Chapter 1: General Provisions

Section 1-1: Spirit of This Policy/General Considerations
- This Policy, and appropriate rate information, is based on the State of Indiana Travel Policy, as Ball State University is an instrumentality of the State of Indiana.
- A valid business or academic purpose should exist for any University travel.
- Procedures for performing any travel-related tasks can be found on the Travel Department website.
- Current reimbursement rate information can be found on the Travel Department website.
- Travelers should maintain professional conduct while in travel status.
- All University travel should adhere to the proper regulations and laws.
- University travel should adhere to the proper budgetary requirements.
- Travelers should use University funds carefully. University Funds should be treated as if they were personal funds; no ‘luxury’ purchases/arrangements should be made simply because a traveler is in travel status on University business.
- Travelers are expected to incur the lowest reasonable travel expense.
- To ensure maximum compliance and savings, absent prior approval from the Travel Department, travelers must book travel through the University’s dedicated travel booking tool.
- This Policy should be adhered to at all times, regardless of funding source. Although a grant or other funding source may include provisions for expenses/situations which differ from this Policy, the terms of this Policy will supersede those provisions.
- Items purchased with University funds are the property of the University.
- Only University employees or students are permitted to expend University funds.

Section 1-2: Parties Affected by This Policy
- Any employee or student, traveling on behalf of the University, using University funds.
• Anyone processing or approving travel arrangements and expenses.
• Anyone not affiliated with the University seeking reimbursement for travel-related expenses. For applicable travel concerning spouses, review Appendix A: Spousal Travel.

Section 1-3: Policy Exceptions/Circumstances not Explicitly Covered in This Policy
• Any exceptions to this Policy must be authorized and approved by a committee consisting of the Travel Department, Budget Office, and Controller’s Office, and to the extent applicable, the Office of Risk Management. A Travel Policy Exception Review Form will be completed by these areas detailing the nature of the exception and why it was allowed.
• If a circumstance arises that is not specifically covered, the most conservative course within the spirit of this Policy shall be adopted. Beyond that, the Travel Department will consult with other entities, including the State of Indiana, for a resolution.
• Prior to engaging in any travel-related activities which are not specifically covered in this Policy, University travelers and staff should consult with the Travel Department, if possible, to determine how best to achieve the goal of the activity while staying in compliance with the spirit of this Policy.

Section 1-4: Fiduciary Responsibilities & Compliance
• The Travel Department is responsible for ensuring that all proper documentation has been submitted and approvals completed for domestic travel. For international travel, see Chapter 4: International Travel Policy.
• The Travel Department will ensure that all travel-related expenses comply with the conditions of this Policy.

Chapter 2: Travel Authorizations

Section 2-1: Travel Authorization Guidelines
Section 2-2: Travel Authorization Process
Section 2-3: Blanket Travel Authorizations
Section 2-4: Cash Advances

Section 2-1: Travel Authorization Guidelines
• From a liability standpoint, to protect both the interests of the University and the traveler, all employees traveling on University business must complete valid Travel Authorizations and forms (including any field trip notice requirements involving students). If traveling internationally, please review Chapter 4: International Travel Policy. Questions concerning liability may be directed to the Office of Risk Management.
• The only entities who do not necessarily have to have a completed, approved Travel Authorization prior to travel are individual students traveling in large groups for a field study, competition, or other assignment, where it is not practical to complete a Travel Authorization for each participating student, and where the students are traveling with a sponsor or BSU employee. A list of the students traveling must be provided on the employee’s Travel Authorization, however, and the provisions above regarding international travel and field trip notice requirements still apply. Students traveling without a sponsor/BSU employee must complete individual Travel Authorizations.
• All travel should have the appropriate approvals and documentation completed prior to departure. Failure to do so may result in denial of reimbursement for expenses.
• Travelers may, in some instances, be allowed to claim travel expenses for the day prior to the start of actual University-related business and one day after the end of University-related business.
• If combining personal travel and business travel on the same trip, only the appropriate business travel expenses will be reimbursed in conjunction with this Policy.
• If traveling from city ‘A’ to city ‘B’ and the traveler actually travels to city ‘C’ either before or after going to city ‘B’, the allowable reimbursement would be the prorated commercial carrier fare actually paid between city ‘A’ and city ‘B’ (x2) or the map mileage (x2) if driving a personal vehicle.
• When two or more employees are traveling the same general route, only one vehicle should be driven if possible.
• An approved Travel Authorization is required if traveling to a University location which is not a normal commute; mileage beyond the normal commute would be a reimbursable expense. For example, if an employee’s official station is the Muncie campus, but the employee must conduct business at the Indianapolis Center, a Travel Authorization is required. The default official station for employees will be the Muncie campus except for those employees whose offices are located at other University-owned locations or if otherwise stipulated in an employee’s contract.

Section 2-2: Travel Authorization Process
• The Travel Authorization must list the appropriate dates of travel.
• The Authorization must also include all estimated expenses for the travel.
• The Authorization must include the funding source(s) for any travel expenses.

Section 2-3: Blanket Travel Authorizations
• In some instances, a blanket Travel Authorization may be created for a given employee if that employee’s position requires enough travel to warrant the blanket travel.
• The starting date/ending date for the period of blanket travel (length of project, term, etc.) should be listed on the Travel Authorization.
• Any Expense Report against this Travel Authorization must list the actual dates/destinations of travel.

Section 2-4: Cash Advances
• Cash advances are typically not issued and may be received only if other payment options do not exist or are not feasible. Cash advances are only available for field studies and international travel.
• The maximum allowable cash advance is $3,000.
• The requested advance amount should be a reasonable estimate of anticipated, applicable expenses.
• A Request & Justification for Cash Advance form must be completed and fully approved prior to the issuance of the advance. The submitted form should also include:
  o An itemized budget or calculation of the requested amount
  o A detailed description of the need for the advance
• Expenses which can be billed directly to the University should be excluded from a requested advance.
• Advances are only to be used for expenses pertaining to University employees and students.
• Advanced funds are only to be used for reasons listed in the Request & Justification for Cash Advance form. If the advanced funds are used for purposes not defined on the form, the traveler may not be eligible to claim those expenses on the traveler’s Expense Report.
• Advanced funds should not be used or spent by any party other than the traveler who received the advance.
• The amount of the advance will be used to offset any expenses prior to the issuance of a travel reimbursement.
• The minimum amount requested for a cash advance is $250.00. Amounts requested should be reasonable estimates of the anticipated expenses for which the advance will be used.
• Unused funds must be returned directly to the Travel Department. Checks and currency should not be sent through campus mail.
• The University will not accept foreign currency when returning unused funds from an advance. The traveler is responsible for converting foreign currency to U.S. currency prior to returning the funds.
• Outstanding advances must either be settled or repaid to the University within thirty (30) days from the business travel end date.
• If an outstanding advance is not settled in a timely manner, the amount of the cash advanced to the traveler will become taxable income reported by the University on the traveler’s Form W-2 at the end of the calendar year in which the funds were advanced.
• Abuse of cash advances is not tolerated and will result in a travelers’ loss of cash advance privileges. Additional disciplinary action up to and including termination may also apply.

Chapter 3: Travel Reimbursements

Section 3-1: Travel Reimbursement Overview
Section 3-2: Reimbursable Expenses
Section 3-3: Travel Reimbursement Process
Section 3-4: Foreign Currency

Section 3-1: Travel Reimbursement Overview
• Reimbursement/payment of expenses will only occur for parties complying with and covered by this Policy. In limited instances, expenses for Ball State University employees, dependents, spouses, or personal guests, may be reimbursed. Refer to Appendix A: Spousal Travel and Appendix B: Policy on Tax Implications for Travel and Related Expenses for more information.
• Travelers should use the University’s travel booking tool to reserve travel when applicable.
• All proper approvals/paperwork must be completed before expenses/reimbursements will be remitted.
• University travelers will only be reimbursed if receipts are in the traveler’s name, with the following exceptions:
  1. If traveler’s receipts are in a spouse/domestic partner’s name, and the name/address match, the traveler may be reimbursed
  2. If traveler’s receipts are in someone else’s name, the traveler cannot be reimbursed, but the third party may be reimbursed
• All original receipts must be obtained and submitted either directly into the University’s travel module or submitted to a delegate for entry into the travel module before reimbursements will be remitted. If original receipts cannot be obtained, a Missing Receipts Form must be fully completed, with all appropriate approvals, and submitted.

• Receipts should reflect a ‘paid’ status or no outstanding balance.

• If one employee books travel for both himself/herself and another employee for the same trip, and receipts detail expenses were only incurred by one person, that person would be eligible for any reimbursement.

• Credit card statements or copies of canceled checks may be requested as proof of payment.

• Expense Reports must be created within sixty days of the trip end date, and expenses which are reimbursable should be substantiated within sixty days of the date the expense was incurred. Travelers may be reimbursed for prepaid travel expenses prior to the dates of actual travel. Expense Reports created after sixty days of the trip end date may be considered taxable income – refer to Appendix B: Policy on Tax Implications for Travel and Related Expenses, and the Expense Reimbursements Accountable Plan, for more information.

• If the desired funding source for an Expense Report has not yet been created at the time the Expense Report should have been created (in accordance with the Expense Reimbursements Accountable Plan), the Expense Report should still be submitted against the traveler’s default funding source and then transferred via journal voucher after the desired funding source has been created.

• Payment will only be made if travel is by the preferred traveling method. The preferred traveling method is the least expensive or most cost effective means of travel which is also:
  1. Available at the time and place where it is needed
  2. Necessary for the travel involved
  3. Appropriate, sufficient, and timely for the travel involved
  4. Reasonably safe
  5. Reasonably comfortable

• Expenses will not be reimbursed if they violate any law, statute, regulation, or court order.

• Non-perishable items which are purchased in the course of a trip and which are only used during that trip (and not returned to the University) should not be processed through the University’s travel module. Reimbursement for these purchases, if allowed, should follow normal University reimbursement procedures.

• The University may recover any expense or allowance paid to any traveler:
  o which was erroneously paid for any reason;
  o which was paid because of illegality or fraud on the part of any person or entity; or
  o which was paid under the mistaken belief, at the time payment was made, that such payment was in accordance with this Policy.

• Individuals using University or Foundation funds for travel and related expenses may be subject to taxation in certain instances. Please review Appendix B: Policy on Tax Implications for Travel and Related Expenses for more information.

Section 3-2: Reimbursable Expenses

• Transportation – see Chapter 5: Transportation for more information and rates.
- Lodging – see Chapter 6: Lodging for more information and rates.
- Meals (subsistence) – see Chapter 7: Subsistence Allowance for more information and rates.
- Miscellaneous Travel Expenses – see Chapter 8: Miscellaneous Travel Expenses for more information.

**Section 3-3: Travel Reimbursement Process**
- The Travel Expense Report must list the appropriate dates of travel.
- The Expense Report must also include all reimbursable expenses for Travel.
- The Expense Report must include the funding source(s) for expenses.
- The Travel Department is the final approver of Expense Reports; all documentation pertaining to the reimbursement should be in the University’s travel module prior to Travel Department approval.
- Dates on receipts must correspond with travel beginning and end dates; receipts with dates outside the listed dates of travel on the Travel Authorization will not be reimbursed.
- Receipts should be in English, or should be translated to English, prior to submission.

**Section 3-4: Foreign Currency**
- For expenses incurred using foreign currency, the exchange rate used for reimbursement will be the rate which was in effect the date the expense was incurred. The Travel Department will utilize a currency converter website when calculating the exchange rate.
- Expenses incurred when exchanging currency are reimbursable.

**Chapter 4: International Travel Policy**

Any University student or employee proposing to undertake University authorized international travel must follow the appropriate approval, insurance, and travel security requirements set forth in this policy. This policy applies to all Ball State University undergraduate and graduate students, employees, and others traveling internationally including but not limited to the purposes of: attending or participating at international conferences; international research, teaching, and administrative travel, with or without students; study abroad; internships; exchange programs; student group travel (of any duration and whether offered for credit or not); technical or educational assistance programs; faculty led programs and any other international travel organized under University auspices by academic departments or administrative units. This policy does not apply to travel outside of the United States for purposes of vacation, pleasure, study, or work outside the scope of University employment or programs.

**I. Approval Requirements**

A. All international travel proposals must first be approved in writing by the appropriate University authority which may be the President, Vice President, Dean, Department Chair, or Program Director.

B. All University employees traveling internationally must register their travel with Risk Management by completing the International Travel Authorization Form. Student travel and study abroad programs are reviewed and approved by the Rinker Center for International Programs and shall comply fully with Rinker Center established policies and procedures pertaining to international travel.
II. Pre-Travel Process

A. All travelers that are U.S. citizens must register their travel with the U.S. Department of State Smart Traveler Enrollment Program (STEP), a free service that makes it easier for consular officers in U.S. embassies and consulates around the world to contact travelers during an emergency including situations where family or friends in the U.S. are having problems trying to contact travelers with important news.

B. All student travelers must participate and/or complete the International Programs orientation program for international study and travel abroad provided by the Rinker Center for International Programs.

C. The Faculty Leader or the Rinker Center for International Programs will conduct a pre-departure meeting for all student travelers noting the appropriate documents needed for that meeting.

III. Insurance Requirements

A. All travelers in programs directly controlled, administered or funded to any degree by the University must carry the University’s designated medical, emergency evacuation, and repatriation insurance. The policy covers medical expenses and evacuation due to security/political unrest, natural disaster, and emergency medical situations. Note that this is supplemental coverage for the dates of travel only, and is not intended as primary health insurance. Faculty and staff traveling outside the U.S. that complete the International Travel Authorization Form are automatically enrolled for this coverage.

B. Students traveling in programs not directly controlled and administered by the University must meet all the administrative and insurance requirements of those programs. If such a program does not provide comparable insurance as required by this policy then the student must self-enroll in the University’s designated medical, emergency evacuation, and repatriation insurance. The policy brochure is available online or by contacting the Rinker Center for International Programs.

IV. Countries on U.S. Travel Warning and Sanctions Lists

A. Ball State shall not sponsor, organize, facilitate, or encourage travel by undergraduate or graduate students to countries for which the U.S. Department of State has issued a Travel Warning. Travel Warnings are issued when long-term, protracted conditions that make a country dangerous or unstable lead the U.S. Department of State to recommend that Americans avoid or consider the risk of travel to that country. For a list of restricted countries, please go to: http://travel.state.gov/content/passports/english/alertswarnings.html

B. Ball State shall not sponsor, organize, facilitate or encourage programs for undergraduate or graduate students to countries for which The Office of Foreign Assets and Control (OFAC) has imposed economic and trade sanctions. For a list of sanctioned countries, please go to: http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx
C. Any University employee seeking authority to travel to a country for which the U.S. Department of State has issued a Travel Warning or for which The Office of Foreign Assets and Control has imposed economic or trade sanctions must complete an International Travel Exemption Request. Approval to travel to destinations for which a Travel Warning is issued or for which OFAC has imposed economic or trade sanctions must be requested at least 45 days in advance of the planned departure date. All such requests seeking authority to travel to a restricted country/region shall be presented to the University’s International Travel Oversight Committee (ITOC) for review and approval.

D. Factors considered in the review process include the necessity of travel; whether travel can be delayed or postponed; the nature of the activity; specific country risks; specific city/locality of travel; whether students are involved; sanctions and export control concerns; media reports; experience of person traveling; availability of local support and evacuation options; ability to communicate with traveler and travelers ability to communicate locally; contractual obligations to travel (if any) and other information as may be deemed relevant.

E. Authorization for travel to countries that the U.S. Department of State has issued a Travel Warning or for which The Office of Foreign Assets and Control has imposed economic or trade sanctions may be granted depending upon an analysis of current conditions in the country and may carry specific restrictions, including a signed release in which the traveler acknowledges the heightened risk, assumes all risk, and releases the University from all liability. After authorization is granted and at any time before or during the actual travel, ITOC reserves the right to seek additional information from the traveler regarding the trip or conditions, impose additional restrictions on the travel, or rescind the authorization and cancel the travel should conditions in the country deteriorate.

F. Persons traveling to destinations under a Travel Warning without permission or who choose to remain in those destinations after being advised by the University to evacuate are not eligible for University funding or academic credit and may be subject to restrictions in other benefits or services and discipline.

V. Right to Amend, Suspend or Cancel Travel

The University reserves the right to amend, suspend or cancel a program or other travel (prior to departure or in progress) if facts and circumstances are such that the University concludes that the traveler’s health, safety and well-being may be jeopardized or would be inconsistent with applicable U.S. government sanctions or export control laws. Financial loss resulting from such cancellation is primarily the responsibility of the program participants.

VI. Contractual Authority

Faculty, staff, students, student groups, departments, and other units at Ball State cannot organize travel as a Ball State unit with a third-party provider (i.e. not the University) or enter into a contractual agreement with an outside vendor (travel agencies, tour operators, other universities, charitable or humanitarian organizations, etc.) without the consultation, review, and approval of the Office of Business Affairs.

VII. Traveling with Laptop Computers and Mobile Electronic Devices
A. U.S. export control laws may prohibit or restrict taking laptop computers, communications equipment, mobile devices (such as smartphones, GPS equipment, PDAs, etc.) information storage devices and/or many other forms of technologies (ex. Google Glass, biological agents, etc.) to foreign countries. These laws govern any technologies that may contain encryption software, source codes, restricted technologies (ex. infrared sensors, surveillance equipment) or any information that is considered classified and/or under control by the U.S. Government. Travelers considering taking such devices and/or information abroad must comply with U.S. laws and the laws of the country to which they are traveling.

B. Travel to countries for which OFAC has imposed economic and trade sanctions involve a greater risk of export compliance violations due to more restrictive U.S. export control regulations. Custom officials in these countries have the right to examine any devices any information contained therein and have the right to hold/confiscate such if found to be in violation of U.S. law, international law, or the laws of your host country (which may be significantly different than U.S. law).

C. Export compliance is managed by the Office of Research Integrity (ORI). All travelers must work with ORI as their international travel plans are being developed in order to quickly identify any issues that may arise.

Chapter 5: Transportation

Section 5-1: Transportation Overview
Section 5-2: Automobile – Driving Privileges Policy
Section 5-3: Automobile – University Vehicle
Section 5-4: Automobile – Rental
Section 5-5: Automobile – Personal Vehicle
Section 5-6: Mileage
Section 5-7: Air
Section 5-8: Miscellaneous Transportation Expenses – Parking, Tolls, Taxi, etc.

Section 5-1: Transportation Overview

- Transportation expenses should be made in accordance with this Policy.
- Travelers should book travel using the University’s dedicated booking tool to ensure maximum compliance and savings.
- The preferred means of transportation is that which is the most efficient and cost effective. Other means may be utilized at additional cost if deemed more convenient or safe.
- When University Travel is in-State or is within 250 miles of the traveler’s official station, the preferred traveling method ranks as follows when it is most cost effective, efficient mode of transportation:
  - University vehicle
  - Rental vehicle
  - Personal vehicle
- When University Travel is out-of-State and greater than 250 miles of the traveler’s home or official station, whichever is closest, the preferred traveling methods rank as follows:
If choosing a transportation method which is not the preferred traveling method, and the preferred traveling method was available for the travel in question, the reimbursement would be the lesser of actual transportation charges and what the cost would have been if using the preferred traveling method. For example, if driving a personal car out-of-State when flying would be more cost effective, the maximum amount to be reimbursed would be the lesser of the actual mileage driven or the cost of a flight, the cost of transportation to/from the airport, the cost of a shuttle from the airport to the destination, and the cost of long-term parking at the airport.

The preferred method of transportation for persons visiting the University (for example, artists and scholars) is for the visitor to rent a vehicle and be reimbursed for the rental. In limited instances, University personnel may chauffeur a visitor provided the University personnel has an approved Travel Authorization and has requisitioned a University vehicle. If the visitor is renting a vehicle, the visitor should purchase insurance on the rental. The insurance expense is reimbursable, as it is for employees. In rare instances, a paid car service may be used to transport visitors, but this is only when the above two options are not feasible. Again, travelers are expected to incur the lowest reasonable travel expense.

University students and employees should not function as ‘chauffeurs’ for other employees in travel status. For example, a traveling employee should not ask or require another employee or student to escort the traveling employee to/from the airport.

Expenses such as satellite radio fees, GPS, car seats, parts, vehicle maintenance/upgrades, etc., will not be reimbursed.

Section 5-2: Automobile – Driving Privileges Policy

Purpose
Authorized Drivers
Driver Responsibilities
Driving Record Reviews
Driver Safety Program
Conditional Status and University Driving Privileges
Suspension or Termination of University Driving Privileges

Purpose
Ball State must ensure that the operation of University vehicles is done in a manner that minimizes risk to the general public as well as to our employees and students. This policy which governs the use of Ball State vehicles is designed to support safe and prudent use of University owned, leased, and donated or rented vehicles, including personal vehicles in the event the vehicle is used on University Business. University Business is defined as those activities that further the mission of the University and, in the case of an employee of the University, are within the scope and authority of that person’s employment or for activities which they are seeking mileage reimbursement.
**Authorized Drivers**

Drivers of University vehicles must be 18 years of age or older and have a valid driver’s license. Only the following individuals may qualify as authorized vehicle drivers.

a. Employees (faculty, staff) of the University whose job description requires driving as a condition of employment.

b. Employees of the University on official travel status with an approved Travel Authorization (TA).

c. Ball State students (undergraduate, graduate) working in a paid position on campus who are either traveling on authorized University business or whose job description requires driving as a condition of employment.

d. Other individuals who may be permitted on an occasional basis to drive on authorized University Business.

**Driver Responsibilities**

To be considered for approval to drive, the individual must:

a. Have a valid Indiana driver’s license or out-of-state license for at least 3 years.

b. Consent to a Motor Vehicle Record (MVR) check for Indiana driver’s license and/or in the case of out-of-state driver’s license(s), provide a current copy of their MVR from the state where their license is issued that covers the previous 36 months. The cost to obtain the out-of-state driving record is the responsibility of the driver.

c. Maintain an acceptable driving record as determined by the University’s MVR Point System in Appendix A of this policy.

d. Meet the acceptable risk standards set forth by the University’s insurance carrier;

e. Continuously self-evaluate driving performance to ensure it remains in compliance with this policy.

f. Comply with Transportation Services Guidelines and obey applicable state laws.

g. Immediately report any incident or situation to his/her supervisor that might cause approval status to change. Such incident or situation could include moving violations, license suspension or revocation, and medical restrictions which may interfere with driving. The supervisor will immediately report such incident or situation to Transportation Services.

h. Immediately report all accidents, involving a university vehicle, regardless of the extent of damage, to the police and to Transportation Services. An accident is defined as any incident involving an automobile that causes damage to people or property.

i. Drivers should not make any statements concerning responsibility for accidents since any admission may impair the insurer’s ability to defend a case of questionable legal liability. Appropriate legal authority will decide fault or liability.

**Driving Record Reviews**

A Motor Vehicle Record (MVR) is a driving history report, as reported from the Department of Motor Vehicles (BMV, or similar state agency). Information on this report may include driver’s license information, point history, violations, convictions, and license status. Based on the MVR review, each driver’s status is classified as acceptable, conditional, or unacceptable using the University’s MVR Point System in Appendix A.

The following parameters will be observed in the review of MVR’s:

a. MVR reviews are performed annually for all authorized drivers. MVR reviews may also be performed after any accident involving a university vehicle, on an increased frequency for conditional drivers, and on request from a supervisor if there is a reasonable basis for the request.

b. The University reviews moving violations and offenses for the past three years; and five years for driving under the influence of drugs or alcohol.
c. MVR reviews may result in a driver being placed in a conditional or unacceptable status which in turn could result in disciplinary action up to and including termination of employment.

**Driver Safety Program**

Driver training may be required as a result of individual driving performance issues identified via accident history and MVR reviews. The Office of Risk Management may recommend additional training based on performance metrics such as too many backing events or speeding violations. Drivers will be required to successfully complete the assigned training or be placed on conditional status.

**Conditional Status and University Driving Privileges**

As conditions warrant a driver may be placed on conditional status limiting their ability to drive for the University. In such instances, the Office of Risk Management will provide written notification to the employee, the employee’s supervisor, and Employee Relations outlining the expected duration of conditional status and any corrective action to be taken. Conditional status applies until further notice is given. Drivers placed in a conditional status are expected to cooperate fully with any impending corrective action measures.

**Suspension or Termination of University Driving Privileges**

The following offenses may result in the suspension or termination of university driving privileges:

a. Unacceptable MVR status as determined by the MVR Point System.
b. Failure to maintain a valid driver’s license.
c. Operating a university vehicle on a suspended, revoked or cancelled license.
d. Failure to immediately report an accident to law enforcement and Transportation Services while driving a University vehicle.
e. Two or more at fault accidents involving bodily injury or cumulative property damage for all accidents in excess of $10,000 while driving on university business in the past three years.
f. Operating a University vehicle under the influence of alcohol/drugs or refusing to submit to a sobriety test.
g. Knowingly operating a University vehicle in violation of this policy.

The Office of Risk Management will make the determination if and when a suspension or termination of driving privileges is appropriate, the duration, and what, if any, driving limitations will be imposed on the driver after the suspension. Written notification will be provided to the employee, the employee’s supervisor and Employee Relations outlining the necessity for the suspension or termination of driving privileges and the recommended course of action. If driving on University Business is an essential function of an employee’s position, suspension of driving privileges may also result in appropriate university disciplinary action, up to and including termination of employment, independent of action taken by the Office of Risk Management.
Appendix A

All drivers must consent to a Motor Vehicle Record (MVR) check to ensure they continually meet the approval requirements set forth in this policy. For employees who reside out-of-state, employees must provide BSU Transportation Services a current MVR annually. Situations which may affect driver approval consist of any combination of violations or convictions which total eight or more points in the previous three years. Point values range from zero to twelve (0-12) points and correlate to the seriousness of the offense in posing a safety risk. Not wearing a seat belt is counted as zero points for the first violation and as 2 points for the second and successive violation of the same offense.

<table>
<thead>
<tr>
<th>MVR Point System</th>
<th>Acceptable</th>
<th>Monitored</th>
<th>Conditional Requirements Must be Completed</th>
<th>Unacceptable</th>
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<tbody>
<tr>
<td><strong>Moving Violations</strong></td>
<td>0 – 4 points in the past 3 years</td>
<td>5 - 7 points in the past 3 years</td>
<td>8 - 12 points in the past 3 years Conditional requirements must be met in the timeframe given otherwise status will be moved to Unacceptable.</td>
<td>13 or more points in the past 3 years Receiving an additional moving violation after being placed on conditional status Drivers with active suspensions Suspension or revocation in the past 3 years due to a traffic-related offense</td>
</tr>
<tr>
<td><strong>Suspension – Non felony offense, i.e., failure to appear, failure to submit proof of insurance or failure pay a fine</strong></td>
<td>Risk Management Committee will review and make final determination on status</td>
<td></td>
<td>Status will be determined by Risk Management Committee</td>
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<tr>
<td><strong>Major Offenses</strong></td>
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<td></td>
<td>A single citation in the past 3 years for any felony crime committed with a vehicle or leaving the scene of an accident A single citation in the past 5 years for any alcohol or drug-related driving offenses or refusing to take a substance test</td>
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## MVR Point System for Student Employees

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<th>Acceptable</th>
<th>Monitored</th>
<th>Conditional Requirements Must be Completed</th>
<th>Unacceptable</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Drivers with active suspensions</td>
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<td>Suspension or revocation in the past 3 years due to a traffic-related offense</td>
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<tr>
<td>Suspension – Non-felony</td>
<td>Risk Management Committee will review and make final determination on status</td>
<td>Status will be determined by Risk Management Committee</td>
<td></td>
<td>A single citation in the past 3 years for any felony crime committed with a vehicle or leaving the scene of an accident</td>
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<tr>
<td>offense, i.e., failure to appear, failure to submit proof of insurance or failure pay a fine</td>
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<td></td>
<td></td>
<td>A single citation in the past 5 years for any alcohol or drug-related driving offenses or refusing to take a substance test</td>
</tr>
</tbody>
</table>
Section 5-4: Automobile – Rental

- Economy-class vehicles should be rented unless otherwise approved.
- Renters must purchase collision damage waiver coverage. The purchase of this insurance is a reimbursable expense.
- The cost of a rental vehicle, including any damage expenses not covered by insurance, is charged to the department or budget area requesting use of the vehicle.
- The cost of renting a vehicle may be reimbursed if suitable local public transportation is not available or when rental is considered more advantageous.
- Any receipts from the rental agreement should include beginning and ending mileages.
- The cost for fuel, including the cost to refuel the rental car prior to returning to the rental agency, is an allowable expense with proper receipts.
- Travelers may not claim reimbursement for the rental of a personal vehicle when the vehicle was provided by another person not in the business of renting vehicles.
- The rental of 15-passenger vans is prohibited.

Section 5-5: Automobile – Personal Vehicle

- When driving a personal vehicle, a driver will be paid a mileage allowance for business travel starting from his/her home or campus - whichever is closest to the traveler’s point of destination. This is for any travel including night, weekend, and holiday travel.
- A traveler using his/her personal vehicle, for which mileage is claimed, shall travel by the shortest usually-traveled route. If, for personal convenience, an indirect route is traveled, any extra expense is borne by the traveler.
- Use of a personal vehicle for normal commute is not an allowable expense.
- When using a personal vehicle, if an accident occurs, the owner’s personal auto insurance will come first in resolving any claim. Please note that University automobile insurance only covers University vehicles.
- Repairs, storage, car washes, etc. are not allowable expenses.

Section 5-6: Mileage

- Mileage can only be claimed for personal vehicle usage in accordance with Section 5-5 of this Policy. Mileage cannot be claimed for rentals or for University-owned vehicles; in these instances, the purchases of gasoline may be reimbursed with proper receipts.
- The mileage rate includes the cost of the operation of the vehicle, including gasoline, maintenance, and insurance. To that effect, the purchase of gasoline for personal vehicles is not an allowable expense.
- When driving a personal vehicle, a driver will be paid a mileage allowance for business travel starting from his/her home or official station; whichever is closest to the traveler’s point of destination. This is for any travel including night, weekend, and holiday travel. If traveling to a University location which is not a traveler’s official station, mileage will be computed the same way. For example, if an employee’s official station is in Muncie, but the employee conducts business in the Indianapolis Center, mileage will be computed based on the distance between...
the traveler’s home or official station and the Indianapolis Center, whichever is closest. The default official station for employees will be the Muncie campus except for those employees whose offices are located at other University-owned locations or if otherwise stipulated in an employee’s contract.

- Mileage from campus to certain locations is predetermined as follows (please note that these rates are the maximum allowable amounts which could be claimed; the amount of mileage to be claimed may be less dependent on the traveler’s home or official station):

<table>
<thead>
<tr>
<th>Campus to Indianapolis International Airport</th>
<th>150 miles (round-trip)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus to Indianapolis</td>
<td>120 miles (round-trip)</td>
</tr>
<tr>
<td>Campus to Dayton International Airport</td>
<td>164 miles (round-trip)</td>
</tr>
</tbody>
</table>

- Except in the cases above, mileage is computed utilizing online map applications or applications housed in the University’s travel module. Any detours should be noted on the Expense Report.
- The current mileage allowance for personal vehicles is listed on the Travel Department website.

**Section 5-7: Air**

- The coach (economy) class cost of travel by commercial air carrier should be used when booking airfare. ‘Economy plus’ or ‘economy premium’ fares (fares between economy and first-class; typically the benefit is extra legroom) are only permissible for international travel. Fees for subscriptions/memberships to such programs are prohibited expenses.
- Canceled tickets carry a penalty fee and may be reimbursable only if legitimate University business prohibits the traveler from traveling.
- Non-refundable airfare should be purchased due to the cost savings involved.
- Charges for business-related baggage are allowable.
- Reasonable in-flight internet connectivity charges are allowable for international flights only, but subscriptions to in-flight services, such as GoGo, are prohibited expenses.
- Mid-trip flight changes are typically not an allowable expense. In an instance where a traveler has the opportunity to take an earlier flight than the original flight (due to a conference’s ending early or similar issue), the University will not reimburse for the upgrade cost for a prospective flight leaving on the same day as the original flight. If cost effective, the University may reimburse for an early flight if the original flight was scheduled to depart the next day.
- If traveling from city ‘A’ to city ‘B’ and the traveler actually travels to city ‘C’ either before or after going to city ‘B’, the allowable reimbursement would be the prorated commercial carrier fare actually paid between city ‘A’ and city ‘B’ (x2) or the map mileage (x2) if driving a personal vehicle.
- Travelers flying their own plane may be reimbursed for the cost of fuel up to the cost of a commercial flight with the same dates of travel and destinations.
Section 5-8: Miscellaneous Transportation Expenses – Parking, Tolls, Taxi, etc.

Parking

- The cost of parking at an airport terminal, at long-term parking rates (for example, the Economy Lot at the Indianapolis International Airport), is a reimbursable expense when supported by proper receipts.
- Valet parking is only reimbursable if ‘self-parking’ is not available. Tips for valet parking are not a reimbursable expense.
- Mileage for a second round trip may be claimed in lieu of parking if it is more desirable to have a second person care for a traveler’s vehicle instead of leaving the vehicle at the airport. The total amount claimed for the second round trip mileage cannot exceed the calculated cost of long-term parking (number of parking days times the long-term parking rate).
- Other parking charges are a reimbursable expense when supported by proper receipts.

Tolls

- Toll charges are a reimbursable expense when supported by toll receipts.

Taxi/Public Transportation

- Transportation to Terminal - The cost of taxi and other public transportation between a person’s station and a terminal may be reimbursed with proper receipts; however, the University will not reimburse the cost of taxi fare between the home and terminal in an amount in excess of taxi fare between the station and the terminal.
- While on Business - The cost of transportation between the terminal, the place of lodging and other place of business may be reimbursed with proper receipts.
- Reasonable tips for taxi/public transportation are an allowable expense when supported by receipts. Travelers may be required to submit a written explanation of the calculation of the amount of the tip if the tips are not deemed to be ‘reasonable.’ In such cases, the Travel Department will determine what amount to reimburse.

Other Forms of Transportation/Miscellaneous Transportation Expenses

- Other forms of transportation not explicitly covered above (rail, ferry, etc.) may be used when cost-effective or completely necessary. Original receipts are required for reimbursement.
- Fines resulting from traffic or parking violations are not reimbursable.

Chapter 6: Lodging

Section 6-1: Lodging Overview
Section 6-2: Shared Accommodations
Section 6-3: Rates
Section 6-4: Miscellaneous Lodging Expenses

Section 6-1: Lodging Overview

- Lodging arrangements should be made in accordance with this Policy.
• Current lodging reimbursement rates can be found on the Travel Department website.
• A traveler may claim reimbursement for actual lodging expenses not exceeding the lowest reasonable single occupancy room rate, including taxes, for overnight stays only, in compliance with rate restrictions identified in Section 6-3.
• Late check-out fees are not an allowable expense.
• All original receipts must be obtained and sent to the Travel Department prior to reimbursement.
• Travelers may not claim reimbursement for lodging when the lodging was provided by another person not in the business of providing lodging.
• Even if lodging is furnished at no cost to the traveler, the Expense Report should still detail the logistics of the stay.
• Employees must be in travel status to claim reimbursement for lodging.
• Please note that the University is exempt from tax on lodging in certain states. Please refer to the Controller’s Office website for a list of states the University is exempt in, and present the appropriate tax exempt form to the place of lodging.

Section 6-2: Shared Accommodations

Accommodations are Shared by University Employees
• The total room charge cannot be claimed by either traveler.
• Each traveler should request a hotel bill in the traveler’s name.
• Each traveler shall claim a prorated share of the total room charge as listed on the traveler’s individual bill.

Accommodations are Shared by Non-University Affiliates
• A separate bill is not required; the traveler can claim the total bill divided by the number of occupants, when applicable.
• The single occupancy room rate may be claimed in lieu of the above.

Section 6-3: Rates
• Current rate information can be found on the Travel Department website.

Section 6-4: Miscellaneous Lodging Expenses
• Internet connection/Wi-Fi fees are allowable expenses if used for University business. Current allowable internet rate information can be found on the Travel Department website.
• Laundry/dry cleaning, in-room entertainment, room service charges, minibar charges, and similar charges of a personal nature are not reimbursable expenses.
• In-room tips are also not reimbursable.

Chapter 7: Subsistence Allowance

Section 7-1: Subsistence Allowance Overview
Section 7-1: Subsistence Allowance Overview

- Payment of a subsistence allowance shall be made in compliance with this Policy. The allowance is valid for any period of time in which a traveler is in travel status, and the allowance is not to exceed the amount(s) listed in Section 7-2.
- A travel day is divided into multiple periods of subsistence. Current travel day subsistence breakouts can be found on the Travel Department website.

Section 7-2: Subsistence Rates

- Current rate information can be found on the Travel Department website.

Section 7-3: Meals Provided

- If a meal is provided, or if a meal is included in the cost of a registration fee, no subsistence shall be claimed for that meal. Meal deduction calculations can be found on the Travel Department website.
- There are no deductions for continental breakfasts at hotels or snacks served on airplanes. Full meals provided by hotels or airlines which are included in the cost of the lodging or airfare should be deducted from per diem calculations.

Chapter 8: Miscellaneous Travel Expenses

Section 8-1: Miscellaneous Travel Expenses Overview

- Certain miscellaneous travel expenses not explicitly covered in this Policy may be reimbursed if they are deemed appropriate and in compliance with this Policy.
- The Travel Department reserves the right to deny any miscellaneous expenses deemed to be unreasonable.
- Travelers should contact the Travel Department when possible if there are questions concerning whether a particular expense would be reimbursed or not. Note that if it is deemed that the University does not receive a benefit from the expense, the expense will be denied.

Section 8-2: Personal Services Contracts

- Travelers should not pay individuals/entities for services performed while in travel status (EX: an individual helps the traveler set up a room for a banquet). In these instances, the
individual/entity performing the service should provide the University with a detailed invoice and the appropriate IRS tax form (W-9 for domestic payees, W-8BEN or W-8BEN-E for nonresident payees). The invoice can then be paid directly to the individual/entity by the University (and not the traveler).

- In instances where obtaining the above is not feasible, and if the individual/entity is unable to provide a detailed receipt, the individual/entity providing the services should sign and complete a Missing Receipts Form.
- If the completion of a Missing Receipts Form is not feasible, and if submitting a handwritten/typed confirmation of receipt of funds from the individual/entity that provided the service(s), the document must include the following information:
  - Printed name of person providing services
  - Signature of person providing services
  - Date of services
  - Amount and date of payment
  - Description of services
  - Contact information for the person providing services (phone number, e-mail address, etc.).

Section 8-3: Communications Charges – Cell Phones, Calling Cards

- Purchasing the most economical international phone plan on a personal device is an allowable expense. The plan should only encompass the dates of travel. For example, if a plan was purchased for an entire month, but the trip was only for two weeks, the reimbursable amount will be prorated for the actual dates of travel.
- Business-related long-distance phone calls are reimbursable.

Section 8-4: Conference Registrations

- Conference registration expenses should be made in accordance with this Policy.
- Registration payments should adhere to proper budgetary and regulatory requirements.
- Proper approval should be obtained prior to the purchase of a registration.
- Procedures for the payment of conference registrations exist on the Travel Department website.

Section 8-5: Allowable Expenses

- Passports and/or visas are typically personal in nature and are not the responsibility of the University. However, passports/visas (and related photographs) specifically obtained in order to perform work for or on behalf of the University may be reimbursed at the discretion of the appropriate approver.
- Vaccinations (only if required for travel per CDC or State Department)
- Currency exchange
- Two single airline seats for one traveler if required by airline regulations
- If travel is to a remote location where emergency medical supplies are not readily accessible, a first aid kit may be an allowable expense.
Section 8-6: Prohibited Expenses

- Alcohol of any kind
- Ammunition
- Donations
- Electronic devices
- Personal entertainment
- Seat upgrades (regardless of flight duration)
- Fees by carriers to ‘lock in’ rates for a certain amount of time prior to actual purchase/booking
- Early check-in fees – hotel or airfare
- Clothing
- ‘No show’ or late check-out expenses
- Purchase of luggage
- Memberships
- Any other personal expense
- Trip insurance on domestic travel
- Gifts
- Pharmaceuticals/medication
- Conference receptions/meals in excess of the allowable per diem limits
Appendix A: Spousal Travel
Ball State University

Policy for Determining Business Purpose of Spousal Travel

Purpose:

To describe, in accordance with Internal Revenue Code of 1986, as amended (the "Code") guidelines, the circumstances and procedures under which the spouse of an employee of Ball State University (the "University") may be reimbursed for travel expenses.

Policy:

1. From time to time, spouses of the President, Vice Presidents, Trustees, and other employees of the University may attend functions or other events related to the ongoing business of the University. Such functions may include, but are not limited to, professional conferences, fundraising activities or alumni, donor and athletic events where there is a University benefit.

2. If the attendance of the spouse serves a bona fide business purpose of the University, the travel expenses of such spouse may be paid in accordance with the University's travel policy on a tax-free basis.

3. If it is determined that the attendance of a spouse does not serve a bona fide business purpose, but approval has been obtained for reimbursement of the spouse's travel expenses, then, per Treasury regulations, the amount of such reimbursement shall be included in the employee's compensation as a taxable "fringe benefit" and reported on the employee's Form W-2 (and applicable state and local tax reporting forms).

4. To be a bona fide business purpose, the presence of the spouse must be essential (not just beneficial) to the employee being able to carry out his/her business purpose for the University. The spouse's performance of some incidental service does not make it a bona fide business expense. An employee's spouse performing a ministerial task (such as taking notes) or accompanying the employee to luncheons and dinners is not a bona fide business purpose. The spouse must perform substantive business related functions.

5. A determination of whether an employee's spouse serves a bona fide business purpose shall be based upon, among other factors, the following criteria:
   - The degree to which the "dominant purpose" of the travel is to aid the employee's business purpose of promoting the University's objectives.
• Whether the spouse's presence on the trip is necessary to effectively carry out the duties of the employee.

• The extent to which the spouse's presence on the trip is to provide more than "incidental" business related services (e.g., typing notes, attending to ministerial or scheduling matters, attendance at meals, etc.) to the University employee.

• The time spent by the spouse on personal activities in comparison to the activities related to the business of the University.

6. The determination of the presence of a business purpose shall be made by the Vice President of Business Affairs and Treasurer. Such approval must be obtained before any spousal travel costs are incurred on the Form attached as Exhibit A.

7. If it is determined that the attendance of a spouse serves a bona fide business purpose of the University, the travel expenses of the spouse may be reimbursed in accordance with the University's general travel policy and the amount of the reimbursement will not be included in the employee's compensation (i.e., such amount shall be treated as a "working condition fringe benefit").

8. In all cases, the bona fide business purpose of the accompanying spouse must be clearly reflected on the employee's Travel Expense Report.

9. In all other cases, payment of a spouse's travel expenses shall be the personal responsibility of the employee.

10. Following are some examples to aid employees in making a decision regarding whether a business purpose exists in regards to spousal travel expenses.

<table>
<thead>
<tr>
<th>Expenses more likely to be taxable compensation when:</th>
<th>Expenses more likely &quot;bona fide” business expenses when:</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal request for spouse to attend event(s).</td>
<td>Formal or official correspondence requests spouse to make trip or attend event(s).</td>
</tr>
<tr>
<td>Spouses are not required to attend meetings, given assignments in advance, or asked to deliver presentations at the event(s).</td>
<td>Spouses are required to attend meetings, given assignments in advance, or asked to deliver presentations at the event(s).</td>
</tr>
<tr>
<td>Spouse performs only “helpful” services, such as limited note taking, secretarial services, etc.</td>
<td>Spouse performs “necessary” services by acting as a representative of the University in a substantial manner.</td>
</tr>
<tr>
<td>Only University employees and family members attend event(s).</td>
<td>Non-University individuals (alumni, donors, recruits, etc.) attend event(s).</td>
</tr>
<tr>
<td>Spouse participates in substantial tourist activities (shopping, sight-seeing, etc.).</td>
<td>Spouse does not participate in tourist activities.</td>
</tr>
<tr>
<td>Children or other family members attend the event.</td>
<td>Children or other family members do not attend the event.</td>
</tr>
</tbody>
</table>

**Contact in Case of Questions:** bsutax@bsu.edu

*Ball State University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit BSU.edu to ensure that you are relying on the most current version. This information is not intended as tax advice but rather to alert employees of potential tax ramifications and IRS rules. The University is not providing you with tax advice nor attempting to evaluate your particular situation. You are urged to consult your own tax advisor(s) or the IRS concerning the federal, state, and employment tax ramifications of your particular situation.*
**Spousal Travel: Expense Voucher**

This voucher is to be completed when you are seeking reimbursement for travel costs incurred by your spouse to accompany you on a business trip and a bona fide business purpose exists for your spouse to make the trip. The information in this report is intended to comply with the substantiation requirements under the rules of Section 274 of the Internal Revenue Code.

### Employee Information

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>BSU Identification Number</th>
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<tbody>
<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Department</th>
<th>Date Submitted</th>
</tr>
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<tbody>
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</table>

### Travel Information

<table>
<thead>
<tr>
<th>Place of Travel</th>
<th>Date(s) of Spousal Travel</th>
</tr>
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<tbody>
<tr>
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</table>

Estimated Cost of Spousal Travel

<table>
<thead>
<tr>
<th>Airfare:</th>
<th>Mileage/Ground:</th>
<th>Lodging:</th>
<th>Meals:</th>
<th>Other:</th>
<th>Total:</th>
</tr>
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</table>

Business Purpose of Spousal Travel and Duties Performed by Spouse (See Spousal Travel Reimbursement Policy)
<table>
<thead>
<tr>
<th>Additional Comments</th>
</tr>
</thead>
</table>

**Signature and Dates**

<table>
<thead>
<tr>
<th>Requestor’s Name</th>
<th>Requestor’s Signature</th>
<th>Date</th>
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<table>
<thead>
<tr>
<th>Approver’s Name</th>
<th>Approver’s Signature</th>
<th>Date</th>
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Appendix B: Policy on Tax Implications for Travel and Related Expenses

Ball State University

Policy on Tax Implications for Travel and Related Expenses

EFFECTIVE DATE: December 1, 2013

LAST REVISION: December 1, 2013

POLICY ISSUED FROM: Office of University Controller

I. PURPOSE: This policy ("Policy") is hereby adopted for the purpose of detailing the potential tax implications of travel and related expenses incurred by individuals using Ball State University ("University") or Ball State University Foundation ("Foundation") funds. This policy does not address which individuals will be eligible for travel or travel related expenses. Those decisions are made in accordance with the University’s Travel Policy and by the President’s office on a case-by-case basis for non-employees and by the appropriate decision-making office for individual employees.

II. BACKGROUND: Certain reimbursable expenses are included in taxable income of the recipient. In accordance with Department of Treasury regulations, the University is required to determine whether there is a taxable benefit attributable to any person that uses or is reimbursed with University funds for travel and related expenses. For example, the value of travel expenses that do not further a valid business purposes (as defined in the Internal Revenue Code of 1986, as amended (the "Code")), but the University deems appropriate for reimbursement will be considered taxable income.

III. APPLICABILITY: This Policy applies to all travel related expenses of employees and Trustees of the University, as well as other individuals that the University reimburses for travel related expenses. This policy applies to all types of travel including travel to athletic events (including Bowl games).

IV. POLICY DETAILS: To be excluded from an individual's income, the travel expenses in question must further a valid business purpose for the University. The Code requires that the travel expenses represent ordinary and necessary costs that are incurred in carrying on the business of the University. If such a standard is not satisfied, then the reimbursement of such expenditures must be classified as income to the recipient. In virtually all cases, only employees will have a bona fide business purpose for incurring travel expenses which allows for these expenses to be paid for or reimbursed by the University without recognizing taxable income.

The inclusion of University paid travel expenses in gross income varies based on an individual’s affiliation with the institution. This policy will specifically cover employees, spouses/dependents of employees, donors and trustees. The types of individuals covered will not be an exhaustive list and further information may be needed for uncommon transactions. Contact the Office of the University Controller at 285-5621 with specific questions.

Employees
An employee will not recognize taxable income associated with the reimbursement or direct payment of travel expenses incurred for a documented business purpose. The University’s travel policies, as set out on the Accounting Office webpage, justify the associated business purpose of each approved travel expense. Conversely,
for University employees without a recognized business purpose, any travel expenses reimbursed or paid directly by the University will result in taxable income. This taxable income will be subject to all associated payroll taxes and reported by the University on the employee’s annual wage and tax statement, Form W-2.

**Spousal/Dependents of University Employees**

Amounts expended on behalf of an employee’s spouse or other dependent are considered to be expended on behalf of the employee and are therefore subject to the same rules as employee travel. Treasury regulations allow for spousal travel to be excluded from an employee’s taxable income if the spouse has a bona fide business purpose for traveling. Treasury regulations further explain that incidental service does not cause expenses to qualify as deductible business expenses. Whether or not the spousal travel was for a bona fide business purpose will be decided by the facts and circumstances surrounding the travel. In general, unless the spouse is providing essential business services, University paid spousal travel will result in taxable income to the University employee. Dependent’s cost of attendance may be covered by the University in some cases; costs incurred in accordance with dependent’s attendance will be included in the taxable income of the University employee.

**Employee’s Guests**

The rules outlined above for an employee’s spouse and/or dependent will also apply to guests of employees. Any expense incurred by the University on behalf of an employee’s guest, regardless of relationship, will result in taxable income. This taxable income will be subject to all associated payroll taxes and reported by the University on the employee’s annual wage and tax statement, Form W-2.

Note: The attached document titled, “Determining Business Purpose of Spousal Travel” provides more guidance for determining a bona-fide business purposes for spousal travel. The preapproval form required for spousal and/or dependent travel to be paid for by the University is also attached.

**Trustees**

Based on Treasury regulation guidance, Trustees are treated as employees for tax purposes. As such, the University will only pay directly or reimburse Trustees for travel expenses incurred in their capacity as an official representative of the University. Since the University will not cover any expense without a bona fide business purpose for these individuals, no taxable income will be recognized or reported.

**Trustee’s Spouse/Dependent/Guest**

Since Trustees are treated as employees for tax purposes, their spouses, dependents or guests would follow the rules outlined above for a University employee’s spouse, dependent or guest. The only difference between a Trustee’s taxable benefit and an employee’s would be in the vehicle used to report the taxable income. Trustees would be issued a Form 1099-MISC if the total value of all the taxable benefits provided by the University in a calendar year exceeds the Code’s prescribed reporting threshold (currently $600).

**Donors**

Since the Code requires the substantiation of charitable contributions including a description and good faith estimate of the value of any goods or services the organization provided to the donor, if the University is providing travel to a donor as consideration for a donation, the value of the travel must be reflected on the written acknowledgement issued to a donor.
Example: John Doe, donor, gives the University a $5,000 gift in 2012. Mr. Doe receives University paid travel valued at $1,000 when applying all applicable Code and Regulation sections. Mr. Doe's charitable acknowledgment would reflect a $5,000 donation, $1,000 in goods or services as consideration and the net amount of $4,000 as a substantiated charitable donation for tax purposes.

V. SUBSTANTIATION AND REPORTING: Expense reimbursement shall be made upon substantiation of expenses by adequate records or sufficient evidence as to the amount of expense, the time and place in which the expense was incurred, and the purpose thereof. Timely submission of Expense Reports is expected no later than thirty (30) days following the incurred expense.

The University does not pay or reimburse for certain types of expenses that may be incurred even if incurred while on business of the University. Please refer to the University's Travel Policy, found on the Accounting Department’s webpage, for details on which expenses may or may not be reimbursed by the University.

Departments providing taxable benefits are responsible for reporting the identity of the traveler and the value of such benefit to the Office of the University Controller (using the attached form).

VI. VALUATION & EXAMPLES OF TRAVEL EXPENSES: As detailed above, in certain situations, travel related expenses will be considered taxable income to the individual being reimbursed by the University. Such situations will generally arise if there is not a bona fide business purpose for the travel expense, or alternatively, there was no sufficient substantiation of such expenses to illustrate the bona fide business purpose. The following details the tax treatment of specific types of travel expenses as well as the value of such expenses if not excluded from the individual's income.

Airfare
If an individual's airfare is not excluded from income as a working condition fringe benefit, the fair market value of airfare (the amount imputed as income to the individual) for tax reporting purposes depends on the type of travel:

Commercial Air: The fair market value is generally the price of the actual ticket.

Chartered Air: Treasury regulations provide a limited exception for employees (including trustees) and their spouses and dependents (including trustee’s spouses and dependents). If at least fifty percent (50%) of the aircraft's regular seating capacity is used for travelers with an official University business purpose, the value for the additional employees and their spouses and dependents is deemed to be zero. However, the value of the flight for all other non-employees traveling on the charter without a bona fide business purpose (e.g. donors) will be calculated using the applicable aircraft valuation formula detailed in the Treasury regulations. The Office of University Controller will calculate this value for each individual trip.

Ground Transportation
Treasury Regulations allow for a "no-additional-cost service" fringe benefit to be excluded from the gross income of an employee traveling with a bona fide business purpose. Often times with ground transportation there may be no additional charges for non-business purpose travelers; in that case, even if non-business purpose travelers are present, no additional compensation will be recognized. If there is an incremental and identifiable cost for non-business purpose travelers, that cost will be considered taxable income.
Example: If a taxi fare is the same for one person as it is for two people, a spouse riding along will not be an additional cost for the University. However, if there is a per-person charge or add-on fee then that incremental portion will be considered the taxable value.

Lodging
Again, Treasury regulations allow for a "no-additional-cost service" fringe benefit to be excluded from the gross income of an employee traveling with a bona fide business purpose. This rule can be invoked when allowing such employee’s (or trustee’s) spouse, dependent or guest to share the lodging provided to them by the University since the lodging would have the same cost as if the employee (or trustee) were alone. If there is an incremental charge associated with more individuals receiving lodging, those incremental costs will be considered taxable income.

Example: If the cost of a hotel room is the same for single or double occupancy, an employee with an accompanying spouse will not have additional taxable income for the spouse’s accommodations. However, if a room for one occupant is $89.00 and for double occupancy it is $109.00, the value of the taxable benefit is $20.00. This $20.00 taxable benefit will be reported to the employee as taxable income.

Event tickets
The value of event tickets must be considered unless the University did not incur any additional costs in procuring the tickets.

Example: The University is granted 50 free tickets to an athletic event. If one of the 50 tickets the University received for free is awarded to an employee’s spouse, the University did not recognize an additional expense and no additional income will be associated with the ticket.

Meals
The University’s Travel Policy details the allowed charges for employees meals while in travel status. Any meal provided to an employee’s spouse, dependent or guest by the University is a taxable benefit. The value of the taxable benefit is the amount actually paid for the meal or any per diem that is given to the individual for the purpose of them obtaining meals.

Contact in Case of Questions: bsutax@bsu.edu

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