided for in the Income Tax Act.
• Travel from the first campus of work during the day to other campuses may be reimbursable based on the terms of employment.
• Where a person pays for monthly parking at one campus, reasonable parking costs at other campuses may be reimbursed based on the terms of employment.

6.0 Insurance When Travelling on University Business

6.1. **WorkSafe BC** coverage may be applicable to employees who are injured while performing University business away from their normal place of work. Inquiries are to be directed to Environmental Health & Safety.

6.2. **Health insurance** provided by the Medical Services Plan (MSP) and the University’s Group Extended Health Benefits Plans (EHB), Group Life Insurance and Optional Life Insurance, and Accidental Death and Dismemberment Insurance may be applicable to eligible employees. It is the responsibility of the traveler to ensure the adequacy of their health insurance coverage based upon the specific circumstances of their travel. Information is available from the Human Resources Department. Employees may choose to purchase additional coverage at their own expense.

6.3. **General liability insurance (excluding automobile)** is provided for bodily injury or property claims made by third parties against persons carrying out activities while engaged in University business. Information is available from Safety & Risk Services.

6.4. **Business travel protection** is provided pursuant to Policy AD 9.12.

6.5. **Equipment transportation insurance** is the responsibility of the individual department. The University’s transit coverage may be relied upon subject to a $25,000-$50,000 deductible that would be charged to the department in the event of a loss. Information is available from Safety & Risk Services.

7.0 Incidental Travel Expenses

7.1. **Overnight dependent care** expenses are reimbursable when travelling if unpaid alternatives are not available. The claim should be supported by a receipt.

7.2. **Dry cleaning and laundry** are claimable after seven days of travel: SFU athletic teams’ equipment may be claimed with no minimum days of travel.

7.3. **Telephone** local and long distance calls and internet connectivity for business purposes when travelling are reimbursable. Personal calls allowing employees to stay in reasonable contact with their immediate family are reimbursable.

7.4. **Other incidentals**, such as books acquired at conferences, may be reimbursed where there is a business purpose for incurring the expense.
8.0 Hosting Expenses

8.1. Hosting expenses, which may include hospitality and entertainment, in support of the University’s mission will be reimbursed provided the expenses are authorized, reasonable and appropriately documented. The types of hosting expenses incurred by the University could include food and beverages, and social, recreational or non-political fundraising activities as long as they comply with University policies and procedures and, where applicable, the external funding sponsor’s requirements. Hospitality events frequently involve University guests, but may also involve only University employees. Hosting expenses which are exclusively for University employees are eligible for events such as staff recognition (e.g., retirement or achievement). Internal meetings involving only University staff, as described in section 9.2, are not eligible hosting expenses. Judgment must be exercised by the approving supervisor with respect to the variety of circumstances that may give rise to hosting expenses.

8.2. Maximum normal amount per person per event is provided in Appendix 1. Exceptions require the approval of the President, a Vice President or an Associate Vice President.

8.3. Approval is required by an authorized individual in a position higher on the organization chart than anyone in attendance at the function.

8.4. Political donations are not allowed. Political donations are payments to any registered political party (municipal, provincial, or federal), to any political candidate’s campaign fund, or are a component of a fee paid to attend an event.

8.5. Charitable donation receipts obtained incidental to hosting activities must be filed with the related expense claim if the claimant would like to be reimbursed for the charitable donation amount. By requesting reimbursement, the claimant is no longer eligible to use the charitable donation receipt for personal income purposes.

8.6. Externally sponsors may have additional restrictions on hosting activities.

9.0 Non-Travel Business Expenses

9.1. Non-travel business expenses are normally paid directly to vendors by the University or via PCard payments. Where employees make incidental out-of-pocket purchases on behalf of the University, they may be reimbursed by a petty cash payment or through the travel expense claim process described herein. Where corporate programs exist (e.g., office supplies and cell phones) these arrangements are to be utilized where the charges relate to operating expense accounts.

9.2. Internal meetings to discuss academic and business affairs of the University are reimbursable for modest expenses for the provision of food and non-alcoholic beverages. Such expenses cannot normally be charged to externally sponsored projects.

9.3. Gifts for employees are reimbursable only for: Recognition such as for retirements, achievements and similar purposes; and, Compassionate gifts (usually flowers) for situations such as bereavement, extended sickness or similar circumstances up to the maximum provided in Appendix 1. Exceptions require the approval of the President, a
Vice President or an Associate Vice President. Gifts are not eligible expenses for externally funded projects.

9.4. **Nominal gifts**, provided infrequently and of minimal value (e.g., low-cost promotional objects, souvenirs with no significant cash value, etc.) are reimbursable.

10.0 **Non-Reimbursable Expenses**

10.1. **Non-reimbursable expenses** include, but are not limited to, the following:

- Airfare purchased through a points program such as Air Miles;
- Air travel cancellation insurance;
- Car washes;
- Collision costs;
- Costs of personal trips added to travel;
- Costs resulting from failure to cancel a guaranteed reservation;
- Expenses for partners, spouses or family members travelling with the claimant unless justified by University business and approved in advance by the President, a Vice President or an Associate Vice President;
- Immigration fees and all associated fees;
- Interest charges on credit cards arising from late submission of claims for reimbursement;
- Kennel costs for dogs and other pets;
- Library fines;
- Loss or damage of personal possessions while travelling;
- Medical bills, prescriptions, etc., except for immunization costs incurred for foreign business travel as recommended by the Public Health Agency of Canada;
- Passports,
- Personal entertainment while travelling, including-but not limited to-visits to movie theatres and activity fees, etc.;
- Personal or incidental expenses including-but not limited to-excess personal baggage, toiletry articles, etc.;
- Political donations; and,
- Traffic and parking violations.

11.0 **Advances**

11.1. **Advances** may be provided for travel and registration costs paid in advance. Advances for anticipated out-of-pocket expenses may be provided immediately prior to travel using the online advance process. Advance requests must be approved by the Account Holder, and on a one-up approval basis if it is for the Account Holder.

11.2. **Minimum amount** for the issuance of an advance is specified in Appendix 1.

11.3. **Settlement of advances** must be settled by the earlier of:

- Within 30 days from completion of travel, or
- By the fiscal year end (March 31st) in which the travel was completed.
11.4. **Overdue advance settlements** will result in no subsequent advances being approved until the advance has been settled in full. Deduction of the outstanding amount will be made from any other claims made by the individual. Ultimately, if the individual does not settle the advance, the department that approved the advance is financially responsible for the overdue advance settlement.

12.0 **Claim Preparation and Documentation**

12.1. **Claims submissions** are due within 30 days of completing travel or incurring business expenses and, normally, submission should occur no later than March 31st of the fiscal year in which the travel was completed. Except for expenses incurred in the final 30 days of the fiscal year, reimbursement of expenses claimed for the prior fiscal year may be reimbursed based on a case-by-case adjudication by Financial Services. Expenses more than a year late in being claimed, according to the rules stated above, will not be reimbursed.

12.2. **One claim per trip** (including all documentation) is required for travel charged to externally funded projects. For other travel, except as outlined below, submit one claim per trip. Where trips are longer than two weeks, weekly claims may be submitted.

Airfare, conference registration, and hotels that must be paid upon reservation may be claimed after purchase separate from the primary claim. After completing the trip, submit proof of attendance (e.g., conference program, boarding pass, or hotel receipt) with the primary claim.

12.3. **Original receipts** are required to support claims, except in the cases of *per diem* allowances, km allowance, and other transportation expenses that are less than the threshold provided in Appendix 1. Evidence that the travel occurred, such as airline boarding passes, hotel bills, conference programs, or alternative evidence must be submitted with the related invoice for reimbursement. Electronic boarding passes (e.g., iPhone passes) are acceptable evidence of travel and may be included with claims to Financial Services, but must clearly indicate flight information. It is the responsibility of the claimant to ensure that they can provide supportive evidence with their claims. Credit card vouchers or photocopies will not be accepted for reimbursement. Except where *per diem* or km allowances are being claimed, externally funded projects require receipts with itemized charges.

12.4. **Credit card numbers** on receipts should be blacked out by the claimant before submission, as this information is private and unnecessary for the claim.

12.5. **Lost receipts** may be eligible for claims adjudication by completing a Lost Receipt Claim Form. If a receipt is lost for an item which can be categorized as an Other Transportation Expense (section 5.6) and the value is less than $25, a Lost Receipts Form is not required and the item may be claimed following normal procedures.

12.6. **Organization of receipts** in the order of travel will expedite the process. Taping small receipts to a sheet of plain paper will expedite scanning and viewing the image online and
reduce the risk of loss of small receipts. Do not use staples as they must be removed before automated scanning.

12.7. **Foreign exchange** rates used to convert receipts expressed in other currencies to the Canadian Dollar should be based on the Bank of Canada’s monthly exchange rates embedded in the travel expense system. Alternatively, an exchange slip provided by a bank or currency exchange house; the exchange rate applied on a credit card purchase; the exchange rate published by SFU’s Treasury Department; or historical exchange rates published by credible financial institutions may be used by the University to reimburse eligible expenses incurred in a foreign currency.

12.8. **Claims**

12.8.1. **Employees** are required to submit online claims for travel and related expenses. Online claims can be completed through mySFU. Instructions on the process are provided on the Financial Services website.

12.8.2. **Non-employees** (i.e., persons who are not being paid on the SFU payroll, such as students, guest speakers, or retired faculty members) do not have access to the online claims process and may utilize the Travel Claim form available on the Financial Services website. Knowledgeable representatives from the related department may assist non-employees complete claims forms.

12.9. **Purpose and details of travel** must be recorded on the claim form. Externally funded travel claims must include an explanation as to how the travel or business event relates to the research or project.

12.10. **Individuals may not claim the expenses of others** unless specifically provided for in this Procedure.

12.11. **Identification of people** for whom expenses were incurred, in addition to the claimant, must be included in the claim.

12.12. **Completed claim forms** are to be printed, original receipts attached, and documents signed by the claimant and authorized in writing by the appropriate authority.

12.13. **Approval**

12.13.1. **Detailed review** of travel expense claims may be completed by support staff who have sufficient knowledge of the Policy and procedures and external sponsor requirements, but overall review and approval must be completed by the Account Holder or delegate.

12.13.2. **Account Holder’s approval**, or their delegate’s approval, is required for any claim made to their account. Approval authority may be delegated, but accountability for the function is retained by the designated authority.

12.13.3. **Account Holder authority** may only be delegated one-level-down for the purpose of approving business and travel expense claims. For internally funded accounts, Account Holders are identified by position, using normal financial authority procedures, unless approval is received from the appropriate Vice
President. For externally funded accounts or projects, the Account Holder may be identified by name.

**12.13.4. One-up approval** is required when the Account Holder is the claimant. In the case where an Account Holder acts as a host (see section 8.0, Hosting Expenses), authorization one level higher than anyone in attendance at the function is required.

**12.13.5. Externally funded** business and travel expenses may be subject to additional requirements on which Research Accounting can provide information. For example, visiting researchers whose travel is paid from Tri-Council funding, must have claims approved by the Dean of Department Chair in addition to the Account Holder/Principal Investigator.

**12.13.6. Individuals authorizing** claims are responsible for exercising judgment in applying the intent of the Policy, its Procedure and the requirements of external funding sponsors.

**12.14. Auditing** of claims before releasing for payment is the responsibility of Financial Services to ensure compliance with this Policy, Procedure, contractual requirements, funding arrangements, and tax requirements and may be performed on a risk-assessed sample basis. As such, Financial Services, including Research Accounting, may question any claim and request further information.

**12.15. Incomplete claims** may be either returned to the claimant for completion or questionable amounts deducted with the net amount being paid and the claimant informed of the discrepancy, enabling the matters of concern to be resolved and resubmitted where appropriate.

**12.16. Payments** to employees are made electronically to the claimant’s bank account and email notification is provided to the claimant. Scanned images of paid claims documentation is available to the Account Holder charged with the expense through the FAST financial inquiry system.

### 13.0 Assistance

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<td>Training and assistance for claims and advances</td>
<td>Payment Services</td>
<td>778-782-7087&lt;br&gt;<a href="mailto:TEX_Help@sfu.ca">TEX_Help@sfu.ca</a></td>
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<td>See Research Accounting contacts: <a href="http://www.sfu.ca/finance/contact.html">http://www.sfu.ca/finance/contact.html</a></td>
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<td>Risk and liability</td>
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<td>See Safety &amp; Risk Services’ website: &lt;www.sfu.ca/srs&gt;</td>
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<td>Benefits and health insurance</td>
<td>Human Resources</td>
<td>778-782-3237&lt;br&gt;<a href="mailto:human_resources@sfu.ca">human_resources@sfu.ca</a></td>
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<td>Work-related injuries or safety concerns</td>
<td>Environmental Health &amp; Safety</td>
<td>778-782-4978&lt;br&gt;<a href="mailto:ehs_sfu@sfu.ca">ehs_sfu@sfu.ca</a></td>
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