

# UW's Travel Policy Updates/Changes

Updated January 27, 2016

A summary of the travel policy changes (for WSB)

(Updated from last edits made to presentation on October 13, 2015)

\*\* red text indicates new/edited content



## Outline

- Background
  - Authority
  - Are we doing something different?
- General Policy and Information
  - Who is affected?
  - Start date
  - What about expenses incurred and contracts signed before the start date?
  - Applicability
  - Other
- Accountable Plan
- Travel and Other Policies affected
  - Mileage/Car Rentals, etc.
  - Lodging (including conference hotels)
  - Meals & Incidentals
  - UW-Sponsored Events/Hosted Meals



# Background

## Authority

- In 2011, the UW System Board of Regents received authority to manage a UW System travel program outside the State of Wisconsin program.
  - A System-wide survey was conducted to determine the most common concerns.
  - Among the concerns identified were the fact that the state's travel rates did not recognize the true costs of travel and that numerous policies surrounding rates were cumbersome or difficult to understand.

## Are we doing something different?

- In general, the new travel rates are based on the federal government rate tables as prescribed by the General Services Administration and the Departments of State and Defense.
- Additionally, the move to the federal government rate structure and changes to expense reporting will more closely align the UW System with IRS requirements for Accountable Plan and employer paid reimbursements that are tax free, for the most part.
  - Federal rates are reviewed annually, which will more accurately reflect current travel costs.



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3

# General Policy Information

- Applicability/Who is affected?
  - New travel and related policies, procedures, and rate maximums will continue to apply to anyone (employees, students, non-employees, job interview candidates, etc.) traveling or using funds and/or resources administered by the University.
- Start date
  - New policies and rate maximums become effective with reservations/arrangements made for travel on or after **October 5**.
  - What about expenses incurred and contracts signed before the start date?
    - Existing policies and state issued rate maximums will continue to apply to all expenses incurred or contractual arrangements made prior to October 5, 2015.



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## General Policy Information

- Travelers may not claim travel or related expenses for other travelers.
- Regardless of the payment method used, all travel-related expenses (including pre-paid expenses) are to be accounted for on an expense report.
  - Entering of all travel-related expenses, including all pre-paid/pre-reimbursed expenses, is now mandatory (even if pre-reimbursed through e-Reimbursement already-just make sure it is marked as pre-paid or non-reimbursable)
  - Including Fleet Car Rentals. Due to delays in fleet car billing, DO NOT wait for fleet car billing to be released before completing an expense report. Note that a fleet car rental was completed in the "comments" of the expense report only.
- University travel rates will be uniformly and consistently applied for all who travel on University sponsored business.
  - To ensure the UW complies with Accountable Plan rules, University travel rates must be applied uniformly and consistently for all who travel on University-sponsored business.



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5

## Accountable Plan

- For travel reimbursements and payments to be considered non-taxable income, the University's travel policies and operational standards must comply with the IRS Accountable Plan Rules. To be considered an "Accountable Plan", an employer's business expense reimbursement arrangement must meet the following conditions:
  - Business Connection: Reimbursements and advances provided to travelers under the plan must be for business related expenses only. Any advance payments must be related to the business expenses that a traveler is expected to incur.
  - All travel related expenses must be substantiated in writing and with any required itemized receipt **within 90 days after the trip completion date.**
- For cash advances, travelers must substantiate expense and return any excess advanced amount **within 30 days after the trip completion date** (in WSB, cash advances are usually only issued when needed, to trip leaders on group trips).



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## Accountable Plan

- All trips and expenses that occurred/ended after October 5th, 2015, have their regular 90 days to submit their expense reports.
- Non-compliance with the Accountability Plan will result in non-reimbursement of expenses.
  - Any requests for exceptions MUST be submitted (with a valid reason for missing the deadline), as outlined in the "WSB Accountable Plan Exception Request Instructions", which will be posted on the FMO website beginning in January 2016 (for expenses/trips ending after October 5, 2015).
  - No further exceptions will be given for expenses/trips that occurred before October 5, 2015, as the previous exception period covered that time frame.



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## Personal Vehicle Mileage Reimbursement

- Risk Management – Driver Authorization: ALL UW Employees and students who are required to drive on University sponsored business must be authorized to drive in accordance with Risk Management's Driver Authorization ([http://www.bussvc.wisc.edu/risk\\_mgt/drivetable.html](http://www.bussvc.wisc.edu/risk_mgt/drivetable.html)) policies and processes prior to using personal vehicles, rental vehicles or fleet services. See slide on obtaining driver authorization.
- A new policy prescribes the federal standard mileage rate for all business use of personal vehicles. Federal mileage rates for use of a personal vehicle and motorcycle are increased from the current rates. Individuals opting to use a privately owned vehicle when traveling 300 miles or more round trip, in lieu of available fleet vehicles, will be limited to the current fleet turn-down mileage rate (unless a fleet non-availability certification form from UW-Madison fleet is provided with the reimbursement claim).
- To be eligible for mileage reimbursement travelers must list the point to point (departing origin and destination location and distance traveled) mileage on the expense report. MapQuest or Google Maps are the official tools for determining the most direct route (Google Maps link in GET). A 10% tolerance above "point-to-point" map mileage may be used to cover detours, incidental miles between lodging, event location, etc.
- The University will no longer reimburse gas receipts in lieu of the mileage rate.
- As of **January 4, 2016**, the mileage reimbursement rates are as follows:
  - Standard – Personal Vehicle: \$0.54 per mile
  - Standard – Motorcycle: \$0.51 per mile
  - Turndown Rate: \$0.352 per mile
- Non-Workday Travel – When employees are not scheduled to be at work, but are required to travel to a temporary worksite or an airport for further travel, mileage from home will be permitted.



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## Car Rentals & Misc. Vehicle-related Expenses

- For employees (and non-employee travelers) who meet the minimum driving age of 21, the Big Ten contract (<https://uw.foxworldtravel.com/enterprise-national-big-ten-contract-procedures-for-use/>) with Enterprise & National is required when renting cars. Institutional staff are responsible for informing non-employees of the rental requirements and either reserving the vehicle for the non-employees or informing them of the contract information, so they can self-reserve.
  - UW employees and student drivers under the age of 21, regardless of employment status (students), must use the WSCA contract for all University business vehicle needs: <https://uw.foxworldtravel.com/state-of-wiscsa-vehicle-options-procedures-for-use/>. Non-employees who are not UW students, are not eligible to use the WSCA (State) contract under any circumstances.
- When renting online, Concur must be used for all internet based reservations utilizing the Big Ten contract, as this enables the contract booking ID to be associated to the rental automatically, ensuring that all reservations are at the appropriate rate with included insurances, when available. The University also receives reporting on these reservations for future decision making and contracting leverage.
- By Phone – Reservations made by phone require that the traveler provide either the Big Ten or WSCA contract ID during the reservation process.
- In Person – Reservations made at the outlet rental counter require that the traveler provide either the Big Ten or WSCA contract ID during the reservation process.
- Vehicle class and insurance provision requirements remain the same.
- The following misc. vehicle-related expenses are still reimbursable: toll costs (actual tolls used/paid are reimbursable, not advance deposits paid), airport parking, and other parking (i.e. for meetings, etc.).



## Obtaining Driver Authorizations from UW's Risk Management

- Effective IMMEDIATELY, UW employees and students, MUST be authorized to drive by UW-Madison's Risk Management, in order to be eligible to receive reimbursement of mileage and/or rental car reimbursements. We HIGHLY recommend ALL WSB employees and all WSB students (and student employees) who may possibly drive on any UW business, register with Risk Management as soon as possible, if you are not already in the Approved Driver Database.
- If you have applied before but are not sure if you are in the database, you may check here: <http://riskinfo.bussvc.wisc.edu/DrAuth/DriverAuth.aspx?%20>.
- Driver Authorization webpage on the Risk Management website: [http://www.bussvc.wisc.edu/risk\\_mgmt/drivetable.html](http://www.bussvc.wisc.edu/risk_mgmt/drivetable.html).
- Driver Authorization Policy: [http://www.bussvc.wisc.edu/risk\\_mgmt/draugdln.html#policy](http://www.bussvc.wisc.edu/risk_mgmt/draugdln.html#policy)
- For faculty/staff who hold Wisconsin Driver's licenses and have had at least 2 years minimum experience driving in Wisconsin and have never been licensed anywhere else OR have been licensed at least 3 years in Wisconsin (if licensed previously elsewhere), you can apply online by navigating to the Driver Authorization webpage listed above, and click on the "Wisconsin Only Vehicle Use Agreement" link, towards the bottom of the webpage.
- For faculty/staff where the above does not apply, complete the form linked under "Vehicle Use Agreement", immediately under the box.
- If you have an out-of-state license, or a Wisconsin License for less than 3 years (due to being licensed out-of-state), you MUST complete a notarized statement, which is linked under, "Notarized Statement", and complete a notarized statement of your driving record, and sign it in the presence of a Public Notary (as well as provide your current driver's license to the notary, for copying).
- For Students, LTEs, and volunteers, they must complete the form labeled, "Student, LTE, & Volunteer Driver Authorization Form".
- If a driver holds an out-of-state license, or has had a Wisconsin License for less than 3 years (due to being licensed out-of-state), they MUST complete a notarized statement of their driving record, linked under "Notarized Statement", and sign it in the presence of a Public Notary (as well as provide their current driver's license to the notary, for copying).
- In addition, all students should watch the following 4 YouTube videos: <http://www.youtube.com/watch?v=MD6ejw1paA>, which applies specifically to UW-Madison. There is also a two-page test of knowledge that students are required to pass (this should be attached to their application): [http://www.bussvc.wisc.edu/risk\\_mgmt/Fleet%20Driver%20Test.docx](http://www.bussvc.wisc.edu/risk_mgmt/Fleet%20Driver%20Test.docx).



## Lodging, including conference hotels

Federal government lodging rates are established by the General Services Administration (GSA), Departments of State & Defense. Rates are reviewed and updated by the GSA annually, on a federal fiscal year basis (October 1). Foreign rates are reviewed and updated monthly by the Departments of State and Defense. The UW utilizes the rate sources as indicated below, with an adjustment for Continental U.S. locations.

The official source of calculating lodging rates for the location and date of expense is the UW TravelWise Calculator: <https://uw.foxworldtravel.com/rate-calculator/>.

- In-State Lodging Rate, per night (travelers are responsible for obtaining tax exemption – FMO has extra tax exempt travel cards, if needed):
  - Actual cost not to exceed 100% of federal GSA rate for location, excludes tax (tax exempt).
- Out-of-state Lodging Rates, per night, excluding Alaska and Hawaii:
  - Actual cost not to exceed 125% of federal GSA rate for the location, excludes tax. No change from current out-of-state lodging reimbursement rates.
- Alaska and Hawaii, per night:
  - Actual cost not to exceed the maximum federal (Department of Defense) established rate for the location, excludes tax.
- Foreign locations, U.S. Territories, & trans-border, per night:
  - Actual cost not to exceed the maximum federal (Department of Defense or Department of State) established rate for the location, includes tax.
- Travelers may continue to exceed location lodging maximums when attending an externally sponsored conference and staying at the conference site hotel OR at any of the recommended conference hotels (expansion from the current policy).
- UW System has indicated they plan to negotiate with selected hotel chains and anticipates opportunities for further improvements to some hotel rates.



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11

## Lodging, including conference hotels

- To book lodging online, use one of the following resources:
  - Concur (offers live hotel pricing and availability directly from suppliers, and benefits from a number of rates available).
    - Including University of Chicago's contract lodging rates (some of which are 60% of the published rate)
  - Hotel websites (ability to plug in "group codes", if given one by a conference, for the conference rate).
  - Conference websites (if available)
    - 3<sup>rd</sup> party booking sites set up by a conference are OK, as long as the conference set it up/arranged it, not a separate site like one of the sites below.
- To book by phone, use one of the following resources:
  - Call Fox World Travel (no booking fee)
  - Call Hotel directly
- Internet-based lodging "brokers", or 3<sup>rd</sup> party sites are prohibited and are not reimbursable for travel arrangements made on or after October 5th. These include, but are not limited to: Expedia.com, Hotels.com, Kayak.com, Priceline.com, Airbnb.com, Hotwire.com, Booking.com, Travelocity.com, etc.
  - Similarly, lodging bundled with travel packages and purchased as a "package" is not allowed to be purchased. The components are not contracted for and/or priced individually or receipted correctly. The exception to this rule is, if it is purchased through Fox World Travel, it is OK, because Fox World Travel does price and receipt their components individually.



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12

## Meals & Incidentals

- A new meal & incidental expense (M&IE) per diem allowance is replacing the individual traveler meal maximums. Meal eligibility on first and last days of travel will no longer have to be determined by leave and return times. The per diem allowance also allocates some incidentals, so you will no longer need to claim those expenses separately. The following are specific changes outlined in the M&IE policy:
  - The first day is based on where the traveler will spend the night, the last day is based on where the traveler spent the night before returning to home or headquarters.
  - For trips that have multiple destinations, the first day's M&IE per diem is based on the rate for the traveler's destination – the location where the traveler will be spending the night. Subsequent full travel days are based on the location where the traveler will spend the night for that day of travel. The return day is determined by the location where the traveler spent the night **before** returning home or to University headquarters.
  - The Guided Expense Tool (GET) will automatically populate the appropriate M&IE rates for each expense report, based on the travel information entered. E-Reimbursement will also populate some M&IE information, to a lesser degree. GET will be more functional for M&IE entry.
    - Note for Corporate Card users in e-Reimbursement: Any expense identifying as a "meal", will no longer import in "My Wallet".
  - This policy and any related procedures apply to all individuals, including employees, students, and non-employees traveling on behalf of the University.
  - Hotel complimentary breakfast and airline meals are not required to be deducted from the per diem allowance.



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13

## Meals & Incidentals

- The M&IE per diem for the location is reimbursed for each full day (24 hours) of travel. First and last days of travel qualify for a **75%** proportional M&IE per diem based on the location where the traveler spends the night.
- Provided meals at a conference or meeting will be deducted from the per diem as a percentage (i.e., 20 percent deducted for a provided breakfast, 30 percent for lunch, 50 percent for dinner).
- Travelers who are traveling during the day but have no overnight stay may claim a meal allowance of \$15 per day when no meals are provided during the course of their business. In accordance with IRS regulations and current practice, these allowances are tax reportable.
- Daily meal and incidental expense per diems (including all related taxes and tips) are prescribed by the General Service Administration (GSA) for the location of expense. If the expense location is not listed, the standard rate for the location will apply unless you are in a high cost county. Current domestic per diem rates range from \$46 (standard rate) to \$71 depending on the location of the expense.
- Per diems may only be paid directly to each traveler. Travelers cannot claim a per diem on behalf of another person. Individual business travelers dining together will each be paid their respective per diem allowance.
- The UW TravelWise Rate Calculator (<https://uw.foxworldtravel.com/rate-calculator/>) has been developed to easily look up the M&IE per diem allowance for the location(s) and date(s) of travel, including first/last day percentage and will deduct the appropriate percentage for user designated provided meals.



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14

# Meals & Incidentals

- "Incidentals" – How much per day and what does it include?
  - Domestic (continental U.S., \$5 per day): Fees and tips for restaurant wait staff, porters, baggage handlers, hotel housekeeping and other service staff, valets, etc., transportation between places of lodging or business to obtain meals when not obtainable within the immediate vicinity, phone calls, laundry, and mailing (and other expenses associated with filing expense reports).
  - All non-continental U.S. and foreign locations (depends on location, see "local incidental" column for individual rate on DOD website or combined M&IE rate on US Dept. of State website): Same expenses as domestic items above + bottled water.
- Travelers who qualify for M&IE allowance reimbursements must take the reimbursements and may not reduce or decline the reimbursement.
- Reimbursement requests for actual expenses that exceed the per diem will not be reimbursable. If you feel there will be extenuating circumstances, please contact the FMO **BEFORE** traveling, to discuss any possible exceptions.
- **University hosted meals and sponsored events are not a part of the M&IE per diem allowance policy** and the M&IE policy is NOT to be used for the payment of meals associated with sponsored events or hosting. We will cover the appropriate policy on a subsequent slide.



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15

# Miscellaneous Travel Expenses

- Travel by train is limited to coach unless overnight, where accommodations are limited to a roomette. The payment or reimbursement for intercity train travel will not exceed the lowest cost of the most reasonable form of other public transportation. Receipts are required for train travel, regardless of cost.
- Reasonable and necessary charges for taxi, shuttle, airline limousine, or car service (i.e. Uber, Lyft, etc.) including tips, up to a maximum of **20%** of the fare, is reimbursable when other modes of travel are not available or practical.
  - The origin starting point, destination and business purpose must be indicated on the reimbursement request (no change from current policy).
  - As a reminder, as previously indicated in an M&IE slide, "transportation between places of lodging or business to obtain meals when not obtainable within the immediate vicinity" is considered part of M&IE now, and may not be claimed as a separate "taxi" expense.
  - Transportation to/from **BUSINESS** meals (i.e. hosted meals, business dinners, etc.) are reimbursable and may be claimed separately from a per diem claim. Just as a business meal would be claimed separately and would not be part of the M&IE, transportation to and from the business meal would be claimed separately too. Receipts are required if the cost is more than \$25.00 and tips is limited to 20% of the total fare.
    - If the employee is a guest at the business meal, provide the business purpose for the meeting and who they were meeting with, in the "details" section of the taxi reimbursement, to ensure they have proper justification.
- Hotel, Air Internet Use or Other Business Communication Needs
  - Reasonable costs for required business use of the internet or wireless network incurred at the lodging site, during air travel, etc. will be reimbursed.
  - Travelers must provide a business purpose as explanation for the cost.
  - Receipts are required for any costs over \$25 (required, regardless of cost, if for foreign travel).



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16

# University Sponsored Events/Hosted Meals

(THIS POLICY IS UNDER REVISION BY THE TRAVEL GOVERNANCE COMMITTEE)

- The UW System travel governance committee continues work on policy revisions including the current policy for Headquarter City & UW Sponsored Events. The majority of the policy remains in effect until revisions are complete. New rates will apply to existing policy requirements for all food & beverage arrangements **that occur October 5 and after.**
  - Food & beverage costs related to hosting candidates or recruits are part of this policy and rate structure as well as receipt and other documentation requirements.
  - Faculty & staff that elect to pay for group/team meals during the course of travel or for other identified business purposes are to follow the rate maximums and receipting requirements of this policy.
  - An individual traveler's personal meal & incidental expense (M&IE) per diem allowance **cannot be used to pay for items related to University Sponsored Events** or any other related business entertainment activity that includes meals, food or beverages whether the expense is incurred in travel status or at the headquarter location.
- Events that may fall under these definitions include: conferences, seminars, retreats/workshops, training sessions, academic colloquiums, receptions, orientations, University Official Functions (specific to events hosted by the President, Chancellor, or Center Dean), Board of Regent meetings, Business meetings including external stakeholder and business partners of the University, Hospitality or hosted meals between University hosts and job interview candidates or recruits, and Departmental meetings.
- Maximum rates are based on actual expenses incurred and are **inclusive of standard gratuity or required service charges up to 20%.** Any purchases of food, beverages or related costs **must be documented with an itemized receipt from the supplier** and other supporting documentation as specified in this policy. Credit card receipts alone will not suffice for University payment.
- Any expenses related to the purchase of alcohol expenses must be paid directly by the Foundation and will not be paid by the University. This includes any alcohol expense that may be covered by event registration fees.**



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# University Sponsored Events/Hosted Meals

(THIS POLICY IS UNDER REVISION BY THE TRAVEL GOVERNANCE COMMITTEE)

Effective with arrangements for food & beverages made October 5, 2015 and after the maximum rate table below will apply to specific allowed expenditures within this policy and replaces the previous meal/break limits specified in this policy.

Maximum rates by location and meal expense type are:

Expense	Within Wisconsin	Outside Wisconsin
Breakfast	\$12	\$15
Lunch	\$18	\$23
Dinner	\$30	\$37
Refreshments/Break	\$10	\$10

Note: When the business purpose qualifies to offer a reception instead of a meal, the purchase of food & beverages will be reasonable and fitting to the type of reception being held. All reception costs must be within the meal maximums prescribed for the particular time of day that the reception is held.



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## University Sponsored Events/Hosted Meals

(THIS POLICY IS UNDER REVISION BY THE TRAVEL GOVERNANCE COMMITTEE)

- Changes from existing policy for sponsored events (as of September 30, 2015):
  - Enacted specified limits for all attendees (regardless of employment status)
  - Removal of "reasonability" clause for receptions. Policy now states, "When the business purpose qualifies to offer a reception instead of a meal, the purchase of food & beverages will be reasonable and fitting to the type of reception being held. All reception costs must be within the meal maximums prescribed for the particular time of day that the reception is held." For example, a 5 PM reception in Grainger Hall would be limited to \$30.00 per person, on the state side.
  - Removal of waiver on food and beverage maximums, lodging maximums, any related event costs with maximums, etc., when participants pay fees to cover the costs in full.



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