

Senate Ad Hoc Committee on Dependent Care
Final Report

November 29, 2023

TABLE OF CONTENTS

SECTION 1: BACKGROUND	1
SECTION 2: ACTIONS	1
SECTION 3: RESULTS OF ACTIONS	2
3.1. FN28 POLICY CHANGE	2
3.2. ENGAGEMENT WITH OFFICE OF THE CFO	2
3.3. RESEARCH ON OTHER DEPENDENT CARE PROGRAMS	3
SECTION 4: ASSESSMENT	3
4.1. FN28 POLICY CHANGE	3
4.1.1. COST PROJECTION OF FN28 POLICY CHANGES	4
4.2. DEPENDENT CARE VOUCHER FRINGE BENEFIT	5
4.2.1. COST PROJECTION OF VOUCHER PROGRAM	5
4.3. DEPENDENT CARE PROFESSIONAL DEVELOPMENT GRANT	6
SECTION 5: UNRESOLVED ISSUES	7
SECTION 6: RECOMMENDATIONS	7
SECTION 7: COMMITTEE MEMBERS	7
SECTION 8: ACKNOWLEDGMENTS	8
SECTION 9: APPENDICES	9
APPENDIX A. UNIVERSITY OF PITTSBURGH POLICY FN28	10
APPENDIX B. BLANKET EXCEPTION TO UNIVERSITY POLICY FN28 FOR DEPENDENT CARE – JAN 14, 2022	39
APPENDIX C. FOLLOW-UP QUESTIONS TO OFFICE OF THE CFO – FEB/MAR 2022	41
APPENDIX D.1. COMPILATION OF DEPENDENT CARE REIMBURSEMENT CONCERNS – OCT 2021	50
APPENDIX D.2. PITT SEED DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS BRIEFING – DEC 7, 2020	58
APPENDIX D.3. CUDD/DEJONG REQUEST FOR TEMPORARY EXCEPTION TO UNIVERSITY POLICY FN28 – JAN 19, 2021	63
APPENDIX E. FRINGE BENEFIT RATE OVERVIEW – MAR 16, 2022 (THURMAN WINGROVE, CONTROLLER)	65
APPENDIX F. FOLLOW-UP QUESTIONS TO THURMAN WINGROVE – MAR-JUN 2022	73
APPENDIX G. REIMBURSEMENT FOR DEPENDENT CARE EXPENSES – AUG 2022	76
APPENDIX H. BENCHMARKING OF PEER SCHOOLS FOR DEPENDENT CARE DURING TRAVEL – AUG 28, 2018 (REBECCA ROADMAN, DIETRICH SCHOOL OF ARTS & SCIENCES)	80
APPENDIX I. DEPENDENT CARE PROGRAMS AT OTHER UNIVERSITIES	86
APPENDIX J. UNIVERSITY OF CALIFORNIA POLICY G-28 TRAVEL REGULATIONS	90
APPENDIX K. CFR §75.403 FACTORS AFFECTING ALLOWABILITY OF COSTS; §75.474 TRAVEL COSTS	144
APPENDIX L. UNIVERSITY OF PITTSBURGH POST-65 RETIREE HEALTH CARE PLANS	147

SECTION 1: BACKGROUND

The Senate Ad Hoc Committee on Dependent Care began its two-year term on November 15, 2021 to research and recommend how the University could improve dependent care support. Over many years, faculty, staff, and students have consistently voiced concerns about the lack of adequate dependent care support and its detrimental effects on the University and the University community.

The concerns brought to the Committee were that the University's current practices and policies on dependent care have the following deficiencies:

- Obstruct scholarship and research productivity
- Prohibit the use of internal and external funding awarded for dependent care expenses
- Impede diversity, equity, and inclusion, particularly of women in academia who are disproportionately affected
- Are not aligned with federal and non-federal funder priorities and values
- Reduce recruitment and retention
- Trail behind peer research-intensive academic institutions

Of immediate concern was the Office of the CFO FN28 policy (Appendix A) that prohibits reimbursements for dependent care, which effectively prohibits the use of internal and external funding awarded for dependent care expenses.

- Starting in July 2021, Financial Operations had prohibited postdoctoral researchers and graduate students from using the \$2500 per year childcare supplements that were awarded as part of their prestigious NIH National Research Service Award (NRSA) training grants (e.g. T32, F30, F31).
- In December 2020, Financial Operations had also halted the launch of a 2020 Pitt Seed-funded initiative that would have distributed modest dependent care grants to enable more Pitt faculty, staff, and students to participate in conferences and other professional development opportunities.
- For more than 10 years, federal funders such as the NIH and NSF have allowed qualified dependent care expenses to be charged to grants to enable conference participation. However, no one at Pitt had been allowed to do so.

According to a survey of other research institutions done by the Office of Sponsored Programs, Pitt was an outlier in barring NIH NRSA fellows from using their awarded dependent care supplements. This therefore heightened the reputational risk that Pitt's current research climate was not well aligned with federal or peer research priorities.

SECTION 2: ACTIONS

The committee executed the following actions:

1. On November 15, 2021, we unanimously recommended that FN28 be changed to allow dependent care expenses. The committee also submitted policy language to the Office of Policy Development that would accomplish this change. The wording was closely modeled on the University of California system-wide financial policy that enables all ten UC universities to leverage all available funding sources for dependent care.
2. We engaged with the Office of the CFO, particularly Financial Operations, to understand and resolve any perceived obstacles to allowing people to fully use all currently available resources.

3. We researched dependent care programs offered by other institutions, with a strong emphasis on how those programs are structured for maximum cost-effectiveness and reach across all Pitt campuses.

SECTION 3: RESULTS OF ACTIONS

Below are the results of the three actions listed above.

3.1. FN28 Policy Change

Changing FN28 to allow dependent care expenses is a key structural component to improving the research climate at Pitt. In addition to increasing access to available grant funds, allowing reimbursements would make it possible to administer certain future dependent care programs.

The committee pursued an interim change in tandem with the full policy change process. On January 20, 2022, the Office of Policy informed us that this issue did not qualify for an interim change process but the full policy change process could proceed. The charter for the FN28 policy committee includes a review of the entire policy, which covers all travel and business expenses. The FN28 policy committee has been meeting since August 29, 2022 and has not yet concluded discussion as of the date of this report.

3.2. Engagement with Office of the CFO

Since November 2021, the committee sought to better understand the reason for prohibiting the use of dependent care grant funds (e.g. NIH NRSA child care supplements). The grant holders had secured an FN28 “exception” from the Office of the Provost, which should have been sufficient for Financial Operations to process the reimbursements, according to the exception clause on page 2 of FN28.

On January 14, 2022, the Office of the CFO issued a blanket exception memo only for dependent care expenses that were *not* eligible under the Care.com Care@Work fringe benefit program and could be charged to external funding sources. Use of internal funds (e.g. Pitt Seed Dependent Care Program) were still prohibited (Appendix B). The committee questioned why these additional restrictions were placed on using external funds, since Care.com Care@Work is a completely separate program. These restrictions essentially forced individuals to exhaust their Care.com Care@Work benefit before being allowed to tap external grant funds, which could result in unused grant funds expiring (Appendix C).

We therefore sought expertise from Maureen Beal, Associate Vice Chancellor of Financial Operations. Financial Operations had previously raised a number of concerns regarding dependent care reimbursements, though all concerns had been addressed and resolved by the Pitt Seed Dependent Care Working Group that preceded the formation of this committee (Appendix D). The new concern was that allowing people to use grant funds and participate in the new Care.com Care@Work fringe benefit program (launched September 1, 2021) would be considered “double charging” the NIH (or similar external funders). Proposed solutions from the Office of the CFO to resolve this concern involved (a) heavily restricting the use of Care.com Care@Work and grant funds, or (b) removing Care.com Care@Work from the fringe pool, requiring it to be funded on ‘hard money’ and making it prohibitively expensive to be offered in the future.

The committee contended that such measures were unnecessary because the NIH does not consider using grants and participating in fringe benefits to be “double charging.” On March 15, 2022, we invited Thurman Wingrove, Controller, to give a presentation on what the fringe is and how fringe rates are calculated (Appendix E). We carefully reviewed the NIH Family Friendly FAQ (<https://grants.nih.gov/faqs#/nih-family-friendly-initiatives.htm?anchor=question51030>), Questions 1, 2, 5, which address this topic. Mr. Wingrove confirmed our interpretation was correct and that there is no “double charging” issue. Individuals may direct charge dependent care costs to federal grants (assuming the terms of the grant allow such costs) and use the Care.com Care@Work fringe benefit concurrently, provided that they are not reimbursed more than they expensed (Appendix F).

From May through August 2022, the committee assisted the Office of the CFO in revising the information on the exception for dependent care reimbursements on their website (<https://www.ppt.pitt.edu/travel-expenses/managing-expenses/expense-reporting#dependentcare>). The revised version was posted on August 29, 2022 (Appendix G)

While pleased with this progress for the interim, for reasons detailed below, we continue to be concerned that use of internal funding is still prohibited. We hope that the newly revised FN28 will include more comprehensive changes.

3.3. Research on other Dependent Care programs

The committee decided to focus on ideas for new dependent care programs that have the following attributes:

- Scalable to all regional campuses
- Flexible to be used regardless of work/residential location
- Applicable to child and elder care
- Excellent cost feasibility (e.g. can be funded by the fringe benefit pool)

We opted to not do another traditional benchmarking survey, which was done previously (Appendix D.2, H). Desiring that Pitt be a leader in offering the most competitive dependent care support, we focused on in-depth research on the most innovative and generous programs offered by institutions who are leaders in family friendly policies. We spent many hours talking with other institutions about how they structure, budget, and administer their programs (Appendix I). Other institutions mostly fund dependent care programs by using the fringe pool. Two universities also obtained a federal grant from the US Department of Education to provide child care scholarships (<https://www2.ed.gov/programs/campisp/index.html>).

Two types of programs came to the forefront:

- Dependent care voucher/subsidies/scholarship for regular care (funded by the fringe pool)
- Dependent care professional development grants

SECTION 4: ASSESSMENT

4.1. FN28 Policy Change

The blanket exception issued by the Office of the CFO (revised August 2022) allowing the use of external funding is welcome progress as a stopgap measure, but it is incomplete. In order to

be unequivocally consistent with federal guidelines (Uniform Guidance / CFR), it would be best for the revised FN28 policy wording to clearly make dependent care an allowable expense and to allow the use of *all* available funding sources, including funds the University controls (referred to thenceforth as 'internal' funds). The University of California system-wide financial policy provides a good template (Appendix J).

Federal guidelines CFR [§75.403](#) and [§75.474](#) (Appendix K) have been discussed extensively with content experts, and the salient implications for using federal funds for eligible dependent care expenses are:

- University policy cannot state that only federal funds may be charged but not non-federal funds
- University policy cannot specify one process to allow federal funds and another completely different process for non-federal funds
- In order to charge dependent care costs related to conference travel to a federal grant, the University travel policy must apply to all personnel types (e.g. the policy may not allow faculty to claim dependent care reimbursements but prohibit staff from doing so)
- Does **not** mean every University member must obtain or be eligible for the same federal grant in order for the grant to be used
- Does **not** mean the University must have a broad child care benefit policy in order for a federal grant to be used. "There should be no issue receiving childcare costs allowable under any specific authorizations like the [NIH NRSA Child Care Supplement], regardless of whether or not the University has a policy broadly providing for childcare benefits. Federal statutes only require consistency with non-federally financed activities for costs that are not specifically allowable." (Ryan Dunmire, Office of General Counsel)

Allowing internal funding sources would also be more equitable for those who do not have as much access to external funding (e.g. staff, students/trainees, junior faculty, non-biomedical or non-STEM fields). Because internal funds were not allowed, the Pitt Seed-funded initiative that would have enabled more people to attend conferences and professional development opportunities never launched and was closed in June 2023 when the grant expired.

4.1.1. Cost projection of FN28 policy changes

Changes to FN28 would be revenue positive because allowing the full use of all available funding sources feeds into a virtuous cycle that encourages people to apply to grants, improves productivity, and supports recruitment and retention efforts, which ultimately leads to more productivity and grants.

It is important to remember that the policy change of allowing the use of internal and external funds would not by itself increase operational budget expenditure. For example, travel expenses are currently allowed in FN28, but that does not mean every Unit guarantees that travel funds automatically exist. Budget allocation decisions are outside the scope of FN28.

Furthermore, allowing use of available internal and external funds can still be subject to a system of approvals to ensure appropriate use. The University of California financial policy uses this structure.

4.2. Dependent care voucher fringe benefit

Dependent care voucher programs are very effective and have excellent value for money because they can be funded from the fringe and can be flexibly used to offset the cost of a dependent care provider of the participant's choice. Vouchers can be applied for both child and elder care. Vouchers can benefit more participants across all campuses because they are not tied to a specific geographic location. All these reasons make vouchers an attractive complement to the University's current offerings of the Dependent Care FSA and the University Child Development Center located in Oakland.

A dependent care voucher fringe benefit program could be structured similarly to the Defined Dollar Benefit (DDB) program for all eligible retirees (Appendix L). Under the 2023 DDB program, retirees and their spouses/domestic partners may receive credits of \$401 per month per person (\$802 total per month; \$9624 per year) to be used towards retiree medical coverage. Credits may accrue and carry over year after year. The credit amount is reviewed annually and is indexed to inflation.

4.2.1. Cost projection of voucher program

The cost of a voucher program would be a very small addition to the fringe pool. As a fringe benefit, the program could be simplistically considered as 'self-funded' because fringe benefit costs can be recovered through federal and non-federal external funds. This is how other universities make such programs feasible.

It was not possible to estimate the number of dependents in the Pitt community who require paid care. Not all children require paid care, and it is unknown how many in the Pitt community claim older adults as dependents who require paid care. Nevertheless, our colleagues at other universities shared that very few participants request vouchers for elder care and that the vast majority of dependent care expenses are for children younger than 6 (before school age). Therefore, the cost of the program could be estimated by first estimating the number of children <6 years who require care. For perspective, there are probably far fewer children <6 years who require paid care than the number of retirees eligible for the DDB.

In an attempt to estimate how many dependents require paid care, we ascertained data for DCFSA enrollment and how many used Care.com Care@Work backup days¹.

DCFSA enrollment on Oct 31, 2021

- Total number of eligible employees contributing: 625
- Median contribution amount: \$71.25 premium/month (\$855 per year)
- Count of participants for each job type (faculty/staff/post doc)
 - Staff – 172
 - Faculty – 431
 - Post Doc – 13
 - All other Job Types - 9

¹ The committee was unable to obtain more recent data because administrators informed us on January 10, 2023 that they were no longer allowed to engage with us on this topic due to concerns that dependent care could be considered a mandatory subject of bargaining.

Care.com Backup care September 1, 2021-August 31, 2022 for Pittsburgh campus

- 192 unique users (eligible employees)
- 7.6 average days per user
- 5.5 median days per user

Table 1. Care.com backup care use Sept 1, 2021-Aug 31, 2022 for the Pittsburgh campus

	Total days used (not including 163 pending days)
In-Network Home Child Care	309
In-Network Center Child Care	13
Personal Network Center Child Care	19
Personal Network Home Child Care	294
Personal Network Camps	650
Personal Network Home Adult Care	10

From the DCFSA enrollment data, it appears that the majority of the 625 participants may have caring costs for school age children because the median contribution is relatively modest (\$855 per year). Full-time day care for children <6 years typically exceeds \$1200 per month (\$14,400 per year), and it would be most advantageous to contribute the maximum tax-free amount of \$5000 per year.

From the Care.com data, half of the days used were for Personal Network Camps, which are typically summer camps for older (school age) children. Considering that 635 days were used for in-home or center child care and the median number of days used per user, gives an estimate of 115 households (635/5.5) who have children <6 years who need paid care.

Table 2. Estimated cost and percent of fringe pool for a DDB-like program for dependent care

Number of households	Total fringe amount at DDB benefit amounts (\$9624 per household)	Percent of Total Fringe Pool
115	\$1,106,760	0.30%
200	\$1,924,800	0.52%
600	\$5,774,400	1.54%

For perspective, the FY23 post-retirement benefits alone accounted for nearly 7% (\$25.6M) of the total fringe pool. This is distinct from retirement benefits, which were 29% (\$106.8M) of the fringe. In comparison, the dependent care voucher program would only be 0.3% of the total fringe pool (assuming 115 recipients). Even at an upper estimate of 600 recipients, the voucher program would only be 1.5% of the total fringe pool.

Though the cost of a dependent care voucher program would be an almost negligible addition to the fringe pool, dependent care vouchers support the productivity of people who are actively working for the university. Offering this benefit would also increase the labor supply and increase the number of women in the workforce. Pitt has a stellar reputation for offering some of the most generous retirement benefits in the nation. We therefore have an excellent opportunity to add more support for employees earlier in their careers by expanding dependent care benefits.

4.3. Dependent care professional development grant

This program could be structured similarly to existing internal travel grants or emergency fund programs. Other universities tend to not use the fringe to fund these programs. The annual cost

of these programs tend to be very small. One university budgets less than \$50,000 per year for their university-wide program and has never exceeded that amount. This is because these programs support only additional expenses above the cost of regular dependent care for the purpose of attending a conference, which are fairly narrow criteria. Nevertheless, these programs are extremely helpful in supporting faculty, staff, and students in advancing their scholarly work and professional development, particularly in non-biomedical fields that have fewer external grant opportunities.

SECTION 5: UNRESOLVED ISSUES

The committee attempted to clarify who or what unit decides whether a new fringe benefit may be created. Multiple sources pointed us to Thurman Wingrove, Controller; however, he asserted that his unit only calculates the fringe rates after it has been decided what should be included in the pool. He stated that his unit does not decide what should be a fringe benefit. We therefore were not able to ascertain what the process is for a new fringe benefit to be created or who is responsible.

SECTION 6: RECOMMENDATIONS

1. Change FN28 to allow dependent care expenses from all available funding sources (internal and external)
2. Establish a new Dependent Care Voucher fringe benefit
3. Establish a Dependent Care Professional Development Grant
4. Add 1 FTE to Human Resources to administer these new Dependent Care programs. Many other universities have multiple staff dedicated to managing dependent care or work/life programs.

SECTION 7: COMMITTEE MEMBERS

- Anna Wang-Erickson (chair), Assistant Professor, Department of Pediatrics; Associate Director, Institute of Infection, Inflammation, and Immunity in Children (i4Kids)
- Chris Bonneau, Professor, Department of Politics; Past President of the University Senate (2018-2021)
- David Gau, Lecturer, Department of Bioengineering
- Shelome Gooden, Assistant Vice Chancellor for Research in the Humanities, Arts, Social Sciences and Related Fields, Pitt Research; Professor, Department of Linguistics
- Nicole Hamm, Manager, Financial Compliance for Research, Office of the CFO
- John Kozar (2021-2022), Assistant Vice Chancellor, Human Resources, Benefits
- Adam Leibovich, Dean of Dietrich School of Arts and Sciences; Professor, Department of Physics and Astronomy
- Jeff Petsis, Director of Sponsored Projects Administration, Dietrich School of Arts and Sciences
- Annamarie Pirollo, Program Manager, Institute of Infection, Inflammation, and Immunity in Children (i4Kids), Department of Pediatrics
- Katie Pope (2021-2022), Associate Vice Chancellor for Civil Rights and Title IX, Office of Diversity, Equity, and Inclusion

SECTION 8: ACKNOWLEDGMENTS

We thank Robin Kear (Faculty Librarian; President of the University Senate) and Melissa Kluchurosky (Director of Benefits, Human Resources) for their helpful contributions to discussions.

SECTION 9: APPENDICES



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Category: Financial Affairs
Section: Business Expenses
Contents:

- Policy statement
- Definitions
- Who should read this policy
- Key stakeholders
- Responsibilities
- Contacts
- Related University policies
- History

Policy Number: 05-07-01
Effective Date: March 1, 2017
Responsible University Officer:

- Senior Vice Chancellor and Chief Financial Officer

Subject Index

- I. [Business Entertainment and Miscellaneous Reimbursable Expenses](#)
 - a. [Reimbursable expenses](#)
 - b. [Payment](#)
 - c. [Meetings, meals and events](#)
 - d. [Meals and events for University employees](#)
 - e. [Business meeting meals](#)
 - f. [Gifts and contributions](#)
 - g. [Goodwill gifts to University employees](#)
 - h. [Moving expenses](#)
 - i. [Membership dues and professional license fees](#)
 - j. [Home office expenses](#)
 - k. [Political contributions](#)
- II. [Travel Expenses](#)
 - a. [Booking travel](#)
 - b. [Group travel](#)
 - c. [Study Abroad travel](#)
 - d. [Air travel](#)
 - e. [Lodging when in travel status](#)
 - f. [Ground transportation](#)
 - g. [Accidents and insurance](#)
 - h. [Mileage reimbursement](#)
 - i. [Meals when in travel status](#)
 - j. [Telephone charges when in travel status](#)
 - k. [Postage and other expenses](#)
 - l. [Foreign currency expense](#)
 - m. [Non-reimbursable expenses](#)
 - n. [Receipts](#)
- III. [Honoraria](#)

POLICY STATEMENT

The University's policy is intended to achieve compliance with the Internal Revenue Service (IRS) Accountable Plan rules, federal Uniform Guidance, and to demonstrate good stewardship of donor, student, research sponsor and taxpayer funds. Travel, business entertainment, and miscellaneous reimbursable expenses incurred on grants, contracts, sponsored programs, gift funds, or other restricted funds must comply with University policies and any specific expense policy of the funding source or contract provision, if more



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

restrictive than University policy. Therefore, travel, business entertainment, honoraria, and miscellaneous reimbursable expenses should be reasonable, have a documented business purpose, show evidence that the expense was actually incurred, and be reported to the University in a timely manner as described in this policy.

Departments and responsibility centers may establish more strict requirements and thresholds for travel and business expenses, but cannot usurp the requirements and thresholds established in this policy.

University Policy Exceptions

Exceptions to the requirements of this policy require approval and move upward through each level of the traveler's reporting hierarchy until approved by the following:

- Officers of the University
- Vice Chancellor or above
- Dean or Academic Director
- Responsibility Center Head

Certain expenses that may be reimbursed at the discretion of the department are indicated as such. Please consult your central business office for departmental policies. Those are noted in the Expense Reimbursement [Eligibility Quick Reference Guide](#) as "standard approval".

This policy is divided into three sections:

- I. [Business Entertainment and Miscellaneous Reimbursable Expenses](#)
- II. [Travel Expenses](#)
- III. [Honoraria](#)

I. Business Entertainment and Miscellaneous Reimbursable Expenses

Reimbursable business entertainment and miscellaneous expenses include the following:

- Small business meetings or meals.
- Other organized University meetings and events.
- Moving expenses for relocation of full-time faculty, librarians, and administrative and professional staff who are newly hired by the University or are being transferred to a new University location.
- Last minute incidental expenses, like name tags, if needed for meeting or event.
- Membership dues and professional license fees.
- Other expenses that are properly approved as an exception to this policy.



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Payment of reimbursable expenses

The preferred method of payment for business entertainment and other miscellaneous expenses is the University Travel Card. Direct billing to the University may be used for certain types of expenses, such as moving expenses, when arranged by the [Transportation Office](#).

Business purpose meals, meetings, and events

Requirements for reimbursement of business meals and events for University employees, organized business meetings and working meals, receptions, and University events follow:

- The expense must be necessary to conduct University business.
- Meals that include only University employee(s) will be reimbursed if the employee(s) are required by the University to work through a meal and exception approval has been granted in advance.
- The meal, meeting, or event may include other University employees whose presence is required and necessary to conduct University business.
- The per-person cost, including tips, must not exceed \$75 (\$25 per person for receptions).
- A list of attendees including their full name and affiliation should be included. (Note research participant names are not needed, but the following would be required for them - statement that research attendees are research participants; number of research participants; and description of the research purpose.)
- The expense must be supported with itemized receipts including detailed receipts for minor incidental expenses (required for reimbursement if the total meal cost for all participants is greater than \$75).
- A description of the meeting purpose must be included.
- Alcoholic beverages may not be charged to sponsored projects or grants. Charges to non-sponsored projects (i.e., entities 02, 03, 04, and 09) require approval as an exception to this policy.
- Documentation supporting the expense is to be retained in accordance with the [Financial Record Retention Schedule](#).

Meals and events for University employees

Meals and events that are primarily celebrations for University employees are generally not permitted, and will not be reimbursed. Reimbursements would require exception approval.

Examples include: holiday parties, breakfast or lunch meetings with all employees, welcome lunches for new employees, farewell events for students, faculty, and



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

employees, end of term celebrations for University employees, retirement parties, or any meal attended exclusively by University employees.

Business meeting meals

Typically involve less than ten (10) people and may occur on or off campus (e.g., recruiting activity, donor meeting, working meeting with University employees and colleagues from other institutions to discuss projects or professional matters).

If the meal is off-site while [in travel status](#), a reduction must be made by University individuals in attendance to the meals and incidental expenses (M&IE) daily allowance on their individual requests for travel expense reimbursement.

When dining in groups while [in travel status](#), restaurants should be asked to split the bill. If the restaurant will not, the senior member of the group should pay with their Travel Card and properly note all individuals in attendance when processing the expense. Other attendees must be sure to reduce per diem by that meal's cost when processing expenses.

Organized business meetings and University events

Typically involve ten (10) or more attendees and can occur on or off campus (e.g., fundraising events, athletic booster events, alumni gatherings, student activities, professional conferences).

For social functions or meetings held in University-owned and operated facilities, it is strongly recommended that the University's Dining Services or Regional Campus equivalent operation provide food and beverages to ensure the health safety of attendees. If an outside provider is preferred, approval of the provider must be obtained from University's Dining Services. [University's Dining Services](#) can advise on issues such as outside provider compliance with health and safety regulations, Americans with Disability Act (ADA) regulations, and appropriate liability insurance coverage.

For smaller, impromptu meetings that require unplanned food or beverages, the best or most convenient outside provider (e.g., take-out pizza or sandwich shops) may be used. It is strongly recommended, for liability reasons, that the outside provider be a reputable brand in the food and beverage industry.

Larger planned off-campus events, for which services are provided by a third party, must be under a University contract or purchase order in order to ensure that the provider complies with health and safety regulations, Americans with Disability Act (ADA)



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

regulations, and obtains appropriate liability insurance coverage. Contact the [Purchasing Services Department](#) for assistance. Services contract may include room rentals, lodging, catered meals at the event location (subject to a \$75 per-person meal cost limit), audio/visual and computer equipment rentals, tent rentals, and transportation, etc.

If the event is catered by a University service operation and charged directly to the requestor's department budget, the requestor's department must maintain approval, attendee, purpose, and detailed charge documentation in accordance with [the Financial Record Retention Schedule](#). If the University pays a service provider directly for the event, this supporting documentation must be maintained with the contract.

Gifts, awards and prizes

Gifts, awards and prizes can include goods, services, cash or cash equivalents (certificates, gift cards, etc. that are redeemable for a broad variety of products or services). Gifts, awards and prizes are not generally reimbursable unless they are approved as an exception to this policy. Any gifts, awards or prizes approved as described in the exceptions section of this policy must be actual and reasonable, necessary for the performance of University business (not personal), supported by valid receipts, and are not a payment for service.

Goodwill gifts to University employees

If approval is obtained as described in the exceptions section of this policy, goodwill gifts to University employees will be reimbursed. However, they may be considered taxable income to the recipient by the IRS. Therefore, all properly-approved gifts to employees in the form of cash and cash-equivalent gifts, and non-cash gifts that do not meet the IRS's de Minimis rules, will be reported to the University's Payroll Department by Payment Processing to determine if the payment is tax-reportable. Contact the University's [Payroll Department](#) if you have questions about the tax reporting status of goodwill gifts to employees.

Moving expenses

Moving expenses require advanced approval from the [University's Transportation Office](#).

Membership dues and professional license fees

The preferred method of payment is the University Travel Card. However, the University will reimburse if paid with personal funds. Receipts are not required if the total fee is under \$75.



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

6 of 29

Home office expenses

If employees are authorized to work from home by the University, certain expenses such as a secured and dedicated computer and basic office supplies may be provided by the University. University departments should purchase these home office tools for the employee under standard [University purchasing policies and processes](#). This equipment and unused materials remain the property of the University and should be returned when the employee leaves the University. Certain minor materials purchased by employees with personal funds on an emergency basis may be reimbursed with proper documentation.

The University will not reimburse space, utility or other associated home office costs of its employees. These *may* be deductible on the employee's individual federal tax return *if* IRS regulations are met regarding establishing one's home as a principal place of business.

For a full explanation of tax deductions for your home office refer to IRS [Publication 587, Business Use of Your Home](#).

Political contributions

Political contributions by the University are not permitted, and will not be reimbursed.

II. Travel Expenses

Booking Travel

The University's preferred booking method for airfare, lodging, and automotive rentals is through the University's online booking tool or preferred travel agent.

If a [University-wide preferred provider agreement](#) with pre-negotiated discounts and other benefits is in place for the travel services (e.g., travel agent, airline, lodging, and ground transportation) and itinerary that is being booked, then the traveler is required to book with the preferred service providers. Preferred service providers are identified in the University's online booking tool. If a preferred service provider is available for the traveler's itinerary and not used, a brief explanation should be included when submitting the expenses for reimbursement.

The University's preferred payment method for airfare, lodging, transportation, meals while [in travel status](#), parking, and other travel related charges is the University Travel Card. [Contact PantherExpress Customer Service](#) for additional details for situations when a University Travel Card is not accepted.



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

7 of 29

This policy sets the University-wide limits, and guidance for reimbursable travel expenses. Departments or Responsibility Centers may apply more strict thresholds as desired.

The University will not reimburse non-business expenses incurred by a spouse/registered domestic partner and/or guest in connection with the business travel requirements of a University employee. Additionally, such personal expenses may not be charged directly to the University and then later reimbursed to the University by the individual.

Personal expenses incurred during travel are the sole responsibility of the traveler, and will not be reimbursed.

Group travel

A group of ten (10) or more participants, traveling to the same destination, over the same dates, from one or more origin cities, may qualify for group travel rates. In order to obtain group travel discounts, meeting planners should contact the [University's preferred travel agency](#) for assistance.

In order to ensure the safety of travelers, all charter transportation such as bus or aircraft, regardless of the amount, must be reviewed and approved by the PantherExpress Travel and Expense Management Office.

Study abroad travel

Coordinated through [Study Abroad Office](#).

Air Travel

Air travel is expected to be the best value coach/economy airfare, unless there is a legitimate business circumstance or medical condition that requires booking a flight above the best value coach/economy airfare.

The best value coach/economy airfare is defined as follows:

- The selected flight is within two hours before or after the requested departure/arrival time.
- The selected flight layover time does not exceed 1 ½ hours.
- The selected flight does not increase the one-way elapsed trip time by more than 2 hours, **nor** include more than one stop and/or connection in the traveler's one-way route.



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

8 of 29

- The traveler does not arrive later than required for participating in a business event, or; depart earlier than required from a business event.
- The “best value” total airfare may include the following basic reasonably-priced services: one (1) checked bag except for extended travel or other extenuating reasons, in-flight Wi-Fi if required for business use, and overhead bin space. Best value airfare may be structured as an all-inclusive price, or it may be structured as a base airfare plus fees for the basic services listed above. The department should consider the risk of the ticket being non-refundable when booking basic economy or economy non-refundable tickets.
- Other supplemental airline fees, such as for special seat assignments, early boarding, etc. **may** be reimbursed if the department approver determines they are necessary to comply with the Americans with Disabilities Act (ADA) or for other legitimate business reasons.

Business class seating is allowable on flights when the in air time is a continuous six hours or more.

Flight change fees are not reimbursable unless reasonable and necessary for University business.

Chartered air travel must be approved by the [PantherExpress Travel Manager](#).

Fees for in-flight convenience items and entertainment (e.g., alcoholic beverages, movies, headphones, snacks) are not reimbursable.

Lodging when [in travel status](#)

The following criteria for reimbursement apply unless pre-negotiated conference rates are used:

- Lodging expenses include room rates, taxes, and internet charges (if detailed on the hotel bill).
- Lodging expenses may not exceed the hotel’s rate for a standard single room.
- Resort hotels are not permitted unless it is the site of the conference being attended.
- Luxury accommodations are not reimbursable.
- The University will not reimburse for “no show” billing or late cancellation fees if the traveler had reasonable time to cancel.
- Hotel movie rentals will not be reimbursed and should be considered as part of the traveler’s per diem.
- Privately-owned home sharing services, such as Airbnb, are not consistently regulated for safety, background checking, insurance, receipts, etc. in the same way that traditional services are regulated. Because of these concerns, the University



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

9 of 29

discourages use of these services and encourages use of more traditional accommodations such as hotels or motels. However, if no other options are available, home sharing services will be reimbursed.

Lodging expenses within 50 miles of the traveler's residence will not be reimbursed.

Reimbursement for lodging using a per diem allowance is permitted for foreign travel, but not domestic travel. A detailed receipt for foreign hotels is preferred, but not required if the per diem allowance is used or due to technology limitations in remote locations.

Please refer to the [State Department per diem guide for foreign travel](#). Note that these rates change periodically.

Ground transportation

In general, the use of University fleet vehicles is preferred when driving for University business. To reserve a fleet vehicle on the Oakland campus, contact [University Parking and Transportation](#).

- Drivers must follow the Department of Parking and Transportation Services guidelines.
- Departments will be charged for the use of University fleet vehicles and drivers do not need to request reimbursement.

Personal Vehicles

Use of a personal vehicle for business is strongly **discouraged** primarily due to the personal liability the vehicle owner automatically assumes. The vehicle owner's automobile liability insurance coverage is primary coverage. There is no physical damage coverage through the University on a personal vehicle. The employee is responsible for the deductible portion of the personal collision coverage and for any increased personal automobile insurance premiums as a result of an accident. No reimbursement will be made by the University for accident-related repairs.

If a personal vehicle must be used:

- The owner of the vehicle must carry automobile liability insurance.
- The driver must have a valid driver's license.
- The owner's automobile liability insurance card (provided by the insurance agent) must be in the driver's possession.
- The total cost of using a privately-owned vehicle, including mileage, excess lodging or other additional costs, should not exceed the cost of air or other modes of commercial transportation.



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

- Accidents involving injuries or damages to other persons or property while using a privately owned vehicle on University business must be immediately reported to the owner's insurance company.
- The driver must notify the University's [Office of Risk Management](#) and, if applicable, report employee work-related injuries to your supervisor and the University's third-party claims administrator (TPA) at 1-800-633-1197.
- Traffic violations, parking violations, or towing expenses will not be reimbursed.

Transportation from airport to final ground destination

- Travelers should compare costs of alternate transportation to minimize the cost between airports and hotels or other final ground destinations.
- When possible, purchase round trip tickets for shuttles with the Travel Card because the round trip cost is generally less.

Car and commercial vehicle rental

- Domestic rentals U.S. (including Alaska and Hawaii), U.S. Territories, Puerto Rico, and Canada) do not require collision or liability insurance to be purchased at the time of rental and will not be reimbursed.
- Foreign car and commercial vehicle rentals in countries and territories not mentioned above require the traveler to purchase insurance offered by the car companies.
- Travelers must inspect the vehicle rental and report damage to rental agency before and after rental.
- Travelers should refuel before returning rented vehicle to avoid fuel charges.

Chartered bus arrangements

- Must be arranged and approved by the [Department of Parking and Transportation Services](#).

Car sharing services

Privately-owned car sharing services, such as Uber and Lyft, are not consistently regulated for safety, background checking, insurance, receipts, etc. in the same way that traditional services are regulated. Because of these concerns, the University discourages use of these services and encourages use of more traditional single-trip services such as taxis; if no other alternative is available, car sharing services will be reimbursed.



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Mileage reimbursement for personal vehicle

Although use of a University fleet vehicle or commercial rental vehicle for University business travel is preferred, the University will reimburse for business use of personal vehicles such as for travel to/from the airport or other extenuating circumstances. Reimbursement will be to the driver for mileage per the IRS Mileage Rate to cover all costs including depreciation, repairs, fuel, insurance, towage, and other similar expenses.

If traveling during normal work days, based on IRS regulations, the traveler must deduct normal commuting miles from travel to the airport or other business destination. If the traveler is authorized by the University to work from home **and** the traveler's home meets IRS requirements for establishing home as the principal place of business, then normal commute miles should not be deducted. On non-working days, or days on which the University is closed, normal commuting miles are not deducted for travel to the airport or other business destination. Requirements:

- The driver must have a valid driver's license.
- The total cost of using a privately-owned vehicle, including mileage, excess lodging or other additional costs, should not exceed the cost of air or other modes of commercial transportation.

Other modes of transportation

- Accommodations should be made through the University's preferred travel agent.
- Reimbursable provided that:
 - Excessive expense or time is not required to accommodate the traveler's preference.
 - Economy class is used.

Meals when in travel status

Following are requirements for reimbursable meals while traveling:

- Reimbursed when not provided by your conference or event.
- Reimbursed when not related to organized business meetings or official University events.
- Reimbursed when incurred during travel with an overnight stay, or during travel lasting 8 or more hours without an overnight stay.
- The University recommends the use of per diem for in-travel meals. Actual meal expenses **equal to or less than** the [Federal GSA Policy Per Diem Guide](#) will be reimbursed without receipts.
- Departments may establish per Diem rates lower than the [Federal GSA Policy Per Diem Guide](#).
- Reasonable reductions equal to the approximate meal value should be made to the traveler's per diem rate when:



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

- Meals are provided by a host or included in a conference or seminar fee.
- Any meals prior to or returning from the first and last day of travel.
- The traveler hosts a business meeting that includes a meal. [Review the policy section on business meeting meals](#). Travel includes an organized business meeting or official University event meal with non-University individuals.

Telephone and Wi-Fi charges while in travel status

Requirements for reimbursement follow:

- All business-related calls will be reimbursed regardless of call location.
- One personal call per day will be reimbursed if traveling on business overnight.
- Wi-Fi charges while in flight or during lodging are reimbursable if utilized for business purposes.

Cellular phones may be borrowed from [PittGlobal Global Support Operations](#) for use when traveling internationally.

Postage and other expenses

All business related postage, scanning, and facsimile transmissions will be reimbursed.

Foreign currency expense

The University's travel expense reporting system utilizes OANDA Rates[®] for currency conversion. The exchange rates provided by OANDA Rate Services are averages for the global foreign exchange market gathered from frequently updated sources, including [OANDA fxTrade](#) currency trading platform, leading market data suppliers, and contributing financial institutions. The data is filtered and stored in a proprietary data repository.

Foreign currency gains and losses when using a personal payment card or utilizing travel advances:

- Gains up to \$75 from a travel advance will be retained by the traveler.
- Losses during an international business trip will be reimbursed by the University.

Non-Reimbursable Expenses

The following expenses are considered personal and are non-reimbursable unless accompanied by an exception signature:

- Costs for consulting for other organizations, hotel stays when not on University business, or travel for spouse/registered domestic partner
- Lodging incidentals such as movies, snacks, umbrellas, or bathrobes
- Personal credit card, fees and interest
- Child care



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

- Theft, loss or damage to personal property
- Personal (billed to home) cellular phone expenses
- Home internet expenses
- Home or lawn maintenance expenses
- Fees paid to credit card companies to access accrued card rewards
- Insufficient funds check fees (NSF)
- Use of personal residence
- Relocation moving expenses
- Payments to consultants or employees for services rendered to the University using a travel agency credit in lieu of cash
- Service provider payments - Services should be acquired by executing a contract for services, with payment directly to the service provider based on a detailed invoice. Refer to the [Guide to Purchasing](#) for more detail
- Travelers check fees for foreign travel are reimbursable

The following expenses are considered personal and non-reimbursable; however, they may be subject to departmental approval if for a legitimate business purpose:

- Personal hygiene items
- Laundry
- Medical costs, doctor fees, prescriptions or other drugs
- Vaccinations
- Visa costs, passports and TSA Pre-Check
- Traveler's check fees for domestic travel will not be reimbursed unless there is a valid security reason documented in the travel and business expense reimbursement request
- On-campus parking fees for working overtime or non-standard hours

Receipts

Receipts are not required if the expense is for rental car fuel, parking, tolls, taxi service, airport car service, shuttle services, or other modes of transportation when the total amount is under \$75. Receipts are also not required for meal and incidental expenses reimbursed via a per-diem.

Supporting documentation is required for all other reimbursed expenses.

Receipts/supporting documentation should be legible, and provide sufficient detail to support the validity of the expenses charged to University and sponsored project accounts. They should include supplier name, date of purchase or service, goods or service purchased, amount of charge or payment, payment type (credit/debit/cash).

- For lodging, a detailed hotel bill (folio) showing the method of payment is required, unless the traveler is unable to obtain one in a remote global destination.
- For conference registrations, only a debit/credit card receipt is required.



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

- Debit/credit card receipts should show the last 4 digits of the card on the receipt.
- Email confirmation/receipts for airline charges are acceptable.
- All other types of expenses for which reimbursement is sought should have a receipt directly from the supplier of the good or service, and not a credit card receipt.

Documentation supporting costs are to be retained in accordance with the [University's record retention schedule](#).

III. Honoraria

As a gesture of appreciation, the University may pay honoraria to certain individuals such as members of Boards of Visitors, guest speakers, judges, panel members, peer/program reviewers, or symposium participants. In some cases, the University may pay an honorarium and/or agree to reimburse the honoree's out-of-pocket expenses. Honoree expenses substantiated in accordance with this policy are not tax-reportable to the IRS. Honorarium payments are tax-reportable if the total paid by the University exceeds \$600 in a calendar year.

Payments to companies, professional speakers' bureaus, or any individual providing professional services may not be reimbursed utilizing the travel and business expense policy. Instead, please contact Purchasing Services for assistance in developing a contract for your professional speaker.

DEFINITIONS

In Travel Status – designated as the starting time that the traveler leaves their personal residence or workplace and continues until the traveler reaches their personal residence or workplace when the travel has been completed.

WHO SHOULD READ THIS POLICY

All University travelers and administrators on all campuses.



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

KEY STAKEHOLDERS

- PantherExpress Travel and Expense Management System
- Parking, Transportation, and Services Office
- Computing Services and Systems
- Payment Processing
- Study Abroad
- Export Control
- Risk Management

RESPONSIBILITIES

Traveler and/or delegate

- Submit travel expenses:
 - Incurred/paid by the traveler
 - Within 30 days of travel
 - Reasonable
 - Supported by adequate documentation where required
 - Serve a legitimate business purpose
 - In compliance with University policies and sponsored project guidelines
 - Not previously paid by the University or another organization
 - Utilize the correct expense accounts
- Book travel:
 - Use University-provided booking software or preferred travel agency in order to obtain University-negotiated discounts
 - Book and pay for travel services using the University Travel Card in order to limit out-of-pocket expenses when possible and minimize expense report administration
 - Request that tax not be collected on travel expenses where possible
- Personal, spouse/registered domestic partner and dependent expenses incurred while traveling will not be reimbursed by the University
- Cancel hotel reservations and making reservation changes in a timely manner to avoid “no show” charges

Expense approver

- Expense submissions:
 - Review expense amounts for compliance with:
 - University policy and any sponsored project guidelines
 - Any departmental thresholds lower than the University policy
 - Validate the correct account is used
- Implement travel expenses thresholds lower than University policy if applicable
- Review and approve expense requests in a timely manner
- Reconcile travel expense activity to University level reports



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

PantherExpress Travel Manager

- Source and validate travel discounts available to travelers
- Establish preferred travel agencies
- Provide clear, accessible information assistance about booking, payment and expense reporting to University travelers and administrators
- Provide in-travel assistance to travelers
- Manage direct billing arrangements with service providers wherepossible.

Parking, Transportation, and Services Office

- Provide University fleet vehicles, chartered bus services and employee relocation services

Payment Processing

- Audit travel and business expense reports for compliance with University policies
- Reimburse approved out-of-pocket expenses on a timely basis
- Issue travel advances when authorized
- Monitor outstanding travel advances

PITGlobal Support Operations

- Provides computer and telecommunications equipment to travelers as needed

Travel agency

- Validate contract rates
- Issue tickets for travel
- Support travelers while traveling

Study Abroad department

- Coordinate travel for study abroad programs

Office of Export Controls Services

- Provide assistance to departments in achieving compliance with exportcontrols regulations

Office of Risk Management

- Establish insurance coverage for University travelers
-



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

CONTACTS

All inquiries related to Travel are to be made at [PantherExpress Customer Service](#).

Other Contacts:

Subject	Contact	Contact
Fleet vehicle rentals	Parking, Transportation, and Services	412-624-4433
Travel questions (including travel agency contacts)	PantherExpress Travel Manager	412-624-4398
Reimbursement questions	Payment Processing Department	412-624-3578
Assistance in complying with export control regulations	Office of Export Controls Services	412-624-0140
Study Abroad	Study Abroad Office	412-648-7413
Cellular phone rentals for international travel	PITGlobal Support Operations	412-624-0125
Travel-related insurance and risk management	Office of Risk Management	Fax: 412-624-1817

RELATED UNIVERSITY POLICIES

Policies

P-Card Policy	FN 20
Travel Advance Policy	FN 27
Travel Card Policy	FN 26
Required use of Contracted Suppliers	AO 30

HISTORY

1/30/17	Updated - SFJ
9/28/17	Updated - MMB



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Expense Reimbursement Eligibility Quick Reference Guide

General				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval required	
			Standard Approval	University Exception
Research participant payments	No	Payments to research participants should be made with WePay stored value cards.		X
Service provider payments	No	Services should be acquired by executing a contract for services, with payment directly to the service provider based on a detailed invoice. Refer to the Guide to Purchasing for more detail.	X	
Political contributions	No	The University Political Contributions policy, 05-06-05, expressly prohibits political contributions.		Never
Alcohol (Also see group business meal section of policy)	No	An exception to the policy is required for the purchase of alcohol. Not permitted to be charged to research grants, contracts, or programs.		X



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

<u>Gifts</u>				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval required	
			Standard Approval	Exception
Gifts, Awards and Prizes	No			X
Goodwill gifts to employees including flowers or for celebrations of events such as Birthday, New Baby, Work Anniversary, Retirement, Death	No	Can be reimbursed with exception approval. Any goodwill gifts to employees of cash, cash-equivalent gifts, non-cash gifts that do not meet the IRS's de Minimis rules; may be taxable to the employee.		X



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Personal					
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required		
			Standard Approval	Exception	
Costs for consulting for other organization, hotel stays when not on University Business, or travel for spouse/registered domestic partner	No	Generally these types of personal expenses are not reimbursed.		X	
Personal credit card, fees and interest	No			X	
Child care	No			X	
Theft, loss or damage to personal property	No			X	
Personal hygiene items	No			X	
Laundry	No			X	
Medical costs, doctor fees, prescriptions or other drugs	No			X	
Vaccinations	No	Unless required for University business travel.	X		



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Personal				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Visa costs, passports and TSA Pre-Check	No	Unless the traveler needs to obtain a visa to travel for University business.	X	
Personal (billed to home) cell phone expenses	No			X
Home internet expenses	No			X
Home or lawn maintenance expenses	No			X
Fees paid to credit card companies to access accrued card rewards	No			X
Insufficient funds check fees (NSF)	No			X
Use of personal residence	No			X
On-Campus Parking fees for working overtime or non-standard hours	No		X	
Relocation moving expenses	No	Policy 05-07-02 Moving Expenses - Household Goods should be followed.		X



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Transportation				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Airfare	Yes	Best value coach/economy total airfare unless circumstance or medical condition require different. Business class allowed if in air time is a continuous 6 hours or more.	X	
Airline baggage fees	Yes	One checked bag	X	
Airline seat upgrade fees	No	Supplemental airline fees, such as for special seat assignments, early boarding, etc. may be reimbursed if the department approver determines they are necessary to comply with the Americans with Disabilities Act (ADA) or for other legitimate business	X	



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Transportation				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Airfare fees for convenience items and entertainment (e.g., alcoholic beverages, movies, headphones, snacks)	No	Convenience items and entertainment are not reimbursable.		Never
Airline charges for Wi-Fi	Yes		X	
Flight change fees	No	Unless reasonable and necessary for University business.	X	
Trip Cancellation insurance	No		X	
Luxury limo service	No			X
Transportation from airport to final ground destination	Yes	Luxury limo should not be used. Round trips should be booked for shuttles to reduce costs.	X	
Car share (Ex: Uber and Lyft)	Yes	Discouraged due to inconsistent regulations for safety, background checking, insurance, receipts, etc.	X	
Taxi fares	Yes		X	



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Transportation				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Car rentals	Yes	When renting a vehicle an inspection should be done before and after the rental.	X	
Gas for rental car	Yes	While on University business. Rented vehicles should be refueled before returning to rental agency.	X	
Parking and tolls	Yes	While on University business.	X	
Vehicle rental insurance for domestic travel	No	Domestic is considered U.S. (including Alaska and Hawaii), U.S. Territories, Puerto Rico, and Canada and coverage is included when using the Travel Card and preferred car rental company.	X	
Vehicle rental insurance for Foreign travel	Yes	Insurance is not provided and should be purchased when traveling where the University provided insurance does not provide coverage.	X	
Personal vehicle mileage	Yes	Mileage is calculated within the expense reimbursement system.	X	
Repair, maintenance, or insurance of personal vehicle	No			X



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Transportation				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	<u>Exception</u>
Accident related repairs on personal vehicle	No			X
Traffic or parking violation fines or fees	No			X
Chartered bus	No	Must be arranged and approved by the Department of Parking and Transportation Services.		X



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Lodging				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Home sharing services such as Airbnb	Yes	Discouraged due to inconsistent regulations for safety, background checking, insurance, receipts, etc.	X	
Room rates, taxes, and internet charges included in bill	Yes	Must be detailed on bill. Not exceed the hotel's standard single room rate. Traveler should request tax exemption where possible.	X	
Foreign travel hotel charges	Yes	Detailed receipts are preferred but not necessary if using the foreign per diem allowance.	X	
Resort hotels	No	Unless it is the site that the travelers' conference.	X	
Pre-negotiated room rates when a part of a conference	Yes	When a conference has negotiated rates available to attendees of a conference.	X	
Luxury accommodations	No			X
No show bills and fees	No			X
Lodging expenses within 50 miles of residence	No			X
Hotel movie rental	No			Never



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Meals				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Meals while traveling	Yes	The University recommends the use of per diem. During travel with overnight stay or meals during travel lasting 8 or more hours without an overnight stay.	X	
Business meals as part of an organized business meeting or an official University event meal with non-University individuals	Yes	Business meals will be reimbursed with a reduction to the per diem if traveling. A detailed receipt is required.	X	
Meals over the per diem (ex. room service)	No	Expenses over the per diem are not reimbursed.		X
Meals provided by host or those included with conference fee	No	Should be included in the conference fee and would be a reduction to the per diem.		X



University of Pittsburgh Policy

University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Incidentals and Other				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Incidentals like movies, snacks, umbrellas, or bathrobes	No	Incidentals are included in the per diem rate.	X	
Payments to consultants or employees for services rendered to the University using a travel agency credit in lieu of cash	No	Purchase of services should be coordinated through PantherExpress or the Payroll Department.		X
Telephone charges	Yes	Must be business related. One personal call is allowed per day if traveling on business overnight.	X	
Cellular phone charges	No	For international travel, traveler should request a cell phone from Pitt's Global Operations Support if needed. This service is not available for domestic travel.		X
Postage, scanning, facsimile	Yes	Provided it is in the course of University business.	X	
Incidentals for business meetings during travel (name cards, posters, etc.)	Yes		X	



University of Pittsburgh Policy University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses

Incidentals and Other				
Expense	Generally Reimbursable	Conditions/Notes on Reimbursement	Approval Required	
			Standard Approval	Exception
Foreign currency expense	Yes	Foreign currency exchange gains up to \$75 may be retained by the traveler. It is recommended to use the Travel Card.		X
Traveler's check fees	No	Unless there is a valid security reason for using Traveler's Checks documented with the expense reimbursement request.	X	
	Yes	Traveler's check fees for foreign travel are reimbursable.		
Membership dues and professional license fees	Yes		X	
Home office expenses	No	Certain expenses are reimbursable.	X	
Honoraria	Yes		X	

APPENDIX B



University of Pittsburgh *Payment Processing and Compliance*

200 Craig St (207P Craig Hall)
Pittsburgh, PA 15260
412-624-3192
Mobile : 330-383-6124

Stephanie Ford-Jones, MBA, MEDL
Manager
Payment Processing & Compliance

DS
MS

To: Narahari Sastry, Senior Vice Chancellor & Chief Financial Officer

From: Stephanie Jones, Manager of Payment Processing and Compliance

DS
SFJ

Through: Maureen Beal, Associate Vice Chancellor, Financial Operations

DS
M/B

Date: 01/14/2022

Re: Blanket Exception to University Policy FN28 for Dependent Care

The Office of the CFO has been asked to consider an exception to University Policy FN28, [Travel and University Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses](#), to allow reimbursement of dependent care expenses under externally-funded sponsored projects.

Currently, dependent care expenses are not generally reimbursable under University Policy FN28. Recently, however, external funding agencies, such as the NIH, have made certain types of dependent care expenses allowable on sponsored projects with the appropriate supporting documentation and subject to dollar limits that are unique to each funding agency and award.

While we understand that permanent changes to University Policy FN28 related to dependent care may be considered pursuant to the University's policy development process, effective immediately, this signed memo serves as a blanket exception to the current policy, FN28, in accordance with that policy, to allow reimbursement as described below.

- Partial reimbursement of certain “emergency/back-up” dependent care for eligible employees will be reimbursed under the University subsidized taxable fringe benefit program, [CARE.com](#).
- Direct reimbursement of dependent care expenses that are NOT eligible under CARE.com, and allowable on externally-funded sponsored projects, such as certain NIH awards, will be permitted. The same dependent care expense item may not be submitted to both CARE.com and directly reimbursed via Travel & Business Expense Report under University Policy FN28. Compliance with the terms and documentation requirements of individual externally-funded sponsored project awards will be the responsibility of department research grant administrators.
- All other dependent care expenses that are not eligible for reimbursement under CARE.com, nor allowable by external sponsors will continue to be ineligible for reimbursement under University Policy FN28.

The exception outlined in this memorandum will remain in effect until a revised University Policy FN 28 is published in accordance with the University's policy development process, unless otherwise directed by the Chancellor or the Senior Vice Chancellor & Chief Financial Officer.

DocuSigned by:

Narahari Sastry

01-17-2022 | 10:13 PM EST

Narahari Sastry, Senior Vice Chancellor & Chief Financial Officer

Date

APPENDIX C

Senate Ad Hoc Committee on Dependent Care
Follow-up Questions to Office of the CFO

RE: CFO Decision Memo “Blanket Exception to University Policy FN28 for Dependent Care – 1/14/2022”
Chart of Procedures for Reimbursement for Dependent Care Expenses (<https://www.ppt.pitt.edu/travel-expenses/managing-expenses/expense-reporting#dependentcare>)
Process Flowchart
(https://www.ppt.pitt.edu/sites/default/files/dependent_care_reimbursement_flow_chart.pdf)

Document history

Version	Date	Author	Notes
1.0	Feb 4, 2022	Senate Ad Hoc Committee on Dependent Care (corresponding author: Anna Wang-Erickson)	Questions and Context of Questions sent to Nicole Hamm for responses from Office of the CFO on Feb 4, 2021
1.2	Feb 25, 2022	Office of the SVC/CFO via Nicole Hamm	Added responses to questions; authors of responses not specified
2	March 1, 2022	Anna Wang-Erickson	Clarified request for names of contributors for the responses; added row for individuals present at follow-up meeting to discuss the reasoning behind the responses with Nicole Hamm
2.2	March 1, 2022	Nicole Hamm	Added information for follow-up meeting; contributors not specified
2.3	March 2, 2022	Anna Wang-Erickson	Clarified request for contributors and their roles in creating the responses
2.4	March 4, 2022	Office of SVC/CFO via Nicole Hamm	Added contributors; roles not specified
	March 7, 2022	Anna Wang-Erickson	Requested roles
2.5	March 9, 2022	Cyndee Pelt via Nicole Hamm	Role description provided via email; info inserted by Anna Wang-Erickson Note: Nicole Hamm clarified to the committee that her role did not include the actual writing of the responses. The committee did not verify the participation of the other contributors listed, except for the lead respondent.

The questions will refer to the excerpted and annotated Chart of Procedures below:

Chart of Procedures for Reimbursement for Dependent Care Expenses

Program	Care.com	Grants provided through National Institute of Allergy and Infectious Diseases (NIAID), National Institute of Mental Health (NIH) or other funding agencies	
Eligibility	Visit the OHR website	Grant recipients - check with your Grant Administrator if you are unsure.	
Type of Care	Emergency and backup care – if eligible, can't submit under grant.	Consult grant agreement	Box 1
Amount of Coverage	Visit the OHR website	Consult grant agreement	
Care type Covered	Dependent care	Consult grant agreement	
Dates of Applicability	9/1 - 8/31	Varies, consult grant agreement	
Taxation Reporting	W2	1099	Box 2
For more information		Grant Administrator in your University department	
Procedure for Reimbursement and Required Documents	Visit the OHR website	See Process Flowchart	Box 3
Program Requirements for Provider		Licensed childcare provider – must have proof of license to attach with the expense reimbursement.	Box 4

1	Question	Would it be possible to remove the stipulation “Emergency and backup care - if eligible [for Care.com], can’t submit under grant” (Box 1)?	
	Context of Question	Grants may allow emergency and backup care expenses that would also be allowed under Care.com. It would be preferable for personnel to be able to choose whether to use a grant or Care.com if the expense is allowable under either program. The HR Benefits perspective is that order of program use does not matter to them.	
	Response	<p>All externally and internally funded budgets are currently charged for the cost of the CARE.com program as part of the fringe benefit rate. In other words, for every salary dollar charged to an account, a fringe rate that includes the cost of CARE.com is also charged.</p> <p>To comply with research regulations that prohibit double charging of expenses, the University must ensure that CARE.com benefits are fully utilized prior to charging emergency and backup care to an externally sponsored account. The SVC/CFO’s office is working with Human Resources and CARE.com on data sharing and control procedures to enable coordination of CARE.com benefits with expense reimbursements without increasing compliance risk.</p>	
	Name(s) of Individual(s) Contributing to Response	<p><i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i></p> <p>Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator</p>	
	Please use the format: Name of Individual, CFO Division, Role in crafting response.		
	Place an asterisk next to the Division that led the effort for crafting the response.	<p>Roles: “It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response” (Cyndee Pelt via Nicole Hamm, March 8, 2022).</p>	
Date of Response	February 14, 2022		
Individuals present at follow-up meeting with Nicole Hamm	Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen	Date of Follow-up Meeting: 2/25/22	

2	Question	Is the wording “Emergency and backup care - if eligible [for Care.com], can’t submit under grant” (Box 1) and the Process Flowchart (Box 3) intended to mean that people may <i>never</i> use a grant that allows expenses that are classified as eligible for Care.com, even if they have run out of Care.com backup days?	
	Context of Question	“Eligible” could mean an expense falls in a category that is reimbursable. Or it could mean the expense is reimbursable in practice, also taking into account whether the individual has an adequate number of Care.com backup days left to use.	

		The first decision node in the Process Flowchart “What type of reimbursement is this?” does not take into account availability of backup days.
	Response	Yes. Until control procedures can be established to coordinate benefits without increasing compliance risks, dependent care that is eligible for reimbursement under CARE.com may not be reimbursed via Travel & Business Expense Report. See response to question 1. We will look to clarify our guidance so that this is clear.
	Name(s) of Individual(s) Contributing to Response Please use the format: Name of Individual, CFO Division, Role in crafting response. Place an asterisk next to the Division that led the effort for crafting the response.	<i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i> Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator Roles: “It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response” (Cyndee Pelt via Nicole Hamm, March 8, 2022).
	Date of Response	February 14, 2022
	Individuals present at follow-up meeting with Nicole Hamm	Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen Date of Follow-up Meeting: 2/25/22
3	Question	If the wording in Box 1 and the Process Flowchart were intended to mean that a person’s Care.com benefit would need to be exhausted before using a grant that allows emergency and backup care expenses, would it be possible to remove this requirement?

<p>Context of Question</p>	<p>We understand that Payment Processing is requesting Care.com monthly usage data from HR as part of determining whether to approve a reimbursement request. Removing the requirement that all backup days be used before allowing grant use would reduce administrative burden.</p> <p>There is existing precedent and no objection to the current practice of allowing personnel to use multiple funding sources (e.g. a faculty member may split the cost of a purchase across multiple accounts; a faculty member may put a portion of travel expenses on a grant and the rest on internal discretionary funds, or a portion on Pitt funds and a portion on the host institution's funds).</p> <p>There is existing precedent and no objection to the current practice of allowing personnel to use multiple reimbursement programs at the same time. For example: -Employees are allowed to use Care.com and submit costs paid out of pocket, including the co-pay, against their DCFSA. -Employees may be reimbursed for the purchase of contact lenses from a vision insurance plan and an FSA. As long as the total reimbursement amount does not exceed the total expense, a reimbursee may use both programs in any order or at the same time without having to exhaust one program first.</p> <p>Grants could be thought of as analogous to an FSA. Funds in an FSA account are designated for an employee's use, disbursement of those funds are administered by a third-party, and unused funds are "lost" at the end of the period. Funds in a grant account are designated for the PI's use toward grant-funded activities by the grantor, and disbursement of those funds are administered by a third-party (the University), and unused funds are returned at the end of the period. Therefore, allowing personnel to use Care.com and grants in any order or at the same time without having to exhaust one program first is similar to the current practice of allowing personnel to use vision insurance and an FSA.</p>	
<p>Response</p>	<p>Not currently. We are working to establish control procedures to coordinate CARE.com benefits with expense reimbursements. See answer to question 1.</p>	
<p>Name(s) of Individual(s) Contributing to Response</p> <p>Please use the format: Name of Individual, CFO Division, Role in crafting response.</p> <p>Place an asterisk next to the Division that led the effort for crafting the response.</p>	<p><i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i></p> <p>Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator</p> <p>Roles: "It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response" (Cyndee Pelt via Nicole Hamm, March 8, 2022).</p>	
<p>Date of Response</p>	<p>February 14, 2022</p>	
<p>Individuals present at follow-up meeting with Nicole Hamm</p>	<p>Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen</p>	<p>Date of Follow-up Meeting: 2/25/22</p>

4	Question	May a person choose to use a grant that allows backup care expenses if the grant will expire before the Care.com plan year is over?	
	Context of Question	Please consider the following scenario: A faculty member has a grant that allows expenses for backup care in order to attend a conference. The grant end date is 1 month after the conference. There will be 11 months left on the Care.com plan year after the conference. Due to the PPT stipulation that the Care.com benefit must be used first, the faculty member uses all the allotted backup days to attend the conference. After the grant ends, the faculty member's needs backup care due to a school closure; however, there are no backup days left. It would have been preferable for the faculty member to use the grant for the conference and reserve the Care.com backup days for other circumstances.	
	Response	Until data sharing and internal control procedures can be developed to reduce compliance risks as described in our response to question 1, at this time, only dependent care expenses that are not eligible for reimbursement under CARE.com may be submitted on a Travel & Business Expense report. We will consider this complex scenario as we are developing procedures to enable sharing of benefits.	
	Name(s) of Individual(s) Contributing to Response Please use the format: Name of Individual, CFO Division, Role in crafting response. Place an asterisk next to the Division that led the effort for crafting the response.	<i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i> Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator Roles: "It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response" (Cyndee Pelt via Nicole Hamm, March 8, 2022).	
	Date of Response	February 14, 2022	
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5	Question	May a person choose to use a grant if the grant will reimburse the expense more fully than Care.com?	
	Context of Question	Care.com only partially reimburses at a maximum of \$125 per day after the co-pay of \$4 per hour for a maximum of 10 hours of care per day. Grants may reimburse the expense in full. (e.g., a faculty member goes to a conference and incurs an additional child care expense of \$200 at \$20 per hour of care. The grant would reimburse \$200; however, Care.com would only reimburse \$125)	
	Response	We understand that some grants may offer a higher level of reimbursement than CARE.com. However, until data sharing and internal control procedures can be developed to reduce compliance risks as described in our response to question 1, at this time, only dependent care expenses that are not eligible for	

		reimbursement under CARE.com may be submitted on a Travel & Business Expense report.	
Name(s) of Individual(s) Contributing to Response	e.g. <i>Jamie Jones, Strategic Planning*</i> , <i>Developed the rationale, consulted sources, and wrote the response</i>		
Please use the format: Name of Individual, CFO Division, Role in crafting response.	Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator		
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Date of Response	February 14, 2022		
Individuals present at follow-up meeting with Nicole Hamm	Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen	Date of Follow-up Meeting: 2/25/22	

6	Question	Would it be possible to remove the requirement for "Licensed child care provider - must have proof of license to attach with the expense reimbursement" (Box 4)?	
	Context of Question	Not all grants require reimbursees to use a licensed child care provider. This requirement is specific to the NIH NRSA training grant, which is only one kind of grant offered by the NIH. The hyperlinked text in Box 4 leads to the NIH NRSA Institutional Training Grant page, but there are other grants that may allow dependent care costs without such stipulations. Care.com does not require all care providers to be licensed because the state does not necessarily license care providers who are individuals. Care.com also allows people to be reimbursed for care from providers in their personal network without the stipulation that the providers be licensed.	
	Response	We will change the procedural language to require attachment of license if required by the funding agency. It will be the responsibility of the department Research Administrator to ensure compliance with the requirements of each sponsored project funding agency.	
	Name(s) of Individual(s) Contributing to Response	e.g. <i>Jamie Jones, Strategic Planning*</i> , <i>Developed the rationale, consulted sources, and wrote the response</i>	
	Please use the format: Name of Individual, CFO Division, Role in crafting response.	Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator	
	Place an asterisk next to the Division that led the effort for	Roles: "It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response" (Cyndee Pelt via Nicole Hamm, March 8, 2022).	

	crafting the response.	
	Date of Response	February 14, 2022
	Individuals present at follow-up meeting with Nicole Hamm	Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen Date of Follow-up Meeting: 2/25/22

7	Question	Could you please explain why reimbursements will be reported on a W2 for Care.com but a 1099 will be issued for reimbursements from grants (Box 2)?
	Context of Question	We understand that the value of the Care.com benefit is imputed income and should be reported to the IRS. We would like to better understand why a 1099 will be used for dependent care reimbursements from grants as opposed to a W-2.
	Response	Our procedures will be updated. All reimbursements for employees (whether via CARE.com or a Travel & Business Expense Report) should be reported on a W2. Reimbursements for non-employees will be reported on a 1099.
	Name(s) of Individual(s) Contributing to Response Please use the format: Name of Individual, CFO Division, Role in crafting response. Place an asterisk next to the Division that led the effort for crafting the response.	<i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i> Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator Roles: "It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response" (Cyndee Pelt via Nicole Hamm, March 8, 2022).
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8	Question	Will trainees on a fellowship be issued 1099s?
	Context of Question	The current IRS position is that NRSA stipends are bona fide fellowships and are not subject to FICA or self-employment tax (http://web.archive.org/web/20060627041925/http://www.phds.org/nrsa-taxes/) Fellows should not receive a W2 or 1099, though their stipends are subject to income tax. Issuing a 1099 may expose fellows inappropriately to self-employment tax. According to a quick personal opinion from tax lawyer Bertrand Harding, Jr. (tax lawyer who specializes in tax issues for universities, https://bhardinglaw.com/), the NRSA child care supplement seems to be just another component of the basic NRSA grant, and the University could treat it in the same manner as it treats existing NRSA grants – an additional component of a fellowship (subject to income tax but not self-employment tax) (Personal communication to Anna Wang-Erickson, April 27, 2021).
	Response	This is correct. We will clarify our guidance.

<p>Name(s) of Individual(s) Contributing to Response</p> <p>Please use the format: Name of Individual, CFO Division, Role in crafting response.</p> <p>Place an asterisk next to the Division that led the effort for crafting the response.</p>	<p><i>e.g. Jamie Jones, Strategic Planning*, Developed the rationale, consulted sources, and wrote the response</i></p> <p>Maureen Beal, Financial Operations*, CFO Anna Germ, Tax, CFO Stephanie Jones, Payment Processing and Compliance, CFO John Kozar, Benefits, HR Dave Laffey, Sponsored Projects Accounting, CFO Cyndee Pelt, CFO Nicole Hamm, Financial Compliance for Research, CFO Lead Coordinator</p> <p>Roles: "It was a team effort with all of the people listed in the document as gathering information and helping to draft, review and edit the response" (Cyndee Pelt via Nicole Hamm, March 8, 2022).</p>	
<p>Date of Response</p>	<p>February 14, 2022</p>	
<p>Individuals present at follow-up meeting with Nicole Hamm</p>	<p>Hari Sastry, Cyndee Pelt, Maureen Beal, Jennifer Theelen</p>	<p>Date of Follow-up Meeting: 2/25/22</p>

APPENDIX D.1

Dependent Care Reimbursement Concerns
Compiled on behalf of SVC David DeJong following Pitt Seed Dependent Care Working Group discussions

Revision history

Version	Date	Author	Notes
1.0	Aug 13, 2021	Anna Wang-Erickson	Sent to Maureen Beal for revision on Aug 13, 2021. Concerns #1-10 taken verbatim from document titled 'Pitt Seed Fund Project Briefing Dependent Care Professional Travel Grants' from Financial Operations on Dec 7, 2020.
2.0	Aug 19, 2021	Maureen Beal	Edits highlighted in red in track changes
3.0	Oct 1, 2021	Anna Wang-Erickson	Added rebuttal column

Members of Pitt Seed Dependent Care Working Group (2020-2021):

- Anna Wang-Erickson (chair), Assistant Professor, Department of Pediatrics, School of Medicine; Associate Director, Institute of Infection, Inflammation, and Immunity in Children (i4Kids)
- Maureen Beal, Associate Vice Chancellor for Financial Operations, Office of the CFO
- David Dejong, Senior Vice Chancellor, Business and Operations
- Stephanie Ford-Jones, Director, Payment Processing and Compliance, Office of the CFO
- Amanda Godley, Vice Provost for Graduate Studies, Office of the Provost; Professor, Department of Teaching, Learning, and Leading, School of Education
- Anthony Infanti, Professor of Law, School of Law
- John Kozar, Assistant Vice Chancellor, Human Resources, Benefits
- Adam Leibovich, Associate Dean for Research and Faculty Development, Dietrich School of Arts and Sciences; Professor, Department of Physics and Astronomy, Dietrich School of Arts and Sciences
- Annamarie Pirollo, Program Manager, Institute of Infection, Inflammation, and Immunity in Children (i4Kids), Department of Pediatrics, School of Medicine
- Rebecca Roadman, Chief of Staff, Business and Operations
- John Williams, Division Director, Infectious Diseases; Professor, Department of Pediatrics, School of Medicine; Director, Institute of Infection, Inflammation, and Immunity in Children (i4Kids)

	Concern	Rationale type (e.g. legal compliance, taxation compliance, resource constraints, process objection, ideological differences, governance (internal policies and supporting shared governance), workforce management/morale, budget process)	Rebuttal
1	The exception clause in FN28 was not intended to circumvent University Policy A01, Establishing University Policies, and implement broad policy changes. The exception clause was intended for in-travel emergencies.	Governance.	Nowhere is it written that the exception clause was intended for in-travel emergencies. This intention is most likely not practical because most people expect that an exception from an RC must be arranged in advance. Following the direction of the Office of the CFO, the Pitt Seed Working group abandoned pursuing the use of the co-signed exception memo from Provost Cudd and SVC DeJong, and instead pursued an interim policy change, submitted to the Office of Policy in March 2021. It was rejected by the Office of the CFO in May 2021.
2	A sense of unfairness may result when some employees' dependent care expenses are reimbursed since they have external funding sources, but other colleagues doing similar work may not due to a lack of outside funding. Since December, 2020 when an Dependent Care Briefing was presented to Sastry, Cudd, DeJong, a	Workforce management/morale	This appears to be an ideological objection to grant use due to the belief that using grants is "unfair" to those without grants. This position is contrary to how research institutions operate. Pitt is ranked in the top 10 of institutions awarded the most NIH funding, which should be celebrated. Care.com is irrelevant to the issue of allowing grant use.

Dependent Care Reimbursement Concerns

	<p><u>separate Working Group that includes members of the Office of Human Resources, the Office of the CFO and the Office of the Provost received approval in July 2021 for a more permanent and equitable solution called CARES.com that will be accessible to all faculty staff and student employees, regardless of funding source. For employees, CARES.com will be offered as a taxable employee benefit via the Office of Human Resources and funded via the Fringe Benefit rate. It is anticipated that this program will be available starting in the fall 2021.</u></p> <p><u>The Provost must still determine if the CARES.com program will be implemented to reimburse students who are not employees; funding sources under consideration as of August 2021 include student fees. Student reimbursements of dependent care charged to federal sponsored projects through CARES.com or another process should also be reviewed for compliance with CRF §75.403. Since student reimbursements do not fall under the University's Employee Benefit Plan, student reimbursements from any funding source will require a change to University Policy FN28.</u></p>		<p>Care.com is a company with whom HR Benefits has purchased a contract to provide a network of dependent care providers. This program does not involve any reimbursements from the University.</p>
3	<p>Conservative two-year cost estimate of \$1.12M (\$434k charged to E&G). Our</p>	<p><u>Budget process</u></p>	<p>This is an overestimate of cost.</p>

Dependent Care Reimbursement Concerns

	<p>conservative scenario assumed that every conference attendee with children under the age of 12 or a dependent adult (47%) received a \$150 reimbursement.</p>		<p>The interim policy change proposed by the Pitt Seed Working group is designed to be cost-neutral / revenue positive because it leverages funds from external sources.</p> <p>Allowing use of research start-up funds is cost-neutral because start-up has typically already been allocated to researchers at the time of hire.</p> <p>Most of the travel is done by faculty, and faculty typically only travel if they have research start-up or external funds to travel.</p> <p>Furthermore, this cost estimate may be too high by inaccurately assuming that 47% of travelers have a dependent for whom they will request a reimbursement.</p>
4	<p>Aggressive two-year cost estimate of \$12.4M (\$4.8M charged to E&G). Our aggressive scenario was that each conference attendee with children under the age of 12 or a dependent adult (47%) would receive the maximum of \$1,000 per year.</p>	<p><u>Budget process</u></p>	<p>This is an overestimate of cost.</p> <p>The interim policy change proposed by the Pitt Seed Working group is designed to be cost-neutral / revenue positive because it leverages funds from external sources.</p> <p>Allowing use of research start-up funds is cost-neutral because start-up has typically already been allocated to researchers at the time of hire.</p> <p>Most of the travel is done by faculty, and faculty typically only travel if they have research start-up or external funds to travel.</p> <p>Furthermore, this cost estimate may be too high by</p>

Dependent Care Reimbursement Concerns

			inaccurately assuming that 47% of travelers have a dependent for whom they will request a reimbursement.
5	<p>For an estimated 3,749 to 6,204 potential payees based on the blanket policy exception, the cost to manually imputed income on each payee's W2 will be \$8,200 - \$13,600 annually during the Seed Project Pilot phase.</p> <p><u>Although do-able, it should also be noted that the complexity of the process to impute income on the employee W2 (produced by the payroll system) based on data from AP systems not designed to process taxable compensation elements (typically processes non-taxable travel & business expense reimbursements) for a large number of people may increase compliance risks.</u></p>	<p><u>Resource constraints.</u></p> <p><u>Tax reporting compliance (possible).</u></p>	<p>This may be an overestimate of potential payees.</p> <p>Tax reporting compliance should not be an issue because there is a precedent for Pitt handling reimbursements for moving expenses, which became federally taxable starting on Jan 1, 2018. Moving expenses are more complex than dependent care reimbursements because federal and state tax laws differ on the taxability of each type of moving expense.</p>
6	<p>Thurman Wingrove believes that use of E&G funds was beyond the scope/intent of the approved Seed Project.</p>	<p><u>Ideological – program purpose, Governance</u></p>	<p>The interim policy change proposed by the Pitt Seed Working Group is intended to leverage available funds, particularly from external funders and research start-up.</p> <p>From a review of the email from Thurman Wingrove to Maureen Beal, who forwarded it to Anna Wang-Erickson without any prompting, it is unclear whether the scope of the Pitt Seed project to leverage external funding was adequately explained to him. He did, however, confirm that gift accounts (04) and start-up funds (can be in 02 or 04</p>

Dependent Care Reimbursement Concerns

			accounts) may be used for dependent care, subject to donor or departmental restrictions.
7	This additional expense was not anticipated when establishing FY21 <u>and FY22</u> budgets. While exception letter permits individual department heads to decline to reimburse, these department heads may feel pressure to approve funding from their operating budget when others in the department are being funded from outside sources.	<u>Budget process</u>	This is irrelevant. The interim policy change proposed by the Pitt Seed Working group is designed to be cost-neutral / revenue positive because it leverages funds from external sources. The proposed interim policy change guidance document affirms that supervisors do not need to pre-approve reimbursements unless funds are available.
8	Directors of Administration relationship. As noted earlier, broadly implementing this new exception to policy FN28 (new expense) is contrary to the budget messaging to DOAs earlier in the year, when it was suggested that they reduce their travel and business expenses as a way to absorb FY21 <u>and FY22</u> budget cuts. DOAs should be consulted prior to changing the policy.	<u>Budget process</u>	This is irrelevant. The interim policy change proposed by the Pitt Seed Working group is designed to be cost-neutral / revenue positive because it leverages funds from external sources. The proposed interim policy change guidance document affirms that supervisors do not need to pre-approve reimbursements unless funds are available.
9	Reputational. The University's policies and spending are public information. Therefore, consideration should be given to providing this new income/benefit at a time when State funding is at risk, and unemployment in PA and across the nation is at record levels. <u>This may have eased somewhat in FY22 as the economy reopens. However, it may be worthwhile to</u>	<u>Reputational.</u>	A significant reputational risk is hindering research productivity by prohibiting people from using and obtaining grants from federal and non-federal sources. It is also a significant risk to reject awarded funding from the NIH, which signals the University is not aligned with their priorities. Update Sept 21, 2021: Office of the CFO has prohibited a researcher from claiming NIH

Dependent Care Reimbursement Concerns

	benchmark with other employers in PA (higher-ed, and for-profit) to determine if Pitt would be out-of-step with other PA employers.		<p>funds specifically awarded for child care.</p> <p>Update Sept 23, 2021: In response to a strong complaint from the School of Medicine and follow up from the Office of the Provost, Ms. Beal has allowed 3 individual exceptions for those who have been awarded NIH funds for child care. Ms. Beal also suggested that perhaps the University should prohibit applications for NIH grants awarded to support child care to promote research productivity.</p> <p>Prohibiting the University from receiving NIH funding is contrary to the University's mission of research and education.</p>
10	Can the genie go back into the bottle? If the University does not seriously intend to consider offering dependent care funding as an ongoing benefit, then broad implementation of an exception to FN28 for a two-year period will make it difficult to "roll-back" after the two year pilot.	Ideological – program purpose. Governance. Workforce management	There is broad agreement amongst the leadership and wider community that the University is committed to D/E/I and maintaining and increasing its standing as one of the top 10 institutions awarded the most federal research funds.
11	<p>Objections to interim policy change proposal submitted by DCR Working Group on March 22, 2021 and rejected May 12, 2021:</p> <p>In July 2021, a closer review and interpretation of the Code of Federal Regulations (CFR) §75.403. Factors affecting allowability of costs on federally-funded research</p>	Regulatory. Per Dave Laffey, Director of Research Accounting, on August 19, 2021, the CFR §75.403 applies to all costs charged to all expenditures charged to research grants (not just travel).	<p>The concern regarding the "temporary, blanket policy exception" is irrelevant. The interim policy change proposal does not use a "temporary, blanket policy exception."</p> <p>The interim policy change proposed by the Pitt Seed Working group was written to be consistent with the CFR, following the example of the</p>

Commented [BMRM1]: Anna, Ryan Dunmire of University Counsel is on vacation until August 27, but I have sent him an email to confirm Dave's interpretation of CFR §75.403 – the "uniformity clause". I will update you as soon as I hear back from him.

Dependent Care Reimbursement Concerns

<p><u>grants was undertaken in consultation with the Office of University Counsel. CRF §75.403 states: "Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity." It is the opinion of University Counsel and the Office of the CFO that the temporary, blanket policy exception in the January 19 Decision Memo may not meet this standard thereby increasing risks to the University in a federal audit for any dependent care charged to federal research grants.</u></p> <p><u>See concern 2., above. CARES.com, approved in July 2021, will be a solution uniformly applied to both federally-financed and other activities.</u></p>		<p>University of California's system-wide financial policy, which allows federal and non-federal funding for dependent care.</p> <p>Care.com is irrelevant to the issue of allowing grant use.</p> <p>Update Oct 15, 2021: Ryan Dunmire (Office of General Counsel) clarified, "...there should be no issue receiving childcare costs allowable under any specific authorizations like the one below [NIH NRSA], regardless of whether or not the University has a policy broadly providing for childcare benefits. Federal statutes only require consistency with non-federally financed activities for costs that are not specifically allowable."</p>
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APPENDIX D.2

PITT SEED FUND PROJECT BRIEFING DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS

BACKGROUND

In response to challenges for female academics and researchers, who carry a disproportionate share of family care that has intensified during the Covid-19 pandemic, Dr. Anna Erickson-Wangⁱ applied for and was awarded a two-year grant of \$25,000 for a [Pitt Seed Project](#) toⁱⁱ:

“Form a working group including representatives from Human Resources, the Office of the Chief Financial Officer, and academic units to develop a supportive policy on dependent care reimbursements incurred by professional travel.

Establish a trial reimbursement program to offset dependent care costs incurred by travel to speak at conferences and professional meetings.

- *Open to researchers, staff, faculty, postdocs, and PhD students.*
- *Per person per year maximum reimbursement amount (\$150 per conference to a maximum of \$1,000 annually determined after Seed Fund grant awarded).*
- *Processing would be via Accounts Payable with documentation (receipt, confirmation of presentation, brief justification). **Beal note: taxable income to the recipient; Pitt must report on W2.***
- *NIH/NSF/start-upholders would be encouraged to use those funds first to maximize Seed fund availability to those without grants/start-up.*
- *Quick implementation of trial program is possible without formal policy change because current travel policy allows for exceptions for childcare reimbursements.*
- *Collect and analyze data on the impact of the trial program.”*

Dr. Wang-Erickson's goal is to implement the pilot by January 2020. Dr. Wang-Erickson obtained the following **blanket** policy exception letter from Drs. Cudd and DeJong on November 23, 2020 for [University Policy FN28](#), Travel, Business Entertainment, Honoraria and Miscellaneous Reimbursable Expenses, which expressly prohibits reimbursement for dependent care expenses. This policy is owned by the CFO. The exception letter, if accepted by the CFO, would essentially change the University's policy without going through the policy change process described in [University Policy A01](#), Establishing University Policies.

PRELIMINARY ANALYSIS

Current Programs at Pitt

The University of Pittsburgh, like all of its peers, offers regular employees the opportunity to contribute to a [pre-tax flexible spending dependent care account](#). There is no University contribution to this account. Up to \$5,000 annually of employee contributions may be used to pay for eligible dependent care expenses.

PITT SEED FUND PROJECT BRIEFING DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS

In addition, the Office of Human Resources (HR) is currently exploring whether to offer on-campus proctoring services from 8 AM to 3:30 PM for children ages 6 to 12 for \$5 per hour, and “back-up” dependent care at a low co-pay from a provider to be selected from a Pitt-vetted list. A survey of employees on these options is scheduled to be completed by December 18, 2020.

Policy implications

[University Policy FN28](#), Travel, Business Entertainment, Honoraria and Miscellaneous Reimbursable Expenses, includes a provision for an executive exception, however, the intent of that provision was for “one-off” unforeseen unusual or emergency expenses incurred by University employees in the conduct of University business.

Conclusions:

- Providing an exception for a small number of reimbursements from the Seed Project fund (maximum \$25,000) during the pilot is appropriate. However, **the exception clause in FN28 was not intended to circumvent University Policy A01, Establishing University Policies, and implement broad policy changes.**
- [University Policy FN28](#) provides consistency and fairness to employees in understanding the types of expenses that the University will reimburse. The Cudd / DeJong exception letter permits individual departments managers to decide whether department internal funds (02) may be used to reimburse dependent care expenses. **A sense of unfairness may result when some employees’ dependent care expenses are reimbursed since they have external funding sources, but other colleagues doing similar work may not due to a lack of outside funding.**

Estimated annual reimbursement costs

We estimated the cost of the two-year Seed Project pilot, **assuming a blanket exception** from University Policy FN28 based on the following data.

- Office of Human Resources provided estimates on the numbers of staff who have minor dependents: 28% under age 12, and 40% under age 18.
- A 2015 research report titled [Caregiving in the US](#) (National Alliance for Caregiving (NAC) and AARP Public Policy Institute) (National Alliance for Caregiving (NAC) and AARP Public Policy Institute) estimated that 16.6% of the population are providing caregiving to an adult.
- The average number of conferences / seminars attended by Pitt faculty and staff employees per year was calculated from expense report data in Concur: 8,331 (this *excludes* free training, which was not included in the Concur data).

PITT SEED FUND PROJECT BRIEFING DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS

Conservative two-year cost estimate of \$1.12M (\$434k charged to E&G). Our conservative scenario assumed that every conference attendee with children under the age of 12 or a dependent adult (47%) received a \$150 reimbursement.

Aggressive two-year cost estimate of \$12.4M (\$4.8M charged to E&G). Our aggressive scenario was that each conference attendee with children under the age of 12 or a dependent adult (47%) would receive the maximum of \$1,000 per year.

Estimated processing costs

Because these reimbursements will be processed via a Travel & Business Expense Report (see long-term alternative described in the Tax section below), and the payments are taxable income to the recipient, they must be reported to the IRS on the W2. There is no integration for these payments with the Oracle Payroll system, and therefore, each payee's W2 must be manually adjusted before W2s are produced. **For an estimated 3,749 to 6,204 potential payees based on the blanket policy exception, the cost to manually imputed income on each payee's W2 will be \$8,200 - \$13,600 annually during the Seed Project Pilot phase.** It may be possible to write a program to import these adjustments for the pilot, but we have not been able to cost out due to the HCM system implementation.

Allowability under Research Grants / Contracts and Gift Agreements

- Per David Laffey, Director of Research Accounting, federal Uniform Guidelines prohibit charging dependent care expenses to **federally-funded research grants (05)** if the University's policy prohibits. However, since this policy includes an exception clause, David believes that the charges will be allowable with an exception letter.
- **For other research grants**, David Laffey has stated that the terms and conditions of each contract must be consulted by the department approver to determine if reimbursement for dependent care expenses is allowable.
- Per Thurman Wingrove, Controller, each **gift fund (04)** agreement should be carefully checked by the department approver to ensure that dependent care expenses are permitted to be charged under the contract terms.
- Thurman Wingrove has indicated that use of **Research Start-up Funds** is allowable, if they are in line with individual Pitt department guidelines for use of these funds.

Funding from E&G funds (02), other the Seed Project funds.

- Thurman Wingrove believes that use of E&G funds was beyond the scope/intent of the approved Seed Project.
- This additional expense was not anticipated when establishing FY21 budgets. While exception letter permits individual department heads to decline to reimburse, these

PITT SEED FUND PROJECT BRIEFING DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS

department heads may feel pressure to approve funding from their operating budget when others in the department are being funded from outside sources.

Tax

- Since this benefit is not being offered under a qualified fringe benefit program (HR) as many large organizations do, the IRS considers these reimbursements as taxable income. Each payee may be eligible to reduce the taxable amount (maximum reduction currently \$5,000), but it depends on each taxpayer's individual situation and is calculated when filing IRS form 1040 annual individual tax return.

Benchmarking

Initial benchmarking with 33 peer, aspirational peer and a few other universities was completed. We have not benchmarked for-profit institutions.

Institutional Relationship

Peer	18 (55%)
Aspirational peer	6 (18%)
Leading-edge practice institutions	9 (27%)

Public v. Private Institutions

Public	17 (51%)
Private	16 (49%)

Offered No Support Programs	Pre-Tax Flexible Spending Plans with no University contribution	Hardship/ Special Needs Programs ¹	Exceptional T&B Reimbursement ²	Other Types of Dependent Care ³
0	100%	36%	55%	24%

¹ Examples: dependent grants and scholarships, or subsidy programs that are typically income-based, and may be funded by the University or state. Recipients must apply.

² Exceptional situations with VC approval. Also, 38% (or 9 of 24) peer and aspirational peers, permit reimbursement for specific sponsored projects if allowable by the sponsor, or for emergency in-travel situations. In addition, 9 other institutions who are on the leading edge for dependent care (Harvard, Yale, Princeton, Stanford, WVU, Northwestern, University of Chicago and Brown) have a similar policy. The majority of reimbursements have external funding sources in this category.

³ Varying degrees of assistance provided with these programs. Examples: dependent care referral services or discounted "back-up" temporary dependent care for employees or visitors to campus, long-term care insurance. These are typically offered through HR and require payments from the employee or visitor.

Other potential risks

- Directors of Administration relationship. As noted earlier, broadly implementing this new exception to policy FN28 (new expense) is contrary to the budget messaging to DOAs earlier in the year, when it was suggested that they reduce their travel and business

PITT SEED FUND PROJECT BRIEFING DEPENDENT CARE PROFESSIONAL TRAVEL GRANTS

expenses as a way to absorb FY21 budget cuts. DOAs should be consulted prior to changing the policy.

- Reputational. The University's policies and spending are public information. Therefore, consideration should be given to providing this new income/benefit at a time when State funding is at risk, and unemployment in PA and across the nation is at record levels.
- Can the genie go back into the bottle? If the University does not seriously intend to consider offering dependent care funding as an ongoing benefit, then **broad implementation** of an exception to FN28 for a two-year period will make it difficult to "roll-back" after the two year pilot.

RECOMMENDATION

To manage costs to departments, avoid \$8,200 - \$13,600 of new payroll processing costs, and to manage the risks identified above, the cleanest path forward quickly for this pilot is to limit reimbursements to use of the Seed Project Funds, until further study is completed and the policy change goes through the University's policy change process.

Note from Anna Wang-Erickson: The Pitt Seed Dependent Care Travel Grant program was initially halted because of FN28 and a concern regarding the use of external and internal sources of funding. Despite the concession for Pitt Seed funds, prohibiting the use of available external and other internal funds would undermine our goal of maximizing Pitt Seed funding for those who do not have access to external grants and other internal funds (e.g. staff, faculty in non-biomedical or non-STEM fields). A termination clause issued by the Office of the CFO one month later ultimately made it impractical to run the Pitt Seed Dependent Care Travel Grant program (see Appendix D.3).

ⁱ Visiting Assistant Professor, Department of Pediatrics and Associate Director, Institute for Infection, Inflammation, and Immunity in Children (i4Kids)

ⁱⁱ Excerpt from Pitt Seed Fund Grant Application

APPENDIX D.3



University of Pittsburgh

Office of the Senior Vice Chancellor and Chief Financial Officer (SVC/CFO)

NOTE TO THE SENIOR VICE CHANCELLOR AND CHIEF FINANCIAL OFFICER – HARI SASTRY

Priority: **MEDIUM**

FROM: Stephanie Ford-Jones, Payment Processing and Compliance Manager
THROUGH: Maureen Beal, AVC Financial Operations

01-21-2021 | 11:25 AM E

CC: Thomas Hitter, AVC for Policy Development and Management
 Cyndee Pelt, Chief of Staff to the CFO
 Thurman Wingrove, Controller.

DATE: January 19, 2021

TOPIC: Cudd/DeJong Request for a Temporary Exception to University Policy FN28, University Travel, Business Entertainment, Honoraria and Miscellaneous Reimbursable Expenses

RECOMMENDATION

After reviewing the regulatory, tax, budget and policy implications in the attached summary, and based on advice by the Office of Policy Development and Management, we recommend the following.

- An expedited process to propose a temporary University policy change, rather than using an exception memo as is required for one-time unusual business expenses to Policy FN28. This will ensure compliance with Policy A01, Establishing University Policies, and provide other SVCs an opportunity to provide input on the change.
- The proposed temporary policy change would be effective immediately upon approval by the Chancellor, and terminate on the **earlier** of June 30, 2022, **or** when an alternate permanent dependent care support program is established. It should be noted that a committee is currently being formed by John Kozar, Assistant Vice Chancellor, Benefits, to evaluate a dependent care benefit program by Care.com called Care@Work.
- The proposed temporary policy change would only permit dependent care charges to the Chancellor's Seed Grant funds, or to external funding sources, after checking with the project sponsor to determine allowability. University internal funds may not be charged for dependent care expenses.

Note from Anna Wang-Erickson: The Pitt Seed Dependent Care Travel Grant program was initially halted because of FN28 and a concern regarding the use of internal funds. Despite the concession in bullet point 3, the program still could not run in practice because of the termination condition. Considering that conference travel is planned months in advance, it was impractical to award grants to recipients for future travel when the termination date was uncertain. Care@Work launched September 1, 2021.

BACKGROUND

Drs. DeJong and Cudd have submitted a request for a temporary, blanket exception for all faculty, researchers and staff to University Policy FN28 (formerly 05-07-01), University Travel, Business Entertainment, Honoraria and Miscellaneous Reimbursable Expenses, for a portion of dependent care expenses incurred in order to attend conferences / training. This request has been made in order to estimate demand for dependent care in connection with a Chancellor's Seed Grant pilot program to Dr. Anna Wang-Erickson covering the period July 1, 202 – June 30, 2022. The exception request applied to all University internal and external funding sources, and the Chancellor's Seed Grant funds to be used if other funds were not available, or sponsored project terms prohibited. Reimbursements will be limited to \$150 per event, and \$1,000 per calendar year and are considered taxable income to employees.

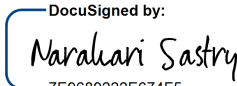
ENDORSEMENTS

Tom Hitter, Assistant Vice Chancellor for Policy Development and Management
John Kozar, Assistant Vice Chancellor, Benefits
Thurman Wingrove, Controller

NEXT STEPS

- Notify Drs. DeJong and Cudd of the CFO's decision.
- Notify Dr. Anna Wang-Erickson that the Dependent Care Reimbursement may be implemented after the temporary change to Policy FN28 is approved by the Chancellor.
- Initiate the expedited process to develop the proposed temporary policy change process.

SVC/CFO'S ACKNOWLEDGEMENT

Signature: 
Date: 01-26-2021 | 8:05 AM EST
Comments: n/a

APPENDIX E

**FRINGE BENEFIT RATE
OVERVIEW**



**SENATE AD HOC DEPENDENT CARE
COMMITTEE**

MARCH 16, 2022

FRINGE BENEFIT RATE PROPOSAL

2

- **The Fringe Benefit Proposal is:**
 - A cost model that estimates, accumulates, calculates, records, and reports fringe benefit costs by employee classification
 - A cost model that consists of a pool of fringe benefit costs (numerator) divided by base salary costs (denominator) by employee classification
 - Required in order for the University to budget and distribute fringe benefit costs on a University-wide basis
 - Prepared on an annual basis by the Cost Accounting Department and submitted to the federal government in December based upon prior year's actual costs with projected future costs

FRINGE BENEFIT RATE PROPOSAL

3

- **The Fringe Benefit Proposal is (con't):**
 - Required by the Office of Management and Budget (OMB) Uniform Guidance in order to receive reimbursement on University sponsored grants and contracts
 - Reviewed and negotiated on an annual basis with the Department of Health and Human Services (DHHS), Division of Cost Allocation (DCA) in Washington, DC
 - Negotiated on the basis of a rate type known as “Fixed with Carryforward”
 - Viewed as the lowest level of business risk to the University and federal government since any over/under recovery of actual fringe benefits is carried forward to the calculation prepared two years later

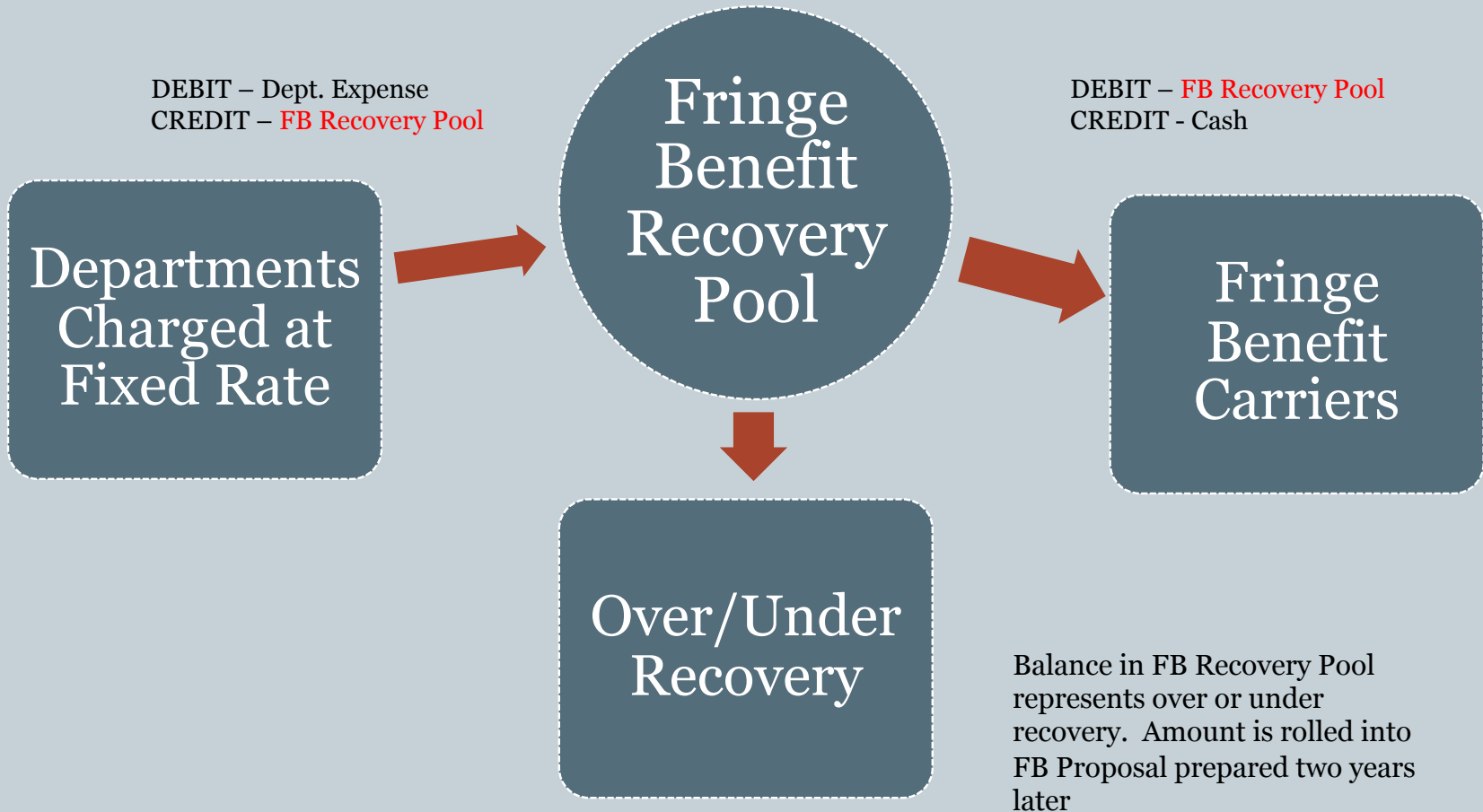
FRINGE BENEFIT RATE PROPOSAL

4

- **The Fringe Benefit Proposal is (con't):**
 - Prepared with both a federal and non-federal rate reflecting the fact that the government does not permit spousal/partner and dependent tuition benefits to be included in fringe benefit recovery on federal grants and contracts
 - Seldom changed, once rates are proposed. Any changes are handled through the subsequent year's rate calculation and negotiation process.
 - Consistently proposed with the financial impact of cost accounting changes quantified by the University to ensure no increased costs to the federal government

FRINGE BENEFIT ACCOUNTING

5



FRINGE BENEFIT RATE PROPOSAL (SAMPLE)

6

	Medical Faculty	Other Faculty	Senior Admin.	Staff	Temporary	Total
FICA	\$10,000,000					
Retirement	21,000,000					
Health	9,000,000					
Tuition Remission	2,000,000					
Life, Disability, and Employee Liability Insurance	700,000					
Unemployment Compensation	100,000					
Worker's Compensation	100,000					
Sabbatical	100,000					
Postretirement Benefits	4,000,000					
Total Fringe Benefits	\$47,000,000					
Prior Year UNDERRECOVERY	3,000,000					
Total With Carryforward	\$50,000,000					
Salary Base	\$200,000,000					
Fringe Benefit Rate	25%					

NOTE: Tuition remission for spouses/partners and dependent children is not eligible for federal reimbursement. Therefore, the University prepares two sets of fringe rates – one applicable to salary costs charged to FEDERAL research grants and contracts and one for salary costs charged to all NON-FEDERAL accounts.



Note that UNDERRECOVERY is added to fringe costs since the rate two years prior was not high enough. OVERRECOVERY would be a reduction to fringe costs.



FRINGE BENEFIT RATE PROPOSAL

7

- Fiscal Year 2023 Fringe Benefit Proposal was due on December 31, 2021
- Use FY 2021 actual data and project forward to FY 2022 and 2023
 - E.g., if actual health insurance for staff is \$10M in FY 2021, we would project FY 2022 and project another increase for FY 2023
- As a result, the calculated carryforward of over/under recovery is on a two-year lag (e.g., the actual over/under recovery for FY 2021 will be rolled into the FY 2023 fringe benefit rates).

FRINGE BENEFIT RATE PROPOSAL COMMUNICATION

8

- Proposal due to federal government by December 31
- Proposal package includes:
 - Transmittal letter signed by CFO
 - Prior year's actual fringe costs by employee type
 - Current year's projected fringe costs by employee type
 - Variance analysis
 - Reconciliation of actual costs to audited financial statements
- Preliminary rates communicated to University community in early January via memorandum
- Formal federal approval typically occurs between March and June and includes an official rate agreement signed by both the DHHS/DCA and the University's CFO
- Final rates are communicated to University community immediately after federal approval via a rate memorandum and the Cost Accounting website

APPENDIX F

Senate Ad Hoc Committee on Dependent Care

Follow-up Questions to Thurman Wingrove

March 25, 2022

RE: Fringe Benefit Rate Overview presented by Thurman Wingrove, March 15, 2022

1. We are considering the feasibility of new fringe benefit programs and would like to understand eligibility guidelines. We have looked at the Benefits Eligibility Chart (https://www.hr.pitt.edu/sites/default/files/BenefitsEligibility_Chart.pdf) and the Summary of Postdoctoral Benefits (<https://www.postdoc.pitt.edu/sites/default/files/Postdoc%20Benefits%20Summary%20Chart%20FINAL%20September%202020.pdf>) and would like some clarification on what guidelines determine whether postdoc scholars are eligible for a particular fringe benefit.

Thurman states that his office does not determine eligibility and has referred this question to Amanda Godley, Office of the Provost (Email to AWE April 22, 2022)

2. The salaries of postdoc scholars are not charged fringe benefits, but according to the benefits charts, at least some of the benefits included in the standard fringe benefits pool are made available to postdoc scholars (e.g. Basic Life/Accidental Death and Dismemberment Insurance, Education Benefits, Bus pass, etc). Is there a comprehensive list of what is and is not made available to postdoc scholars and who is responsible for paying for them?

Thurman states that his office does not determine eligibility and has referred this question to Amanda Godley, Office of the Provost (Email to AWE April 22, 2022)

3. We have a similar question for graduate students. GSRs are charged 50% fringe benefits, which includes tuition remission. However, graduate student fellows have a different setup. For example, grad student fellows have to purchase their own health insurance while GSRs do not. Is there a detailed breakdown of these differences for GSRs and graduate fellows?

Thurman states that his office does not determine eligibility and has referred this question to Amanda Godley, Office of the Provost (Email to AWE April 22, 2022). He notes that in principle, the cost for Care.com backup care for grad students could have been charged to the fringe, especially considering that GSRs already receive health insurance and tuition remission, which are charged to the fringe (Senate committee meeting, April 27, 2022).

4. Care@Work provided by Care.com is a new fringe benefit that provides a limited amount of backup care for children and adults. Which category shown on Slide 6 "Fringe Benefit Rate Proposal Sample" is Care.com in?

Small dollar fringe benefits are typically allocated across the existing line items in the proposal such as FICA, health, and retirement. If we were to elect to centrally fund Care.com, this issue would be moot as the cost would not be part of the University's fringe benefit rates. [Email from Thurman Wingrove, May 10, 2022]

5. Postdoc scholars are eligible for Care.com. Since federal fellowships do not attract fringe rates, does that mean the cost for Care.com for such postdoc scholars is charged to a non-fringe source?

Most likely, if we were to include Care.com in our fringe rates, we would have to determine a way to remove a portion of the cost related to postdoc scholars so it is not included in our fringe rates. This would likely amount to a very small dollar amount given that the overall cost of Care.com is fairly modest. If Care.com is not included in our fringe rates, it is a moot point. [Email from Thurman Wingrove, May 10, 2022]

6. We would like to confirm our understanding of the differences between fringe charges and direct charges: PAT bus passes are included as a fringe benefit at Pitt. A faculty member receives a grant that attracts fringe rates. The grant budget also has a line item for travel costs for project-related travel. It is permissible for the faculty member to direct charge transportation costs to the airport for project related travel even though the faculty member has a bus pass charged to the fringe, correct?

That is correct. The PAT bus benefit provides a transportation option, but it is not mandated. [Email from Thurman Wingrove, May 10, 2022]

7. According to NIH Family Friendly FAQs (<https://grants.nih.gov/faqs#/nih-family-friendly-initiatives.htm?anchor=question51030>) Q1, Q2, and Q5, institutions may use grant funds for dependent care expenses, either as a fringe benefit or by incorporating these costs into the indirect cost rate. Employees of grantee institutions may also direct charge dependent care expenses to a grant as a travel cost to attend project-related conferences and meetings.

This seems to indicate that there is no compliance concern with allowing people to use grants for allowable expenses before exhausting the Care.com fringe benefit. Do you agree?

In accordance with federal cost accounting principles, costs are not to be recovered as both direct costs and indirect costs on a grant. For example, the cost of a copier in a school should generally not be directly charged to a grant since the copier is used by the entire school and is not solely dedicated to the grant. The copier cost is general in nature and is captured in the University's F&A rate. Similarly, the University retirement match for a PI cannot be directly charged to a grant since that cost is incorporated in the University's fringe benefit rates.

For Care.com, the University is covering a portion of dependent care costs for emergency care only. This benefit began in fall 2021 and may be incorporated into the University's fringe benefit rates as early as FY 2024. To the extent that NIH or other sponsored awards allow for dependent care to be direct charged to grants, that would not result in "double dipping" since the cost incurred on the grant would be a reimbursement of the employee's out-of-pocket costs and would not involve any costs incurred by the University for Care.com via the fringe benefit rates.

Early on in this process, the concerns about double dipping were based on not yet having a full understanding of how Care.com would be administered and how the NIH and other sponsoring agencies would view this cost. After further investigation and clarification, we do not believe that direct charging dependent care to grants (assuming the terms of the grant allow such costs) would result in a compliance issue (i.e. double dipping) with the University's fringe benefit rates. [Email from Thurman Wingrove, June 6, 2022]

8. Is any part of the Anthony Travel contract cost included in the fringe or indirect rates?

The Anthony Travel contract is including in the University's indirect cost rate (aka "Facilities and Administration rate, or F&A). It is part of the administration component of the rate, which is capped at 26% per federal regulation. [Email from Thurman Wingrove, June 6, 2022]

APPENDIX G

Reimbursement for Dependent Care Expenses

In January 2022, we shared information to clarify the University's current policies and processes related to dependent care reimbursement. This was in response to some external funding agencies, such as the NIH, making certain types of dependent care expenses allowable on sponsored projects with the appropriate supporting documentation and subject to dollar limits that are unique to each funding agency and award.

While University Policy FN28 (<https://www.policy.pitt.edu/university-travel-business-entertainment-honoraria-and-miscellaneous-reimbursable-expenses>) generally excludes dependent care reimbursement, that Policy does allow for exceptions. In accordance with that Policy, the University has granted an exception to permit reimbursement where allowable, under certain sponsored projects. Additionally, a committee has been created (<https://www.policy.pitt.edu/sites/default/files/Charters/Charter-Travel%20and%20Business%20Expenses.pdf>) to review University Policy FN 28, including the rules regarding the University's reimbursement of dependent care expenses, and recommend a revised permanent policy.

The following are clarifications regarding the processes for these types of reimbursements:

- ***If externally sponsored award funding is not available:*** Care.com is available to University employees. Review the Office of Human Resources (<https://www.hr.pitt.edu/current-employees/work-life-balance/caring-family/carecom>) (OHR) website for full details about Care.com.
- ***Individuals with external funding for dependent care:*** may choose to use **either** their external funding **or** Care.com, as long as reimbursement requests submitted to all funding sources do not exceed 100% of the dependent care expense receipt. This means that if allowable, part of the expense may be submitted for reimbursement against a sponsored project, **and** part may be submitted to Care.com.
- Dependent care expenses on externally funded awards from federal and non-federal sources will be permitted according to sponsor/donor guidelines. Federal sources allow expenses that are allowable, reasonable, and allocable. Compliance with the terms and conditions of each award and documentation requirements of individual externally funded awards are the responsibility of department research grant/gift administrators, which might include proof of sponsored project funding, receipt of expense incurred, and/or provider license.

- Visit this page (<https://www.ppt.pitt.edu/travel-expenses/managing-expenses/expense-reporting#dependentcare>) for full details about dependent care reimbursement, including a flow chart outlining the reimbursement process through Concur.
- Care.com co-payments can be reimbursed using externally sponsored award funding through the Concur process outlined in this flow chart (https://www.ppt.pitt.edu/sites/default/files/dependent_care_reimbursement_flow_chart.pdf).

Chart of Procedures for Reimbursement for Dependent Care Expenses

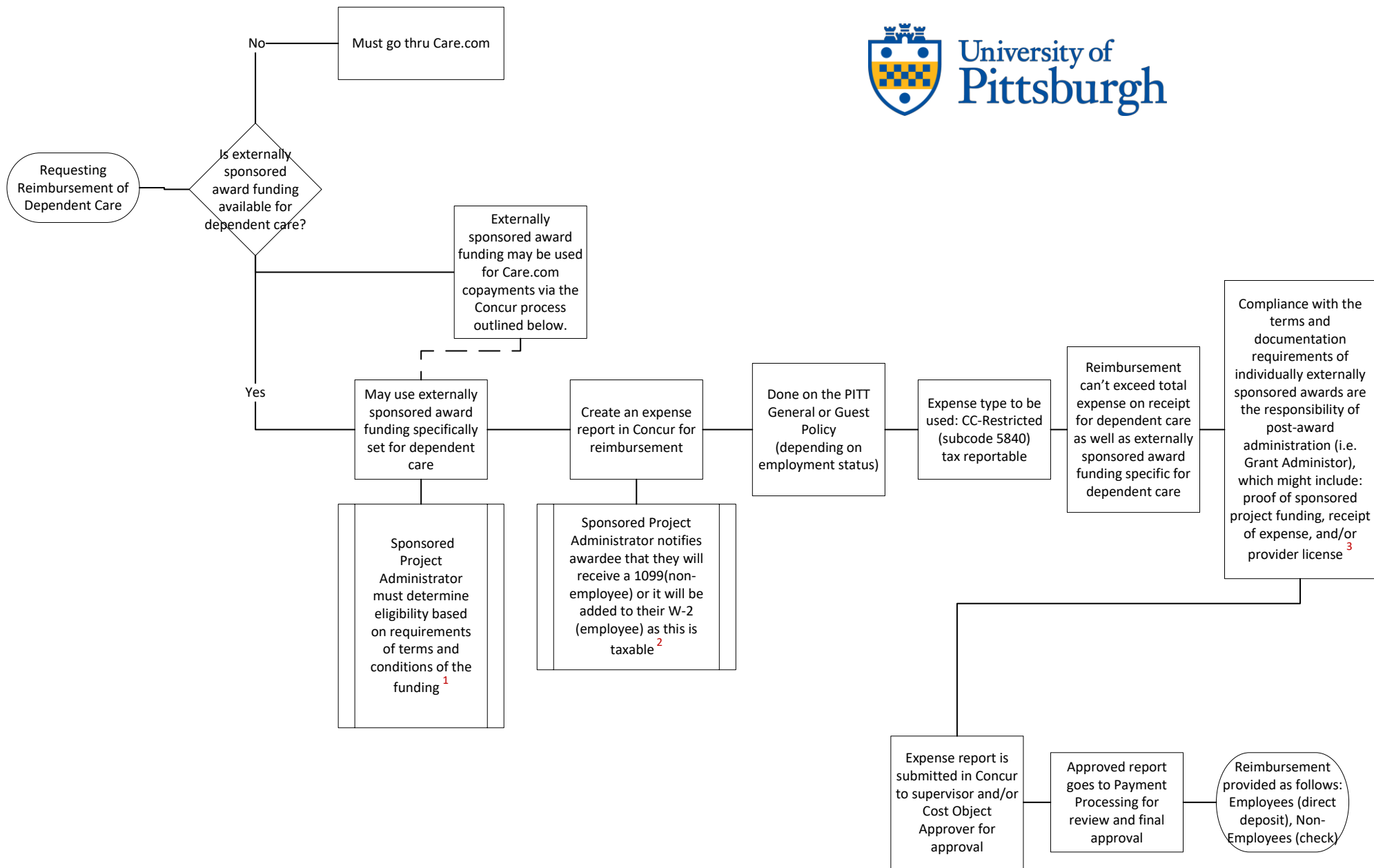
Hint: Scroll To View More <>

Program	Externally funded awards from both federal and non-federal sources
Eligibility	Externally funded award recipients - check with your Post-award administration (i.e. Grant Administrator) if you are unsure.
Type of Care	Consult externally funded award agreement
Amount of Coverage	Consult externally funded award agreement
Care type Covered	Consult externally funded award agreement
Dates of Applicability	Varies, consult externally funded award agreement
Taxation Reporting	W2 for employees; 1099 for non-employees. Trainees on a fellowship will not receive a W2 or 1099.
For more information	Post-award administration (i.e. Grant Administrator) in your University department.
Procedure for Reimbursement and Required Documents	See Process Flowchart (/sites/default/files/dependent_care_reimbursement_flow_chart.pdf) Compliance with the terms and documentation requirements of individual and externally funded awards are the responsibility of post-award administration (i.e. Grant Administrator), which might include proof of external award funding, receipt of expense, and/or provider license.

If you have any questions about submitting dependent expenses that are associated with an externally funded award via Concur, please contact Purchase, Pay & Travel Customer Service (/help-training/contact-us). For questions related to Care.com, please contact the Office of Human Resources (<https://www.hr.pitt.edu/contact-ohr>).

Resources

- OHR website (http://www.hr.pitt.edu/sites/default/files/CareCom_BenefitDetails.pdf)
– Care.com Benefit Details
- Grants.nih.gov website (<https://grants.nih.gov/grants/guide/notice-files/NOT-OD-21-177.html>) - NIH will begin providing childcare cost support to full-time predoctoral and postdoctoral trainees



¹ Sponsored Project Administrator responsibilities include: determining if sponsored project awardee's funding budget contains a provision for dependent care and the amount available.

² Trainees on a fellowship will not receive a W2 or 1099 though the reimbursement is subject to personal income tax.

³ Payment Processing & Compliance (PPC) will hold the blanket exemption certificate signed by the CFO to be applied to each of the expense reports. Not to be attached as a receipt.

APPENDIX H

Benchmarking of Peer Schools on Faculty Compensation for Dependent Care During Travel Dietrich School of Arts & Sciences

INDEX

I. Objective.....	1
II. Reviewed University Peers.....	1
III. Universities Offering Travel Funding for Dependent Care	2
IV. Summary of Dependent Care Resources at Peer Schools.....	3
V. Summary of Expense Reimbursement Policies.....	4
VI. Other Considerations.....	4

I. OBJECTIVE

University peers’ websites were reviewed in August 2018 to determine whether peers offer funding for faculty members for dependent care during travel for professional activities. Funding types included incremental costs of care at home while faculty are traveling, transportation for dependents and/or caregivers, and on-site dependent care.

Benchmarking was conducted to inform further discussion about support for faculty with dependents. Although extensive web reviews were conducted, the information in this report is not exhaustive. Peer schools may have funding sources or other resources that were not published online or inaccessible.

II. REVIEWED UNIVERSITY PEERS

University Peer	Provost’s Peer Group/s
Boston Univ.	Private Peer
Univ. of Buffalo	Peer/Public Peer
Cornell Univ.	Private Peer
Univ. of Delaware	Peer/Public Peer
Univ. of Florida	Public Peer
George Washington Univ.	Private Peer
Univ. of Maryland	Peer/Public Peer
Univ. of Miami	Private Peer
Univ. of Michigan	Aspirational Peer/Public Peer
Univ. of Minnesota	Aspirational Peer/Public Peer
New York Univ.	Private Peer
Univ. of North Carolina-Chapel Hill	Aspirational Peer/Public Peer
Northeastern Univ.	Private Peer
Ohio State Univ.	Peer/Public Peer
Univ. of Pennsylvania	Private Peer
Penn State Univ.	Peer/Public Peer
Rutgers Univ.	Peer/Public Peer
Univ. of Southern California	Private
Syracuse Univ.	Private Peer
Univ. of Texas-Austin	Public Peer
Univ. of Virginia	Aspirational Peer/Public Peer
Univ. of Wisconsin-Madison	Aspirational Peer/Public Peer

III. UNIVERSITIES OFFERING TRAVEL FUNDING FOR DEPENDENT CARE

Among peers, only three universities were identified that offer funds for dependent care during faculty travel:

1. Cornell University, a private peer, provides \$1000 per fiscal year to faculty with dependent minors or disabled adults for whom faculty have primary responsibility. The fund is intended to “alleviate the financial burden incurred by single caretakers, dual career couples, or nursing mothers, who incur dependent care costs above and beyond daily expenses.” They provide up to \$1500 for dependents with special needs. Funds may be used for care at home, transportation of dependents or caregivers, or on-site dependent care. Although the funds are taxable, Cornell offers 25% additional value to offset taxes.
2. University of Michigan, a public aspirational peer, offers up to \$1000 per fiscal year to faculty from an NSF-ADVANCE grant. Funds are for faculty with young children so faculty can attend “important conferences or other events requiring travel.” They may be used for in-home care for children under six years old. Michigan also offers travel funding for graduate students and postdocs with dependents.
3. University of Texas-Austin, a public peer, provides up to \$1200 per academic year for faculty to “present original papers at scholarly and professional meetings.” Funds can be use for extra child care expenses due to travel.

Several non-peer universities promote online dependent care travel funding opportunities, including:

1. Brown University - \$750/AY
2. University of California system (some, not all) - \$1000-2500
3. University of Chicago - \$500/AY for Assistant Professors
4. Harvard University - \$1000/AY
5. Northwestern University - \$1000/AY for full-time faculty
6. Princeton University - \$2000/FY
7. Stanford University - \$1000/FY for Assistant and Associate Professors
8. West Virginia University - \$800/FY
9. Yale University - \$1000/FY for post-docs, Assistant and Associate Professors

IV. SUMMARY OF DEPENDENT CARE RESOURCES AT PEER SCHOOLS

Beyond travel funds, peer universities promote various dependent care resources online, which are summarized below. All institutions offer flexible spending accounts (FSAs) for dependent care.

In several cases, care matching/referral services and/or discounted back-up care are provided through arrangements with Care.com. For the University of Pittsburgh, referrals are available through LifeSolutions.

A few peers use “Total Rewards” or “Total Benefits” branding online (Miami, Texas-Austin, and Washington-Seattle).

Peer:	Type:	Care Travel Fund	Care Grant/Scholarship	Discounted Back-up Care	Care Matching Service
Boston	<i>Private</i>				
Cornell	<i>Private</i>	Y	Y		
GW	<i>Private</i>			Y	Y
Miami	<i>Private</i>				
NYU	<i>Private</i>		Y	Y	Y
Northeastern	<i>Private</i>			Y	Y
Penn	<i>Private</i>			Y	Y
USC	<i>Private</i>				
Syracuse	<i>Private</i>		Y		
Michigan	<i>Aspir./Public</i>	Y	Y	Y	
Minnesota	<i>Aspir./Public</i>				
UNC	<i>Aspir./Public</i>		Y		Y
Virginia	<i>Aspir./Public</i>			Y	
Buffalo	<i>Peer/Public</i>				
Delaware	<i>Peer/Public</i>				
Maryland	<i>Peer/Public</i>				
OSU	<i>Peer/Public</i>				
PSU	<i>Peer/Public</i>				
Rutgers	<i>Peer/Public</i>				
Florida	<i>Public</i>				
Texas-Austin	<i>Public</i>	Y			Y
Wash-Seattle	<i>Public</i>				
Pitt					Y

V. SUMMARY OF EXPENSE REIMBURSEMENT POLICIES

A. Peer schools published policies on dependent care reimbursement fall into the following broad categories:

1. Reimbursement explicitly prohibited in policy:

NYU, UNC, PSU, Rutgers, Washington-Seattle

2. Reimbursement permissible only with specific approval under sponsored project:

Boston, Illinois, Wisconsin-Madison, Delaware

3. Reimbursement not explicitly prohibited, but without indication that it is authorized:

George Washington, Northeastern, USC, Syracuse, Buffalo, Florida

4. Reimbursement permissible in special cases for benefit of the university or when required for business:

Miami, Penn, Illinois, Michigan, Minnesota, Virginia, Maryland, OSU

5. Reimbursable through dependent care travel fund:

Cornell, Michigan, Texas-Austin

B. According to Uniform Guidance used by most federal sponsors, including NSF and NIH, dependent care is allowable when costs are a direct result of the faculty member's travel for the federal award and the costs are temporary. Travel costs for the dependents themselves are not allowable. However, all costs must be in accordance with the university's travel policy in order to be allowable.

There are no other large funding organizations known to offer funding for dependents. Funds may be available for these purposes, but without broad advertising on the web. In addition, some professional organizations offer dependent care funding to support participation in meetings or conferences (ex. American Astronomical Society, American Physical Society, and American Historical Association).

VI. OTHER CONSIDERATIONS

Preliminary web research uncovered related topics for review and consideration:

1. A stated goal of dependent travel funds at several institutions is gender equity. However, there is no published data on identities of faculty members who request and use the funds, which could be used to evaluate whether the funds reduce gender inequities or contribute to them.

2. Some universities outline pet care reimbursement policies during travel, both for standard pets and emotional support animals, as part of written policy on dependents. Faculty have requested pet care reimbursement (external animal care boarding or travel). "Dependents" and exclusions should be defined clearly in any policy.

3. Published policies may or may not match operational procedures. Funds and resources may be available that are not shared publicly online.

Institution	Peer Category	Dependent Care - ANY Support Type	Travel Fund Title (if applicable)	Goal of Travel Fund (if applicable)	\$ Amount	\$ Criteria	Criteria for Receiving Any Funds (for dependent, family, or companion)	Payment Format	Travel Fund Administrative Unit	Info Source 1	Info Source 2	Info Source 3
Boston	private	1. Limited reimbursement. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable only under sponsored project with specific approval from sponsor	not specified	n/a	https://www.bu.edu/travelservices/files/2014/10/Travel-Policy-Draft-12-13-2014-IMR.pdf		
Cornell	private	1. Dependent care travel funds. 2. Child care grant. 3. FSA.	Dependent Care Travel Fund	To alleviate financial burden incurred by single caretakers, dual career couples, or nursing mothers, who incur dependent care costs above and beyond daily expenses	up to \$1000 per FY; \$1500 for special needs dependents	Care @ home while faculty is traveling; cost of transport for dependent or caregiver; on-site dependent care	Care for dependent minor or disabled adult who spends at least 8 hrs/day in applicant's home, and for whom applicant has primary responsibility. Reuses certification that funds requested for travel are above and beyond normal dependent care expenses (normal day or elder care costs)	Funds are taxable; Cornell provides 25% additional value to offset taxes	Human Resources	https://hr.cornell.edu/benefits-pay/retirement-finances/financial-assistance/child-care-grant		
George Washington	private	1. Wellbeing Hotline (care matching service). 2. Discounted daycare. 3. Emergency back-up care. 4. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in published policy, but no indication online that it is authorized	n/a	n/a	https://hr.gwu.edu/http://my.gwu.edu/files/policies/TravelEntertainmentFINAL.pdf		
Miami	private	1. Limited reimbursement. 2. FSA ("Total Rewards" branding).	none found	n/a	n/a	n/a	Reimbursable only "when there is a clear direct benefit to the University"	Non-employee companion travel must be approved at VP or President level in advance, and is taxable and included on employee's W-2	n/a	https://www.hr.miami.edu/accounts-payable/business-and-travel-reimbursements/index.html		
NYU	private	1. Child Care Scholarship Program (income-based, up to \$4000). 2. Care referral/setup service. 3. Back-up care (\$0 hrs/year @75% subsidized). 4. FSA.	none found	n/a	n/a	n/a	Not reimbursable per policy	n/a	n/a	https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/business-expenses.html		
Northeastern	private	1. Care referral/setup service. 2. Back-up care thr. Care.com. 3. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in published policy, but no indication online that it is authorized	n/a	n/a	https://www.northeastern.edu/policies/pdfs/Policy_on_Travel_and_Expense_Reimbursement.pdf		
Pen	private	1. Care referral/setup service. 2. Back-up care thr. Care.com. 3. Limited reimbursement. 4. FSA.	none found	n/a	n/a	n/a	Reimbursable if essential to the employee "being able to carry out his/her business purpose for the University"	Non-taxable if it meets reimbursement standards ("presence serves a bona fide business purpose")	n/a	https://www.hr.upenn.edu/finance/pfm/2350/2350.pdf/2363.pdf		
Univ. S. Cal	private	1. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in published policy, but no indication online that it is authorized	n/a	n/a	https://employeesc.ucsc.edu/reimbursements-expenditures/		
Syracuse	private	1. Child Care Subsidy Program (income-based, up to \$1000/child/yr). 2. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in published policy (separate lodging and meals for family are allowable)	n/a	Human Resources	https://hr.syr.edu/policies/syr.edu/policies/administrative-and-financial/travel-policy/		
Illinois Urbana-Champaign	aspirational/public	1. State child care resource service for referrals and income-based support. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable only with prior approval from grant, contract, or in extraordinary circumstances when spouse's presence is required	not specified	n/a	https://hesie.uiowa.edu/https://www.obfs.uiowa.edu/dhpa/section-15-travel/determine-allowability-travel-expenses		
Michigan	aspirational/public	1. Child care grant through NSF-ADVANCE fund. 2. Back-up care (through Kids Kare, income-based subsidies). 3. Child Care Tuition Grant (income-based, for U-M Children's Centers). 4. Limited reimbursement. 5. FSA.	Child Care and Professional Traveling reimbursement	For those caring for young children so that they may attend important conferences or other events requiring travel	Up to \$1000 per FY	For travel expenses for in-home child care for children under 6 yrs.	In general, not reimbursable at University, except with approval by Chancellor, Dean, Director, Vice Chancellor, Vice President, or Sr. Admin. Officer explaining justification	Taxable to employee, if approved	n/a	https://hr.umich.edu/https://spg.umich.edu/advance.umich.edu/parentingResources.php		
Minnesota	aspirational/public	1. Limited reimbursement. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable per policy only in donor development and recruitment activities	not specified	n/a	https://humanresources.uminn.edu/finance/travel		
UNC	aspirational/public	1. State child care resource for referrals and income-based support. 2. FSA.	none found	n/a	n/a	n/a	Not reimbursable per policy	n/a	n/a	https://hr.unc.edu/https://unc.policystat.com/policy/5167162/latest/		
Virginia	aspirational/public	1. Back-up care (discounted rate). 2. Limited reimbursement. 3. FSA.	none found	n/a	n/a	n/a	Reimbursable only with bona fide business purpose, requiring approval of "Supplemental Approver"	not specified	n/a	http://www.hr.virginia.edu/policy/FIN-004		
Wisconsin-Madison	aspirational/public	1. Back-up care (discounted rate). 2. Limited reimbursement. 3. FSA.	none found	n/a	n/a	n/a	Reimbursable only under sponsored project with specific approval from sponsor (except for Chancellor and President)	not specified	n/a	https://ocfr.wisc.edu/https://www.buswv.wisc.edu/acct/policy/travel/non-reimbursable.html		
Univ. at Buffalo SUNY	peer/public	1. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in web resources, but no indication online that it is authorized (policies are not published, but are different for different funding sources)	n/a	n/a	https://www.suny.edu/https://www.buffalo.edu/administrative-services/business-travel/travel-guidelines.html#personal-travel		
Univ. of Delaware	peer/public	1. Limited reimbursement. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable only under sponsored project or gift with specific approval from sponsor or donor	Airfare for spouse or dependents is taxable	n/a	https://www.udel.edu/sites/udel.edu/general-counsel/policies/travel-and-business-hosting-policy/		
Univ. of Maryland	peer/public	1. Limited reimbursement. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable only for official business with advance approval	not specified	n/a	https://hr.umd.edu/https://www.dbs.umd.edu/travel/policy/umtravel/trav_guide.php		
OSU	peer/public	1. Limited reimbursement. 2. FSA.	none found	n/a	n/a	n/a	Reimbursable only for official business	not specified	n/a	https://hr.osu.edu/https://busfin.osu.edu/sites/default/files/211_travel.pdf		
Penn State	peer/public	1. FSA.	none found	n/a	n/a	n/a	Not reimbursable per policy	n/a	n/a	https://hr.psu.edu/https://policy.psu.edu/policies/tr02		
Rutgers	peer/public	1. FSA.	none found	n/a	n/a	n/a	Not reimbursable per policy	n/a	n/a	https://hr.rutg.edu/https://webcache.googleusercontent.com/search?q=cache:https://orsp.rutgers.edu/sites/orsp.rutgers.edu/files/Documents/Prior-Approval/BU_ERA_Uniform%20Guidance_Prior%20Approval_042116.pdf		
Univ. of Florida	public	1. FSA.	none found	n/a	n/a	n/a	Reimbursement not explicitly prohibited in published policy, but no indication online that it is authorized	n/a	n/a	https://benefits.ufl.edu/https://www.fufl.edu/directives-and-procedures/travel/		
Texas-Austin	public	1. Faculty Travel Grants. 2. Care referrals ("Total Rewards" branding). 3. FSA.	Faculty Travel Grant	For travel expenses to present original papers at scholarly and professional meetings	Up to \$1200 per AY	Extra child care expenses due to travel	Reimbursable for T/TS faculty	Funds are taxable	Graduate School	https://hr.utexas.edu/https://gradschool.utexas.edu/faculty/faculty-travel-grants		
Washington-Seattle	public	1. FSA ("Total Benefits" branding).	none found	n/a	n/a	n/a	Not reimbursable per policy	n/a	n/a	https://osfa.washu.edu/https://finance.uw.edu/travel/nonreimbursable		

Other known universities that offer dependent care funds during travel:

Brown	private	not reviewed	Dependent Care Travel Fund	To support faculty attending academic conferences and/or conducting research away from campus	\$750/AY for FT Faculty	For dependent care at home, transportation of dependent or caregiver, or on-site care, spouses/family members typically ineligible	Reimbursable by application	Funds are taxable	Dean of Faculty	https://www.brown.edu/about/administration/dean-of-faculty/dependent-care-travel-fund
Chicago	private	not reviewed	Dependent Care Professional Travel Grant	To defray incremental costs during travel to professional conferences, seminars, meetings, or workshops	\$500/ly for Assistant Professors	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable by application	Funds are taxable	Office of the Provost	https://provost.uchicago.edu/procedures/dependent-care-professional-travel-grant-program
Harvard	private	not reviewed	Dependent Care Fund	For travel to professional event that will enhance academic careers, to defray incremental costs of care	\$1000/AY for T/TS	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable by application to Assistant Dean of division	Funds are taxable	Office of Work/Life	https://faculty.harvard.edu/dependent-care-fund
Northwestern	private	not reviewed	Dependent Care Professional Travel Grant	For travel to professional meetings, conferences, workshops, and professional development opportunities, to defray incremental costs	\$1000/AY for FT faculty	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable to paycheck or provided in advance, by application	Funds are taxable	Office of the Provost	https://www.northwestern.edu/provost/faculty-resources/career-development-leadership/travel-grants/dependent-care-travel-grant.html
Princeton	private	not reviewed	Dependent Care Travel Fund	For attendance at professional meetings and engagement in research	\$2000/FY for professional rank faculty	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable by application, to paycheck	Funds are taxable	Dean of Faculty	https://dof.princeton.edu/working-princeton/benefits/dependent-child-care-travel-fund-for-faculty
Stanford	private	not reviewed	Junior Faculty Dependent Care Travel Grant	For travel to professional meetings, conferences, workshops and professional development opportunities, or to conduct approved research or scholarship	\$1000/FY for Assistant and Associate Professors	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable by application, to paycheck, or by advance grant	Funds are taxable; Stanford commits \$1000 post-tax	WorkLife Office	https://cardinalatwork.stanford.edu/benefits-rewards/worklife/financial-assistance/fir-faculty-dependent-care-travel-grant
UC system	public	not reviewed	Dependent Care Travel Grant	varies	Varies \$1000-2500	varies	Reimbursable by application, to paycheck	Funds are taxable	varies	http://aps.ucsf.edu https://equity.ucla.edu/programs/resources/funding-opportunities/
WVU	public	not reviewed	Family Travel Program	To remove travel-related barriers to professional advancement of faculty and post-docs	\$800/FY	For incremental caregiving expenses	Reimbursable by application	Funds are taxable	Research Office	https://research.wvu.edu/researchers/funding/internal-grants/wvu-family-travel-program
Yale	private	not reviewed	Hanson Faculty Support Fund	For travel to conferences or for short-term research when travel would not be possible without care	\$1000/FY for post-docs, Assistant and Associate Professors	For dependent care at home, transportation of dependent or caregiver, or on-site care	Reimbursable by application, to paycheck	Funds are taxable	Office of the Provost	https://faculty.yale.edu/resources/new-faculty/resources-parents/child-care-support-professional-travel

Known funding agencies that permit funding for dependent care:

NSF https://www.nsf.gov/pubs/2010/nsf10032/nsf10032_iso

NIH https://grants.nih.gov/grants/family_friendly.htm

APPENDIX I

Dependent Care Programs at Other Universities

Introduction

We researched dependent care programs at other institutions and met with their administrators to understand how these programs were structured and financed. Some universities very collegially shared budget information and requested to be anonymized in this report. Table 1 shows the sizes of the student, staff, and faculty populations of each institution. Table 2 shows some of the dependent care programs offered at each university.

Table 1. Size of student, staff, and faculty populations at each university

	Faculty		Staff		Trainees		
	Full-time	Part-time	Full-time	Part-time	Undergraduate	Graduate/ Professional	Postdoc
Univ of Pittsburgh	4,878	856	7,548	253	24,032	8,086	863
Penn State	6,396	1,522	13,930	14,074	69,601	11,511	532
University A	2,300	200	16,000	3100	7,200	18,100	1,300
University B	4,000	300	10,000	2,800	8,700	14,100	1,000
University C	2800		19,000		32,000	7,300	1,200
University D	5200		12,207		5,300	24,535	1,200

Numbers for anonymized universities have been rounded. Abbreviations: NA, not available.

Table 2. Sample of dependent care programs offered at each university

	Dependent Care Voucher/Grant	Dependent Care Travel Grant	Dependent Care FSA Match
Univ of Pittsburgh	-	-	-
Penn State	+	-	-
University A	+	+	-
University B	+	+	+
University C	+	+	-
University D	+	-	-

University A

Information was collected by discussion with the program manager. All dependent care programs are funded through the fringe (~\$3M budgeted, ~0.3% of overall fringe pool). This includes Care.com backup care, dependent care scholarships, assistance for back-up care costs, adoption assistance, and the dependent care FSA (DCFSA). Only faculty, postdocs and non-union staff are eligible for these programs because staff and graduate student unions provide their own program for union members. The \$3M budget is roughly divided as follows: services/trade staff (\$700K), administrative staff (\$800K), research/non-tenure track faculty (\$250K), tenured/tenure track faculty (\$1M), postdoc (\$350K).

University A offers two child care scholarship programs for dependent children <13 years of eligible participants who are working at least half-time. The funds are disbursed as reimbursements. Tables 3 and 4 show the income eligibility and award levels for the faculty-only program (tenured/tenure track faculty, senior lecturers, professors of practice).

Table 3. Child care scholarship award amount for faculty-only program for University A

Adjusted Gross Household Income for single child families ^a	Award for youngest child 0-5 years	Award for youngest child 6-12 years
<\$125,000	\$24,000	\$12,000
\$125,000-\$149,999	\$18,000	\$10,000
\$150,000-\$174,999	\$12,000	\$8,000
\$175,000-\$199,999	\$8,000	\$6,000
\$200,000-\$249,999	\$4,000	\$6,000

^aSingle parent and dual-career faculty households receive a \$10K gross income adjustment

Table 4. Income caps for faculty-only child care scholarship award for University A

Number of Children	Household Income Eligibility
1	<\$250,000
2	<\$260,000
3	<\$270,000
4	<\$280,000

There is a separate program for staff, postdocs, teaching and research faculty, and non-tenure track faculty who are working at least half-time. They receive ~500 applications per year, which are reviewed by the Work/Life office. Non-employee postdocs funded on fellowships are also eligible for these scholarships. Instead of the fringe, the home department of these postdocs covers the cost since they are non-employees (~\$1K). Table 5 shows the award levels for this program.

Table 5. Child care scholarship award levels for staff, postdocs, teaching and research faculty, non-tenure track faculty for University A

Gross Household Income Adjusted for Family Size ^a	Base Award
<\$55,000	\$5,000-\$7,500
\$55,000 to <\$75,000	\$4,000-\$4,750
\$75,000 to <\$100,000	\$3,000-\$3,800
\$100,000 to <\$100,000	\$2,000-\$2,750
\$130,000 to <\$150,000	\$1,500-\$1,900
>=\$150,000	\$0

^a\$10K is added to the income cap for each additional child <13 years beyond the first, up to 3 additional children

University A offers 20 Care.com backup days per eligible participant (1100 days total contracted). They have never used all contracted days since offering the program. University A also offers assistance with paying for backup care by reimbursing up to \$350 a year. They also offer up to \$10,000 to assist with adoption. University A contracts 7 child care centers on campus.

Through the Office of the Provost (not the fringe), University A offers a dependent care travel grant of up to \$1000 per academic year. This is a reimbursement program to assist faculty with caring costs for child or adult dependents associated with attending a professional event.

University B

Information was collected through a discussion with a program manager. University B largely funds dependent care programs through the fringe. They budget \$2M of the fringe pool for all childcare support (dependent care grant, Care.com backup care, concierge service, childcare center, DCFSA and DCFSA match). There is a separate dependent care travel grant offered through the Office of the Provost, which is not funded through fringe.

The dependent care grant provides up to \$1500 (taxable) to full-time faculty/staff, postdocs (employee and non-employee), and graduate students to offset cost for dependent child(ren) and/or adult/senior dependents. Dependents are classified as children under 14 or child over 13, parent, sibling, or in-law-who is incapable of self-care and who are claimed as dependents on the participant's IRS tax return. There is an application process which is managed by the Work/Life Office, and funds are disbursed through payroll. Table 6 shows the salary range and applicable grant that can be provided.

Table 6. Dependent care grant for University B

Salary range	One Dependent	Two+ Dependents
\$0-\$75,000	\$1250	\$1500
\$75,001-\$150,000	\$750	\$1000

Care.com backup care is like the program at Pitt. In addition, University B also subscribes to a concierge program for faculty (100 cases purchased for 2021-2022, 82 used). This program was created to support faculty since most faculty are above household income to apply for the dependent care grant.

University B offers a DCFSA, similar to Pitt's DCFSA, where the maximum participant pre-tax contribution is \$5000 per year for married couple or \$2500 per individual. Dependents are defined as described earlier. 128 people at University B enrolled in 2022. University B also offers a match for DCFSA participants, shown in Table 7.

Table 7. Dependent Care FSA Match for University B

Household Earnings	Election Match (%)	Maximum University Contribution (per year)
Up to \$60,000	80%	\$4000
\$60,001-\$75,000	60%	\$3000
\$75,001-\$100,000	40%	\$2000
\$100,001-\$130,000	20%	\$1000

The dependent care travel grant offered through the Office of the Provost (not through fringe) is a \$1000 (taxable) grant to full-time faculty/staff to cover expenses incurred for dependent child(ren) and/or adult/senior dependents related to professional travel. This is offered as reimbursement process. Grant funds may be used to cover expenses incurred for extra dependent care at home while recipient is traveling, on-site dependent care while at a conference or meeting, or transportation of dependent and/or caregiver to conference or meeting location.

University B also hosts an online network of student babysitters and tutors, which does not incur any costs. The University only serves as a facilitator to connect faculty and students. Faculty compensate students directly.

University C

University C offers 3 child care grant programs: one for graduate and professional students (not need-based; up to \$5475 per year), one for all students (graduate or undergraduates) who have financial and situational need (up to \$3150 per semester + \$1900 for the summer), and one for postdocs (not need-based; up to up to \$2,500 per year (award increases \$100 with each subsequent year)). The budget for the graduate student program fluctuates around \$1-1.3M and is funded through student activities fees. Graduate/professional students may be eligible to for both the need-based and non-need-based programs. The applications for the award are reviewed by a 0.5 FTE administrator. No receipt is required to claim the need-based grant, as awards are given based on need.

University C also offers a professional travel child care grant for up to \$2500 per year to postdocs. They also offer a DCFSA and 4 child care centers on campus. They also offer up to a full subsidy to students for on campus child care, funded by Child Care Access Means Parents in School Program, a federal grant from the Department of Education.

University D

University D offers two voucher/scholarship programs. One program is a tax-free child care voucher program for faculty, staff, and students that can be used for any paid care, shown in Table 8.

Table 8. Award levels for child care vouchers for University D

Family Adjusted Gross Income			Voucher (tax-free, per family)
1 Child <6 years	2 Children <6 years	3 Children <6 years	
<=\$60,000	<=\$70,000	<=\$80,000	\$5000
\$60,001-\$90,000	\$70,001-\$100,000	\$80,001-\$110,000	\$2500
\$90,001-\$120,000	\$100,001-\$130,000	\$110,001-\$140,000	\$1000

For each additional child <6 years, income cap rises by \$10K

The other program is a scholarship that can be used at one of the three on campus child care centers, with award levels shown in Table 9.

Table 9. Award levels for child care scholarship for University D

Family Adjusted Gross Income			
1 Child <6 years	2 Children <6 years	3 Children <6 years	Scholarship (taxable, per child)
<=\$60,000	<=\$70,000	<=\$80,000	\$16,000
\$60,001-\$90,000	\$70,001-\$100,000	\$80,001-\$110,000	\$12,000
\$90,001-\$120,000	\$100,001-\$130,000	\$110,001-\$140,000	\$8000

For each additional child <6 years, income cap rises by \$10K

University D also offers Care@Work and 10 Care.com backup care days, DCFSA, and an employee discount program to KinderCare Child Care centers.

Penn State

Penn State obtained the federal Child Care Access Means Parents in School grant from the US Department of Education. They offer child care subsidies to eligible undergraduate and graduate students for up to 75% of their child care costs for full-time, part-time child care, before and after school care, temporary/back-up child care, and summer term care at any Department of Human Services licensed child care program that has 2 or more Keystone Stars.

They also have 2 on campus child care centers and offer a DCFSA.

APPENDIX J



Travel Regulations

Responsible Officer:	EVP - Chief Financial Officer
Responsible Office:	FA - Financial Accounting
Issuance Date:	7/24/2020
Effective Date:	8/1/2020
Last Review Date:	7/31/2019
Scope:	<ul style="list-style-type: none"> • Staff and academic employees of the University. • Non-employees, including students, visiting scholars, prospective employees and independent contractors. • This policy does not apply to travel associated with work done within the scope of the UC/DOE contract for the management and operations of the Lawrence Berkeley National Laboratory (LBNL). Travel not within the scope of the LBNL contract is covered by the provisions of G-28.

Contact:	John Barrett
Title:	Tax Manager
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TABLE OF CONTENTS

I. POLICY SUMMARY	2
II. DEFINITIONS	2
III. POLICY TEXT.....	3
IV. COMPLIANCE/RESPONSIBILITIES	6
V. PROCEDURES	8
VI. RELATED INFORMATION	43
VII. FREQUENTLY ASKED QUESTIONS	45
VIII. REVISION HISTORY	48

I. POLICY SUMMARY

It is the policy of the University to comply with IRS regulations regarding the provision and reimbursement of business-related travel, and to conform to the IRS “accountable plan” rules.

II. DEFINITIONS

Business Purpose: The business purpose of a University traveler may include activities that contribute to any one of the University’s major functions of teaching, research, patient care, or public service, or to any other substantial and bona fide University business activity.

Campus: The campus, Laboratory, UCOP, Agriculture and Natural Resources, or other official University location under the jurisdiction of a Chancellor, as defined below.

Chancellor: The chief executive officer of the campus. For purposes of this Bulletin, the authorities and responsibilities assigned to the Chancellor are also assigned to the Lawrence Berkeley National Laboratory (LBNL) Director, the Executive Vice President—Chief Operating Officer, the Vice President--Agriculture and Natural Resources, and the Principal Officers of The Regents, for employees under their respective jurisdictions. Authority delegated to the Chancellor also may be delegated to other individuals.

Domestic Partner: A domestic partner means the individual designated as an employee's domestic partner under one of the following methods: (i) registration of the partnership with the State of California; (ii) establishment of a same-sex legal union, other than marriage, formed in another jurisdiction that is substantially equivalent to a State of California-registered domestic partnership; or (iii) filing of a Declaration of Domestic Partnership form with the University. See [PPSM 2](#) for additional information.

Headquarters: The place where the major portion of the traveler's working time is spent or the place to which the employee returns during working hours upon completion of special outside assignments.

Lodging: Expenses for overnight sleeping facilities. This does not include accommodations on airplanes, trains, buses, or ships, which are included in the cost of transportation.

M&IE Reimbursement Cap: The maximum amount authorized for daily meal and incidental expenses established by the University for all travel of less than 30 days in the continental United States (CONUS). Travelers may seek reimbursement only for their actual expenses up to the cap amount (see Section V.E.2.a.i., Travel – Assignments of Less than 30 Days). For purposes of the reimbursement cap, incidental expenses include tips and fees for services, e.g., for waiters, baggage handlers, etc.

Per Diem: The daily subsistence allowance authorized under the federal per diem rates for a location of travel. The payment of a per diem does not require supporting receipts. Per diems are authorized in these situations: for all foreign travel; travel within Alaska, Hawaii, and United States possessions (OCONUS); domestic travel assignments of 30 days or more; and domestic travel assignments that exceed one year (see Appendix B). The incidental expenses portion of the federal per diem rate includes fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others

on ships, and hotel servants in foreign countries; transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and mailing costs associated with filing travel expense claims and payment of University-sponsored charge card billings. Federal per diem rates for CONUS¹ and OCONUS² travel do not include taxes on lodging, which may be reimbursed separately. Foreign per diem rates include taxes on lodging and M&IE.³

Refer to Section V.E., Subsistence Expenses, for more information on per diems.

Primary Agreement: An agreement between the University of California and an awarded supplier for a specific service or commodity that is the result of a University competitive bid process. The primary agreement is established with the supplier considered to have the best combination of value and service and who obtains the most awarded quality points during the evaluation process. This supplier will be the recommended University supplier for the specific service or commodity type (at participating University locations) for the life of the agreement.

Reporting Period: The forty-five-day period within which a travel expense claim must be submitted after the end of a trip. Refer to Section V.I.1., Reporting Period, for more information.

Residence: The primary residence where the traveler lives, regardless of other legal or mailing addresses. However, when an employee is required to reside temporarily away from their permanent residence because of official travel away from headquarters, such residence may still be considered permanent if it is unreasonable to expect the employee to move their permanent residence to the temporary job location.

Travel Expenses: Expenses that are ordinary and necessary to accomplish the official business purpose of a trip. Refer to the following sections for a description of travel expenses eligible for reimbursement: Section V.D., Transportation Expenses; Section V.E., Subsistence Expenses; and Section V.F., Miscellaneous Travel Expenses.

Travel Status: The period during which a traveler is traveling on official University business outside the vicinity of their headquarters or residence.

III. POLICY TEXT

A. Introduction

The policy and regulations contained in this Bulletin shall apply to all official University travel, including travel funded under federal grants and contracts.⁴

¹ CONUS per diems set by the U.S. General Services Administration (GSA).

² OCONUS per diems set by the U.S. Department of Defense.

³ Foreign per diems set by the U.S. Department of State.

⁴ Pursuant to Section 200.474 of the Office of Management and Budget's [2 CFR Part 200](#), costs incurred by employees and officers for travel must be considered reasonable and allowable only to the extent that such costs do not exceed charges normally allowed by the institution in its regular operations as a result of an institutional policy and the amounts claimed under sponsored agreements represent reasonable and allocable costs.

However, the policy does not apply to work done within the scope of the UC/DOE contract for the management and operations of the Lawrence Berkeley National Laboratory. Travel *not* within the scope of the LBNL contract is covered by the provisions of this policy.

This Bulletin includes special rules for non-employees, such as students, visiting scholars, independent contractors, etc.

The terms set forth in an extramural funding agreement govern only when such terms are more restrictive than University travel regulations. The campuses and LBNL may adopt more restrictive procedures, if desired. In addition, the terms of a collective bargaining agreement shall govern when such terms do not conform to the provisions of this Bulletin.

B. Overview

University business travelers are strongly encouraged to purchase travel services, when available, from Preferred Suppliers with whom the University has strategic and collaborative sourcing primary agreements. Preferred Suppliers deliver competitive value in the range of services required by University travelers. Such Suppliers include airlines, car rental agencies, hotels, travel agencies, and online booking providers. Although it might be possible to obtain a lower cost from nonparticipating suppliers, use of Preferred Suppliers should, on average and over time, reduce the University's overall travel costs and provide the best value to the traveler. For more information about Connexus and our preferred suppliers, including airlines, hotels, car rental agencies, and travel agencies, see the [Connexus](#) website.

C. Travel Management Services

1. Travel Management Program

The systemwide Travel Management Program, known as Connexus, is intended to generate maximum benefit and value for University travelers and departments. The program encompasses all aspects of University travel, including policy development, processes, planning, data management, and Preferred Supplier services and contracts. After appropriate training and communication, campuses should mandate the use of Connexus in order to realize the potential savings achievable under the program (President's June 21, 2009 letters to the Chancellors).

2. UC Travel Council

The UC Travel Council, sponsored by the Executive Vice President—Chief Financial Officer, provides general leadership, direction, and oversight in support of the Connexus program. At least one representative from each campus and the LBNL shall have membership on the Travel Council. Campuses may appoint an additional Medical Center representative for their location if desired.

D. Reimbursement Standards

It is the policy of the University that all official travel shall be properly authorized, reported, and reimbursed in accordance with this Bulletin. Under no circumstances shall expenses for personal travel be charged to or be temporarily funded by, the

University, unless otherwise noted in this Bulletin. All travel reimbursement requests must be certified by the traveler, as indicated in section V.I.2.c.

University employees traveling on official business shall observe normally accepted standards of propriety in the type and manner of expenses they incur. ***In addition, it is the traveler's responsibility to report their actual travel expenses in a responsible and ethical manner, in accordance with the regulations set forth in this Bulletin.***

The University's travel reimbursement procedures contained in this Bulletin are designed to conform to the "accountable plan" rules published by the Internal Revenue Service (IRS). Therefore, University reimbursement of an employee's travel expenses shall not result in additional taxable income to the employee. Travel expenses considered by the IRS to be taxable income to the traveler are not reimbursable except for the following:

- Expenses for travel in excess of one year,
- Imputed taxable income caused by substantiated expense reports submitted after the time limit described in Section V.I.1., subject to campus discretion,
- Certain travel expenses related to moving a new appointee or a current employee (refer to [BFB G-13](#), Policy and Regulations Governing Moving and Relocation, for more information), and
- Travel-related and childcare expenses for a spouse, domestic partner, dependent-care provider, and dependents who accompany the employee when pre-approved by the Chancellor or other senior University officer (see Section V.H.2.f).

E. Travel Restrictions

California State Law (Government Code Section 11139.8, enacted pursuant to AB 1887), effective January 1, 2017, prohibits state-funded travel to a state that has passed a law after June 26, 2015 that (1) authorizes discrimination based on sexual orientation, gender identity, or gender expression, or (2) voids or repeals existing state or local protections against such discrimination. The law also prohibits state agencies and UC from requiring employees to travel to such states. The State Attorney General must develop, maintain, and has posted [online](#) the current list of states where these travel restrictions apply. The Attorney General has also posted online a set of Frequently Asked Questions that includes a list of exceptions provided in Government Code Section 11139.8, which allow state-funded travel to states on the Attorney General's list under certain specified conditions.

IV. COMPLIANCE/RESPONSIBILITIES

Function	Responsibilities
Executive Vice President-Chief Financial Officer	Establish and update the policies set forth in this Bulletin.
Department Heads (or person delegated authority by the Chancellor, or person officially redelegated authority)	Approve payment for the travel expense claim or electronic equivalent submitted by the traveler; ensure that appropriate documentation is provided to substantiate the travel expense; ensure that the travel expenditures comply with University policy and fund source restrictions.
Campus Controller’s Office or Medical Center Controller, where appropriate	Approve the travel expenses, including exceptions, for each campus Chancellor, including a spouse or domestic partner, or an Associate of the Chancellor. Initiate proceedings for the recovery of any outstanding cash advances sixty days after a trip is completed.
Chancellors	<ul style="list-style-type: none"> • May establish more restrictive procedures for the travel policies authorized under this Bulletin. • Designate one or more approving Vice Chancellors to approve travel expenses incurred by the Vice Chancellors, Deans, and Medical Center Directors. • Approve travel expenses incurred by the designated Vice Chancellors. • May appoint a designee to approve travel expenses incurred by the designated Vice Chancellors, provided that the designee does not report to the designated Vice Chancellor. • Provide written approval for use of private aircraft (including a rented aircraft) for official travel after pilot registers the private aircraft with the Chancellor and meets all the requirements under Section V.D.2.b.i. • Delegate authority to pre-approve reimbursement of travel expenses of a spouse, domestic partner, dependent-care provider, or dependents of an accompanying parent (employee) or prospective employee.
Designated Vice Chancellors ⁵	<ul style="list-style-type: none"> • Review and approve travel expenses incurred by the Vice Chancellors, Deans, and Medical Center Directors. • In lieu of reviewing and approving each travel expense claim (or electronic equivalent), the designated Vice Chancellor may: <ul style="list-style-type: none"> ○ Appoint a high-level individual on their staff who is knowledgeable about the travel regulations to review and approve the travel expense claim for policy compliance, and ○ Review and sign a periodic report (produced no less frequently than monthly), which details the business purpose for each trip taken. • May not redelegate this authority to another individual, except when the designated Vice Chancellor is not available due to business travel, vacation, illness, or other leave.

⁵ The term “designated Vice Chancellor” includes any other responsible administrator designated by the Chancellor.

University of California – Policy G-28
Travel Regulations

Function	Responsibilities
<ul style="list-style-type: none"> • LBNL Director • Executive Vice President-Business Operations • Vice President-Agriculture and Natural Resources • Principal Officers of The Regents 	Assigned the authorities and responsibilities that are assigned to the Chancellor for purposes of this Bulletin.
President-Office of the President	Establish procedures similar to the Chancellors for the approval of travel expenses incurred by the President, the Executive Vice Presidents, the Principal Officers of The Regents, and other Officers within the Office of the President.
Travel Management Office	Administer the University’s Travel Management Program under the general direction of the UC Travel Council.
UC Travel Council	Provide general leadership, direction, and oversight in support of the Connexus program.

Payment Approval Authority	Exceptions Permitted	Exception Approval Authority	Comments
<p>Chancellors (or Chancellor’s designee if any delegation of the Chancellor’s authority is made in writing)</p> <p>Have the authority to make exceptions to the University’s Travel Policy, as long as the exception is in writing.</p>	Yes	<p>Exceptions may be granted by the Chancellor or their designee when one is required due to extenuating circumstances.</p> <p>Any request for an exception must document the circumstances and need for the exception.</p> <p>When an exception has been approved, expenses will only be reimbursed to the extent of actual costs incurred, provided such costs are deemed to be ordinary and necessary under the circumstances. See Section V.I., Reporting Travel Expenses, for more information.</p>	<p>In general, exceptions should not be made to the daily M&IE reimbursement cap established for travel of less than 30 days within CONUS (see Appendix B) unless necessitated by the business requirements of the trip. For example, an exception to the daily M&IE reimbursement cap may be required for athletic team training meals that involve specific nutritional requirements.</p> <p>Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. An exception to the minimum miles per day requirement may be approved, however, if a delay is beyond the control of the individual, e.g., weather, traffic, or physical handicap of the traveler. Any exception must be approved by the Chancellor.</p>

V. PROCEDURES

A. Approval of Travel Expense Claim

The authority to approve travel expense claims must be documented by a signature authorization form on file with the Campus Controller's Office (or the Medical Center Controller, where appropriate) or by an electronic signature authorization. The travel expense claim should not be approved by a person who reports directly or indirectly to the traveler. Persons delegated the authority to approve travel shall not approve their own travel. In addition, travelers may not approve the travel of a near relative, e.g., spouse or domestic partner, child, parent, etc.

B. Payment of Travel

1. Prepaid Expenses and Direct Charges

Individual travelers are prohibited from charging hotel and hotel-related expenses directly to the University. However, campuses may enter into a direct billing arrangement with a hotel for the payment of charges on behalf of travelers for room and tax charges *only*. Campuses should ensure that travelers are aware of such arrangements. Transportation tickets and conference fees may also be charged directly to the University if the proper controls are in place, such as a "ghost card" arrangement. Meals and miscellaneous expenses *cannot* be charged or billed directly to the University as these expenses must be paid by the traveler when they are incurred, and a claim for reimbursement submitted at the conclusion of the trip.

Sections V.E.4., Payment of Group Subsistence Expenses, V.H.1.c., Students, and V.H.2.b., Prospective Employees, provide additional information regarding prepaid expenses and direct charges incurred by travelers.

2. Corporate Travel Cards

Under guidelines established by campuses, corporate travel cards may be issued to employees who travel on official University business.⁶ Any traveler issued such a card **should** use the card to pay for all expenses related to official University business travel, including lodging and subsistence, except where the card is not accepted. The cardholder will be billed directly for all expenses charged to the corporate card. The cardholder is personally responsible for paying **all** charges on the corporate card and for keeping the card current. **The University will not reimburse or pay late fee charges incurred in connection with the corporate card.** Corporate travel card payment delinquencies may result in the cancellation of the traveler's card or other corrective action.

Travelers who have been issued a University corporate travel card are required to use the card for cash advances, except under the circumstances listed below in Section V.B.3.a., Eligibility.

⁶ Procurement Services, CFO Division, is responsible for negotiating contracts for campus corporate card programs.

The corporate travel card is valid only while an individual is employed by the University, may be canceled at the discretion of the University, and must be relinquished to the employee's department upon termination of employment.

3. Cash/Non-Cash Advances

Travelers are required to use their corporate travel card to obtain cash advances for expenses incurred in connection with official University business travel if the card provides this feature. Reasonable fees charged for obtaining a cash advance using the corporate travel card are eligible for reimbursement.

a. Eligibility

Travelers who cannot obtain a cash advance through a corporate card may request a cash advance from the University, in accordance with the procedures established by the campus, under the following circumstances:

- The traveler is not eligible to participate in the corporate travel card program or has not yet been issued a corporate travel card;
- The campus's card program does not provide such a feature;
- The traveler has incurred corporate credit card expenses that must be paid before a trip is completed;
- The travel requires special handling, such as foreign travel, group travel for athletics, bowl games, student groups, etc.

b. Issuance of Cash Advances

Cash advances **must** be issued *within 30 days* of when an expense is to be paid or incurred in order to satisfy IRS regulations and to meet the University's cash management objectives. The amount requested on the Travel Advance Request form shall not exceed a reasonable estimate of the out-of-pocket expenses needed for the trip.

Cash advances *should not* be authorized under the following circumstances:

- The traveler is 30 days delinquent in submitting a travel expense claim for a prior trip;
- The corporate travel card cannot be used due to the traveler's failure to meet the payment terms of the card; or
- The corporate travel card has been lost. (Lost cards should be reported to the corporate credit card company immediately, and arrangements made for issuance of a replacement card.)

A traveler should have only had one outstanding cash advance per trip; each advance should be accounted for before another advance is granted. ***The traveler must submit a travel expense claim even if they are not owed any additional reimbursement, in order to document the business purpose for which the advance was issued.***

Section V.I., Reporting Travel Expenses, contains information on substantiation of cash/non-cash advance expenses. Subsections 1.a, b, and d of Section V.G., Intercampus Travel Expenses, provide information on advances issued for intercampus assignments. Section V.H.1.a., Visiting Academic Appointees, details special requirements related to handling advances for such appointees.

c. Canceled or Postponed Trips

A cash advance must be returned immediately if an authorized trip is canceled or indefinitely postponed.

A nonrefundable ticket associated with a canceled trip must be used for the employee's next business trip.

d. Unrecovered Advances

All cash advances must be accounted for within forty-five days after a trip is completed. Unrecovered advances that are determined not to be business-related travel expenses should be reported as income to the traveler, per section V.B.3.d.ii. Accounting Manual Chapter R-212-2, Receivables Management, addresses the legal limitations with respect to the collection of delinquent accounts or other indebtedness incurred by employees.

i. Recovery Procedures

An employee's written permission must be obtained before an outstanding cash advance can be deducted from wages or from any other amounts due to the traveler. If the employee's consent cannot be obtained, the campus may recover the debt through a collection agency.

ii. Tax Considerations

Cash Advances. If an employee fails to substantiate expenses and return any unused cash advance amounts within 120 days of the end of a trip, the University is obligated under IRS regulations to consider such amounts as income to the employee. As a result, the amount of unsubstantiated expenses and unrecovered advances will be reported through the payroll system as additional wages to the employee no later than the first payroll period following the end of the 120-day period. The income and applicable employment taxes on the additional wages are to be withheld from the employee's regular earnings. ***No refund of such taxes or any adjustment to gross income shall be made with respect to any substantiation or reimbursement received from the employee after the 120-day period.*** (For more information on tax withholding, see Accounting Manual Chapter D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System.)

Non-Cash Advances. Travel payments, such as registration fees, airline tickets, etc., made to a vendor on behalf of an employee should follow the same reporting time frame for substantiation by the employee as outlined in section V.I.1 of this bulletin.

4. Payment of Expenses on Behalf of Others

University travelers normally shall not be reimbursed for expenses paid on behalf of other persons; however, limited exceptions are permitted (see Section V.H.2.f) such as in the case of co-travelers who are sharing a room. Exceptions to this rule, such as supervised group trips, must be approved in advance. (See Section V.E.4., Payment of Group Subsistence Expenses, for more information.)

5. Cancellation of Reservations

Travelers who are unable to honor a reservation shall be responsible for canceling the reservation in compliance with the cancellation terms established by the hotel, airline, etc. The traveler must return any refundable deposits to the University.

Charges or lost refunds resulting from failure to cancel reservations shall not be reimbursed unless the traveler can show that such failure was the result of circumstances beyond the traveler's control.

The traveler shall be responsible for promptly returning for a refund any unused or partially used transportation tickets.

C. Insurance for Travelers

1. University Travelers

All University travelers, including employees, medical residents, students, and fellows, are covered worldwide, 24 hours a day, for a wide variety of accidents and incidents while on official travel status. The coverage includes accidental death, accidental dismemberment, paralysis, and permanent total disability. The coverage also includes travel assistance services when the traveler is 100+ miles from their home or headquarters, such as:

- Security extraction (security extraction is not subject to mileage limitation),
- Emergency medical evacuation and repatriation,
- Repatriation of remains,
- Out-of-country medical,
- Loss of personal effects (employees only), and
- Other travel assistance services.

In addition, all University employees are provided with workers' compensation coverage for a work-related injury or illness that occurs during a University-approved and funded business trip.

a. Registration for Travel Outside of California

Travelers must register all out-of-state and foreign country business trips to ensure coverage. Booking travel through Connexus' preferred travel agencies and supported online booking tools, with the exception of SWABIZ (Southwest) automatically enrolls the traveler in the insurance program for travel outside of California; otherwise, the traveler must register on the [Risk Services](#) website and complete the Traveler Insurance form before an out-of-state trip occurs.

Registration is not required for travel within California as coverage is automatic.

2. Vehicles

For information on insurance coverage requirements for employees who use their private vehicles on University business, see Section V.D.3.a.iii., Insurance Coverage. Sections V.D.3.b.ii., Insurance Coverage, V.D.3.b.iv., Damage to a Rental Vehicle, and V.D.3.c.i., University Vehicles, contain information on insurance coverage in connection with rental cars and University vehicles.

Refer to the [Risk Services](#) website for more information on automobile and liability insurance coverage for individuals traveling on University business.

Questions should be directed to the local Risk Management office.

D. Transportation Expenses

Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. Any exception must be approved by the Chancellor.

Travel by a group of employees in the same aircraft, automobile, or other modes of transportation is discouraged when the employees' responsibilities are such that an accident could seriously affect the functioning of the University. Key employees, such as the President, Chancellors, Vice Presidents, or a substantial number of employees from the same organizational unit or program, should consider this risk when making travel arrangements.

1. General

a. Definition

Transportation expenses include the following: charges for commercial carrier fares; travel agency service fees; car and aircraft rental charges; private car mileage allowances; emergency repair to University cars; overnight and day auto parking; bridge and road tolls; taxi and public transportation fares; and all other charges for transportation services necessary to accomplish the official business purpose of the trip.

b. Transportation Tickets

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier or negotiated by the University. Such tickets should be purchased through [Connexus](#). Travelers will not be reimbursed for non-cash certificates used for the purchase of transportation tickets, e.g., frequent flyer miles.

c. Lost Tickets

Service charges for tickets lost by travelers may be reimbursed, provided such occurrences are infrequent. Charges for re-ticketing, schedule changes, etc. are reimbursable if incurred for a valid business reason. The reason for the charge must be specified on the travel expense claim.

d. Allowable Mileage Expense

Mileage shall ordinarily be computed between the traveler's headquarters and the common carrier or destination. Expenses for travel between the traveler's residence and headquarters (commuting expense) shall not be allowed. However, mileage expenses may be allowed between the traveler's residence and the common carrier or destination if University business travel originates or terminates during a regularly scheduled day off.

When a traveler is authorized to drive a private vehicle to or from a common carrier terminal, mileage may be reimbursed as follows:

- One round trip, including parking for the duration of the trip; or
- Two round trips, including short-term parking expenses, when an employee is driven to a common carrier.

Also, if an employee who is not on travel status has a temporary assignment away from campus, reimbursement shall be made for mileage expenses incurred between the campus and the assignment location, or home and the assignment location, whichever is less.

e. Surface Transportation Used in Lieu of Air Travel

If advance approval has been obtained, a traveler may use surface transportation for personal reasons, even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed.⁷ However, such costs shall not exceed the cost of airfare, based on the lower of the regular coach fare available for the location of travel from a standard commercial air carrier or the campus travel program fare, plus transportation costs to and from the terminals.

f. Indirect or Interrupted Itineraries

Obtaining advance approval is suggested when a traveler takes an indirect route or interrupts travel by a direct route, for other than University business. Any resulting additional expenses shall be borne by the traveler. The reimbursement of expenses shall be limited to the actual costs incurred or the charges that would have been incurred via a usually traveled route, whichever is less. The cost comparison should be based on what UC would have paid, which can be obtained by a Connexus-related travel agency prior to or at the time of booking the trip. Any resulting excess travel time will not be considered work time and will be charged to the appropriate type of leave. The employee shall be responsible for accurately reporting of such leave time.

g. Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs, e.g., a Saturday night stay for domestic travel, may be reimbursed when the cost of

⁷ The reimbursement of M&IE is subject to the 300 mile-per-day rule specified in Section V.D.3., Automobile.

airfare would be less than the cost of airfare had the traveler not extended the trip (provided the expenses were incurred in compliance with this Bulletin). Such expenses, which include lodging, car rental, and M&IE (subject to the reimbursement caps set forth in Appendix B) incurred within the vicinity of the business destination, shall not exceed the amount the University would have paid had the traveler not extended the trip.

2. Air Travel

a. Commercial Airlines

Coach Class. Coach class or any discounted class shall be used in the interest of cost-efficiency. This policy applies to all travel (domestic or foreign, or any combination thereof) regardless of the purpose or fund source.

Business or First Class. Use of business or first-class may be authorized under the circumstances listed below. Documentation of such circumstances must be provided on the travel expense claim.

- Business or first-class is the only service offered between two points;
- The use of coach class would be more expensive or time-consuming, e.g., when, because of scheduling difficulties, traveling by air coach would require an unnecessary hotel expense, circuitous routing, or an unduly long layover when making connections;
- An itinerary involves overnight travel without an opportunity for normal rest before the commencement of working hours. Campus procedures must include required documentation to support the early meeting start time and/or that alternative start dates or times are unavailable; or
- The use of business or first-class travel is necessary to reasonably accommodate a disability or medical need of a traveler.

When a traveler prefers to use a higher class than the one authorized for reimbursement, the traveler must pay the incremental cost of the airfare. In cases other than those described above, a written authorization to use business or first-class shall be obtained in advance from the Chancellor. The traveler shall submit such authorization with the travel expense claim.

Other Ancillary Charges. Campus Chancellors can establish local policy for reimbursement at their respective locations of ancillary charges such as checked and carry-on baggage fees, early check-in or priority boarding and seat selection. Likewise, reimbursement of higher cost airfare such as Economy Plus, Extra Comfort, etc., within the economy class can be included in the local policy.

U.S. Flag Air Carriers. Under the [Fly America Act](#) published in Federal Travel Regulation §301-10.13 by the General Services Administration (GSA), only U.S.

air carriers⁸ shall be used for **all** travel reimbursed from federal grants and contracts, including [NIH grants](#)⁹. However, there are exceptions to using only U.S. air carrier services under the Fly America Act, depending on the scenarios shown below:

- Generally, U.S. air carrier services that provide nonstop or direct service from the origin to the destination must be used, **unless** such use would extend travel time, including delay at origin, by 24 hours or more;
- Generally, U.S. air carrier services that do not offer nonstop or direct service between origin and destination must be used on every portion of the route where it provides service **unless** when compared to using a foreign air carrier, such use would:
 - Increase the number of aircraft changes outside the U.S. by two or more; or
 - Extend travel time by at least 6 hours or more; or
 - Require a connecting time of 4 hours or more at an overseas interchange point.
- When the costs of transportation are reimbursed in full by a third party, such as a foreign government or an international agency, U.S. air carriers do **not** have to be used.
- **Open Skies Agreements.** “[Open Skies Agreements](#)” are bilateral or multilateral air transportation agreements to which the U.S. and the government of a foreign country are parties. Under the Open Skies Agreements, the U.S. government entered into several air transport agreements that allow federally funded transportation services for travel and cargo movements to use foreign air carriers **under certain circumstances**. The [Department of State’s website](#) contains a list of countries the U.S. government has Open Skies Agreements with, including policy information contained in the various Open Skies Agreements. Transportation is allowed between a point in the United States and any point in a member state or between two points outside the U.S. subject to certain restrictions.

Travelers funded by federal grants and contracts should review [Federal Travel Regulation §301-10.106](#) published by the GSA for any City-Pair requirements, and §301-10.135 for any Open Skies requirements. The GSA issued [Guidance](#) on October 6, 2010, for the [Amendment](#) of the U.S.-EU Open Skies Agreement effective June 24, 2010. Federal

⁸ Code-sharing agreements with foreign air carriers, whereby American carriers purchase or have the right to sell a block of tickets on a foreign carrier, comply with the Fly America Act Regulations. The ticket, or documentation for an electronic ticket, must identify the U.S. carrier's designator code and flight number.

⁹ See section 7.9.1 “Travel/Employees.”

contractors and grantees who are not U.S. Government employees should consult this guidance to determine if they need to be concerned about City-Pair contract fares. Contractors and grantees should also check with the airline to ensure that the airline is covered by the U.S.-EU Open Skies agreement, which may change periodically.

Reimbursement of travel on a foreign air carrier may be denied in the absence of such justification.

b. Private Aircraft

i. Approval

Before a private aircraft (including a rented aircraft) may be used for official travel, the pilot must register with and obtain written approval from the Chancellor. In addition, the following requirements must be met:

- The pilot must have a valid private license;
- The pilot must have logged at least 10 hours of flight time within the preceding 90 days as a pilot in command of an aircraft of the same make and model as the one to be used on the trip;
- To carry passengers, the pilot must either have logged a minimum of 500 hours of flight time as a licensed private pilot in command of an aircraft or possess a valid commercial (or higher type) pilot's license issued by the Federal Aviation Administration.
- A current pilot history form and a certificate of insurance must be on file with the campus risk management office; and
- Evidence must be provided of Aviation Liability Insurance coverage with a minimum combined single limit of \$1 million, with The Regents named as additional insured.

Transportation expenses for a flight carrying passengers shall not be reimbursed if the University pilot does not possess the above qualifications.

For purposes of the foregoing rule, anyone traveling in the aircraft other than the pilot is considered to be a passenger.

ii. Reimbursement Options

When the pilot has obtained prior approval to use a private aircraft, reimbursement shall be made based on the **lesser** cost of one of the following two options:

- **Private Aircraft Option.** An amount for mileage using the private reimbursement rate per mile shown in Appendix A, plus the cost of meals and lodging while in transit. Mileage shall be computed on the basis of the shortest air route from origin to destination. The travel expense claim must show the aircraft registration number and shall be clearly marked "Air Miles." **Only the pilot will be reimbursed for mileage expenses.** Reimbursement shall be made for actual

landing and parking fees. Reimbursement is not allowed for storage or parking fees at the location where the aircraft is *normally* stored. However, parking and transportation costs to and from the place of storage may be reimbursed.

- **Commercial Aircraft Option.** The cost of the lowest regular coach fare available for the location of travel from a standard commercial air carrier, plus the cost of transportation to and from the terminals and any meals and lodging that would have been allowed had the traveler used a commercial airline. The cost of meals and lodging while in transit also may be taken into account in determining the appropriate reimbursement amount.

c. Chartered Aircraft

The actual expenses of chartering an aircraft are allowable; however, prior approval must be obtained from the Chancellor.

3. Automobile

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.

When a person is authorized to travel by automobile (e.g., when an automobile is the most economical and practical mode of transportation given the requirements of the trip) actual M&IE incurred en route plus the cost of lodging, when appropriate, may be reimbursed. However, a minimum of 300 miles a day must be driven by the most direct route in order to obtain the M&IE and lodging reimbursement. An exception to the minimum miles per day requirement may be approved, however, if a delay is beyond the control of the individual, e.g., weather, traffic, or physical handicap of the traveler.

a. Private Vehicles

The following rules apply to all domestic travel.

i. Mileage Reimbursement Rates

When two or more persons on University business share a private vehicle, ***only the driver may claim reimbursement for mileage.***

- Standard Rate

The standard reimbursement rate per mile is set forth in Appendix A. This rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc. Thus, under IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

- **Rate for Travelers With Physical Disabilities**

A traveler with a physical disability who must use a specially equipped or modified automobile may claim reimbursement at the standard rate per mile set forth in Appendix A. However, if the traveler incurred higher than standard operating costs, the traveler may seek reimbursement by submitting a statement with the travel expense claim certifying that they incurred higher operating costs. The actual fixed and variable costs must be specified in the statement.

The traveler should refer to IRS Form 2106, Employee Business Expenses, to obtain additional information on the calculation of actual vehicle operating costs. [Form 2106](#) is available on the IRS web site.

The departmental authority that approves the travel is responsible for documenting the traveler's need to use such a vehicle.

- ii. Private Vehicle Used in Lieu of Air Travel**

When a traveler's private vehicle is used on University business in lieu of available air travel, the traveler shall be reimbursed in accordance with the procedures specified in Section V.D.1.e, Surface Transportation Used in Lieu of Air Travel. Fuel, routine repairs and associated costs, tires, gasoline, or other automobile expense items shall not be allowed when a private vehicle is used. Such expenses are included in the mileage reimbursement rates set forth in Appendix A.

- iii. Insurance Coverage**

When private vehicles are used on University business, the appropriate campus officials are responsible for requiring that employees have adequate liability insurance coverage. The minimum prescribed liability insurance coverage is as follows: \$50,000 for personal injury to, or death of, one person; \$100,000 for injury to, or death of, two or more persons in one accident; and \$50,000 for property damage. An employee who regularly uses a private vehicle on University business is required to have and provide upon request satisfactory evidence of liability insurance coverage. Such evidence must be provided to the appropriate office before the reimbursement of regular use mileage is allowed. Regular use is defined as more than four trips per calendar month totaling at least 300 miles. When a private vehicle operated by an employee on official University business is damaged by collision or sustains other accidental damage, reimbursement for repairs borne by the employee may be authorized up to \$500 or the amount of the deductible (co-insurance), whichever is less. Expenses that can be recouped from insurance are not eligible for reimbursement. The amount reimbursed shall be based on receipts submitted by the employee to the individual who authorized the

travel. ***The reimbursement may be charged to the department or to another appropriate account as designated by the Chancellor.***

b. Rental Cars

i. Authorization to Rent

A vehicle may be rented when renting would be more advantageous to the University than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and may include up to an intermediate-size model, per the terms of UC-negotiated rental agreements. Vehicles up to an intermediate-size model should be used unless a no-cost upgrade is provided. When the University's rental contracts provide for refueling charges at a negotiated rate, this option may be selected to purchase fuel in advance. Hand-held or uninstalled GPS devices should not be rented unless the traveler is unfamiliar with the location of travel. The use of other higher cost upgrades requires exceptional approval.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. ***The discount negotiated with car rental agencies by the University should be requested when available.*** The University's [Connexus](#) website provides the rental agency's University identification number, which should be given to the agency at the time of rental in order to ensure that the vehicle is covered by physical damage insurance.

ii. Insurance Coverage

Travelers are expected to use rental agencies with which the University has systemwide contracts that include insurance coverage. The following rules apply to insurance coverage for rental cars:

- The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions (OCONUS), and foreign countries, is allowable.
- *On contract rental vehicles used in the continental United States (CONUS)*, charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).
- Additional charges for insurance coverage will not be reimbursed if a non-contract agency is used unless no car rental company in the area has such an agreement with the University.
- It is recommended that employees purchase supplemental insurance when renting a vehicle outside the U.S.
- A vehicle rented from an agency with which the University has an agreement is not covered by insurance when it is being used for a personal day of travel.

Some rental car agreements contain special coverage provisions that differ from the general coverage rules detailed above. For additional information on rental car insurance coverage, see [UC Car Rental Insurance Information](#).

The campus risk management office should be contacted for information on campus-specific contracts or insurance coverage.

iii. Direct Billing

Vehicle rental charges billed directly to the University can be authorized within parameters established by the Campus Controller's office. Any direct bill arrangement should only allow for the rental cost and associated tax for rentals that are business-related. Rental car charges that are not direct billed should be paid with the traveler's corporate travel card (see Section V.B.2, Corporate Travel Cards) or their personal credit card.

iv. Damage to a Rental Vehicle

A University traveler may be reimbursed for property damage to a rental vehicle only if such expenses were incurred on days the vehicle was being used for University business purposes. (See Section V.C.2., Vehicles, for more information on insurance coverage). The amount reimbursed may be charged to the traveler's department, the department sponsoring the traveler, or to an account designated by the Chancellor, as appropriate. The traveler shall submit with the travel expense claim a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

c. Official Vehicles

i. University Vehicles

University vehicles shall be used in accordance with the guidelines contained in [BFB BUS-46](#), Use of University Vehicles. For information regarding insurance coverage on University vehicles, refer to [BFB BUS-81](#), Insurance Programs.

d. Miscellaneous Automobile-Related Expenses

Charges for ferries, bridges, tunnels, or toll roads may be claimed by the vehicle operator. Reasonable charges for parking while an employee is on travel status or on University business away from regular duties also will be allowed for the following:

- Day parking on trips away from an employee's headquarters;
- Day and overnight parking on overnight trips away from an employee's headquarters or residence (a claim should not be made if free overnight parking is available); and
- Parking charges incurred when an employee without a location parking permit is occasionally required to drive to and from headquarters.

Travelers should seek out the longer-term parking accommodations at airports or common carriers when travel is expected to exceed twenty-four hours.

Valet parking charges in excess of normal parking charges shall be borne by the traveler unless the traveler obtains an exception.

4. Rail or Bus

Rail or bus transportation may be used when required by the destination or by business necessity. If a traveler's destination is served by a regularly scheduled airline, however, the use of rail transportation shall be reimbursed in accordance with the procedures specified in Section V.D.1.e., Surface Transportation Used in Lieu of Air Travel. This rule does not apply to inter-city rail travel that is equivalent to air transportation in total travel time. Reimbursement for the cost of Pullman roomette accommodations is allowed. If more expensive accommodations are used, the traveler must justify the expense in a written explanation submitted with the travel expense claim.

If accommodations are included in the rail fare, e.g., Pullman roomette accommodations, lodging expenses shall not be reimbursed for each night that such accommodations are used.

5. Ship

When travel by passenger ship is authorized, transportation at the lowest first-class rate is allowed.

The reimbursement of subsistence expenses while on board a passenger ship shall not be allowed if the cost of subsistence is included in the fare for passage and stateroom. If the fare does not include subsistence, reimbursement shall be based on the traveler's actual daily expenses, subject to the limits set forth in Section V.E., Subsistence Expenses. A full explanation of the circumstances that necessitated such expenses must be submitted with the travel expense claim.

6. Other Forms of Transportation

a. Local Public Transportation, Shuttle Service, and Taxis

Local public transportation fares (e.g., buses, subway, streetcars) shall be allowed. The cost of shuttle service (including airport limousine service, if appropriate) to and from an airport or railroad station, plus reasonable tips, is allowable to the extent such service is not included in air or rail fares. Taxi fares, including tips, shall be allowed when the use of alternative transportation is impractical or not available. The cost must be reasonable in relation to personal car use costs, including parking, tolls, etc. When traveling to and from the airport from the home location, travelers should be good stewards of the University's resources and be mindful of the costs associated with the transport method selected.

b. Motorcycles

Motorcycles shall not be authorized for use on official University business, nor shall any reimbursement be made for the use of such vehicles except for the following situations:

- University police department employees on motorcycle assignment; and
- Motorcycles used when automobile transportation is not an available option in the foreign location and used consistent with approved policies for foreign locations.

c. Special Conveyances

Charges for using other types of conveyance (such as a helicopter or boat) shall be allowed when the use is beneficial to the University and when the fare for the conveyance is not included in the original cost of the common carrier fare. An explanation justifying such use must accompany the travel expense claim unless the Chancellor has established a blanket authorization for the travel. A copy of the authorization shall be attached to the travel expense claim (unless a blanket authorization is published in the campus policy and procedures manual).

7. Sustainable Travel

In support of the [University Policy on Sustainable Practices](#), University employees traveling or supervising staff that travel may consider the following

- a. Travel only when necessary. Avoid unnecessary travel by leveraging remote technology such as video and/or phone conferencing.
- b. If travel is necessary, consider the following:
 - Encourage fuel-efficient modes of travel such as public transportation (train, bus), carpooling/ridesharing, biking or walking;
 - Plan ahead to avoid peak travel times and leverage the lowest cost as well as sustainable modes of travel;
 - When renting a vehicle for travel is required, consider low-emission vehicles. Through the UC Central Management program travelers can, at select sites, leverage discounted rates for hybrid electric vehicles available through the UC rental car agreements;
 - When driving a personally owned vehicle in lieu of renting while on business travel, assess the cost to the University. First by comparing the mileage reimbursement rate associated with a personally owned vehicle to rental car daily rates. Second, by comparing the potential savings related to emissions impacts and fuel efficiency by considering renting a hybrid electric vehicle;
 - Make travel more efficient by combining multiple meetings and events wherever possible. Consider one-way rentals with no drop-off fees that are available under some of UC's rental agreements;

- When air travel is required, consider fuel-efficient regional carriers for certain routes, book direct flights whenever feasible (balancing efficiencies of cost, time and safety), and leveraging other UC preferred airlines that disclose emissions by fleet or individual travel. (Available via the Concur online platform, and consider the “emissions” airfare search feature)
- Consider accommodation providers which are actively limiting their emissions and encouraging other sustainable practices such as water and waste reductions, as well as inclusive and responsible labor policies.
- Review available resources on sustainable travel such as the [UCSD Sustainable Travel Guide](#).

E. Subsistence Expenses

1. General

a. Definition

Subsistence expenses incurred while on travel status consist of charges for lodging and meals and incidental expenses (M&IE). For the definition of incidental expenses, see Section II., Policy Definitions. Expenses reimbursed must be ordinary and necessary to accomplish the official business purpose of the trip. Subsistence expenses incurred within the vicinity of an employee’s headquarters or residence shall not be reimbursed. Actual expenses must be documented in accordance with Section V.I.2.b., Documentation Requirements to be eligible for reimbursement. Regardless of the length of time for business travel, the traveler **must** be at least forty miles from the headquarter location or home, whichever is closer, to be reimbursed for an overnight stay.

b. Entertainment Meals

Expenses for meals incurred by employees who entertain while on travel status are reimbursable in accordance with [BFB BUS-79](#), Expenditures for Business Meetings, Entertainment, and Other Occasions.

2. Travel in Excess of 24 Hours

a. Domestic Travel - Travel within the United States and Its Possessions

For purposes of determining the applicability of Sections i, ii, and iii below, an official University business trip begins when the traveler leaves their residence or headquarters, whichever occurs last, and ends when the traveler returns to their residence or headquarters, whichever occurs first.

i. Travel - Assignments of Less than 30 Days

CONUS Travel. For travel assignments of less than 30 days within the continental United States (CONUS), the reimbursement of daily subsistence expenses shall be based on the actual amounts incurred for lodging and meals and incidental expenses, subject to the maximum per day reimbursement cap described below. ***The M&IE cap for CONUS***

travel under 30 days shall not be treated as a per diem. M&IE reimbursement shall be limited to the ***actual reasonable costs incurred***; subject to the daily maximum reimbursement cap set forth in Appendix B. Departments should remind their travelers that only expenses actually incurred are reimbursable. Travelers should be required to submit meal receipts if it appears that they are treating the cap as a per diem by routinely claiming the full M&IE amount. Lodging expense reimbursements are actual up to \$275 per night before taxes and mandatory hotel fees and must be supported by original itemized receipts, regardless of the amounts incurred, and must be reasonable for the locality of travel. When the traveler is unable to secure lodging at \$275 per night or less, the traveler must submit additional documentation such as price comparisons within the proximity of the meeting location that supports the higher lodging rate incurred. The price comparisons should be performed at the time of booking.

A traveler who is required to attend a conference where the prearranged conference lodging rate exceeds the \$275 per night cap may stay at the conference hotel without exceptional approval.

OCONUS Travel. Travel within Alaska, Hawaii, and U.S. possessions (OCONUS) shall be reimbursed in accordance with the non-foreign locality per diem rates published by the Department of Defense (see Appendix B).

ii. Long-Term Travel - Assignments of 30 Days or More

The long-term daily expense rate shall be authorized when a traveler can reasonably be expected to incur expenses in one location comparable to those arising from the use of establishments catering to long-term visitors, and when the traveler is expected to be in one location for 30 or more consecutive days *but not in excess of one year*.

CONUS Travel. For domestic travel assignments of 30 days or more within the continental United States, the **per diem** allowance authorized for subsistence expenses is based on an estimate of actual daily expenses (see below for information on estimating and computing a daily expense rate). Reimbursement of such expenses shall be limited to a daily amount of ***up to 100%*** of the applicable federal per diem rate (published by the General Services Administration) established for travel within CONUS (see Appendix B). ***Actual costs paid for lodging taxes, which are not included in CONUS per diem rates, may be reimbursed as a miscellaneous expense.***

OCONUS Travel. For travel within Alaska, Hawaii and U. S. possessions the actual lodging and subsistence expense incurred shall be reimbursed, limited ***to 100%*** of the non-foreign locality per diem rates (see Appendix B).

Daily Expense Rate. The daily expense rate is computed by dividing the monthly lodging costs (determined by estimating actual expenses) plus an appropriate amount for M&IE (not to exceed the amounts specified in

Appendix B), by the number of days of occupancy in the rental period. The following recurring expenses may be considered part of the lodging cost when a traveler rents a room, apartment, house, or other lodging on a long-term basis:

- Rental cost of a furnished dwelling;
- Utilities;
- Monthly base telephone charges.

iii. Indefinite Travel - Assignments that Exceed One Year

Under the IRS one-year rule, travel away from home that lasts more than one year in a single work location is considered indefinite. Any travel expenses reimbursed during that period must be treated as taxable income subject to withholding for income and employment taxes (i.e., social security and Medicare).

Accordingly, for an employee whose indefinite assignment requires a change of residence in order to undertake an assignment, who plans to return at the end of the assignment, and who expects to remain in a single location for *more than one year*, subsistence expense reimbursement shall be treated as follows:

- The entire reimbursement, effective as of the first day of the traveler's assignment, shall be included in the employee's gross income subject to withholding for income and applicable employment taxes;
- The subsistence reimbursement must be paid through the payroll system as additional income subject to withholding;
- The reimbursement for such assignments shall be limited to 2 years. An exception may be granted by the Chancellor to extend the reimbursement for a longer period of time; and
- The cost of moving the employee to and from the location of the indefinite assignment shall be reimbursed in accordance with University moving policies (refer to [BFB G-13](#), Policy and Regulations Governing Moving and Relocation).

To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for actual subsistence expenses may be increased **up to 150%** of the per diem rates authorized for domestic travel of 30 days or more (see Section a.ii. above).

A separate calculation of the amount of the increase must be made for each employee, taking into account each employee's additional federal and state income tax liability and liability for employment taxes. The formula provided by the IRS for grossing up payments to cover an employee's tax

liability should be used to calculate the increase (see Appendix C for examples based on the IRS Tax Gross Up Formula).

Under IRS regulations, the following situations also are considered indefinite assignments:

- Indefinite Assignment Ends Prematurely

An indefinite assignment that is *realistically expected* to last more than one year shall be considered indefinite regardless of whether it actually exceeds one year. Thus, any amounts withheld in connection with the employee's travel expense reimbursements would not be refundable if the assignment ends prematurely.

- Temporary Assignment Extended

If a temporary assignment is *realistically expected* to last for one year or less, but at some later date is extended to exceed one year, then the assignment shall be treated as temporary until the date the employee's *realistic expectations* change. Thus, travel expense reimbursements would not be taxable for the period of the assignment that was *expected* to be temporary. Travel expenses reimbursed thereafter must be included in the employee's income subject to withholding.

- Indefinite Assignment Interrupted by Trips to Former Residence or to Headquarters

An indefinite assignment that is interrupted by occasional trips to the employee's former residence or headquarters shall be subject to the one-year rule. *Such return trips do not change the tax status of an indefinite assignment.*

b. Foreign Travel

Under IRS regulations, foreign travel expenses are subject to a special allocation rule that is used to disallow certain nonbusiness travel expenses. The disallowed expenses are treated as taxable income to the employee, and are computed as follows:

Number of nonbusiness days divided by total number of business and nonbusiness days and then multiplied by total travel expenses.

See Section VII., Frequently Asked Questions, for the four situations where the special allocation rule does not apply to nonbusiness foreign travel expenses.

i. Travel - Assignments of Less Than 30 Days

Foreign travel shall be reimbursed in accordance with the Federal Maximum Travel Per Diem Allowances for Foreign Areas published by the Department of State (see Appendix B). (Refer to Section c, Adjustment of Per Diem Rates, below, for information on prorating per diems). An official University business trip begins when the traveler leaves their residence or headquarters, whichever occurs last, and ends when the traveler returns to

their residence or headquarters, whichever occurs first. Travelers should only claim actual travel expenses (e.g., subsistence and lodging) up to the per diem rate.

If actual expenses that are greater than the per diem are claimed due to special or unusual circumstances, the traveler must document such circumstances by submitting a written explanation with the travel expense claim. The amount reimbursed, however, may not exceed 300% of the applicable federal rate established for the location of travel. The reimbursement of actual expenses must be supported by receipts, as specified in Section V.I.2.b., Documentation Requirements.

The following are some examples of special or unusual circumstances that warrant reimbursement of actual expenses:

- A traveler is required to attend a meeting or conference where meals and lodging must be obtained at a prearranged place, and lodging consumes all or most of the applicable maximum per diem allowance;
- The travel is to an area where the per diem is normally adequate, but subsistence costs have temporarily increased because of a special event or function, e.g., a national or international sports event; or
- Due to the situation described above, affordable lodging is not available within a reasonable commuting distance of the employee's meeting or conference, and transportation costs to commute to and from the less expensive lodging facility consume most or all of the savings achieved from occupying less expensive lodging.

ii. Long-Term Travel - Assignments of 30 Days or More

The per diem allowance authorized for long-term travel is actual costs **up to 100%** of the applicable federal per diem rate (see Appendix B). The traveler is expected to seek long-term accommodations when staying in one location for 30 or more consecutive days *but less than one year*. See Section V.E.2.a.ii., Long-Term Travel – Assignments of 30 Days or More, above, for information on estimating and computing a daily lodging rate.

iii. Indefinite Travel - Assignments that Exceed One Year

The rules for domestic indefinite travel set forth in Section V.E.2.a.iii., Indefinite Travel - Assignments that Exceed One Year, above, also apply to the reimbursement of travel expenses incurred in connection with indefinite foreign assignments of *one year or more*, **with the following exceptions**:

- To compensate for additional federal and state income taxes and employment taxes owed by the employee, the reimbursement rate for actual subsistence expenses may be increased by **up to 150%** of the applicable federal per diem rate authorized for long-term travel (see Section ii, Long Term Travel, above).

- The amount of the increase, if any, calculated for each employee must take into account the effect of the annual foreign earned income exclusion that may be available to the employee.

c. Adjustment of Per Diem Rates

Travelers may not request reimbursement of actual expenses for one portion of a trip and per diem for the remainder. The method selected must be used for the entire trip. However, a per diem may be used for M&IE and actual costs used for lodging. The request for reimbursement of such lodging expenses must be supported by receipts. See Section V.E.2.b.i., Travel – Assignments of Less Than 30 Days, above, if the traveler is claiming actual expenses due to special or unusual circumstances.

i. Adjustment for Multiple Locations

The method provided in Appendix D may be used to determine travel expenses when a trip is reimbursable under more than one per diem rate. This method may not be used if an alternative method is contractually mandated by the funding source.

ii. Adjustment for Partial Days

The reimbursement of subsistence expenses shall be calculated in multiples of the applicable federal per diem rate based on the total number of hours between the time of arrival at the foreign or OCONUS location and the time of departure for the return trip to the traveler's headquarters or residence (see Section V.E.2.b.i., Travel – Assignments of Less than 30 Days, for the definition of when a travel assignment begins and ends).

For partial days, hours should be rounded to the nearest quarter day as follows: 3 hours up to 9 hours equals 1/4 day; 9 hours up to 15 hours equals 1/2 day; 15 hours up to 21 hours equals 3/4 day; and 21 hours up to 24 hours equals 1 day.

An alternative method of prorating partial days may be used provided the method is reasonable and consistently applied.

iii. Adjustment for Subsistence or Lodging Provided Without Charge

When subsistence or lodging expenses are paid directly by the University, are reimbursed as entertainment expenses, or are otherwise furnished to the traveler without charge, the per diem rate authorized for foreign (or for OCONUS) travel must be reduced correspondingly by the amounts specified in [Appendix B, Section 301 of the Federal Travel Regulation](#). When lodging is provided without charge, only the M&IE portion of the per diem will be reimbursed. An alternative method may be used to reduce the M&IE rate provided the method is reasonable and consistently applied.

Situations that may require an adjustment include the following:

- Meals are furnished as part of official University entertainment,
- Meal or lodging expenses are included in the registration fees,

- Group expenses are billed directly to the University, or
- Complimentary accommodations are extended (generally to a conference leader/coordinator and assistants) by a hotel or motel complex for block patronage of guest rooms.

Refer to Section 4, Payment of Group Subsistence Expenses, below, for more information on claiming group expenses.

d. Use of Non-Commercial Facilities

When non-commercial facilities such as cabins, house trailers, vans, field camping equipment, or other such facilities are used, the traveler shall be reimbursed a daily amount based on an estimate of actual expenses **up to 100%** of the applicable federal per diem rate for the appropriate geographic area (see Appendix B). (See Section V.E.2.a.ii., Long-Term Travel - Assignments of 30 Days or More, above, for information on computing the daily expense rate).

e. Lodging with a Friend or Relative

When a traveler lodges with a friend or relative while on official business for the University, a non-cash gift, such as flowers, groceries, or a restaurant meal, may be provided to the host. The actual cost of such a gift may be reimbursed up to \$75. Under IRS regulations, a receipt must be provided for gifts costing \$25 or more. **Only one gift per stay may be provided to a host.**

3. Travel of Less than 24 Hours

When the entire length of a trip is **less than 24 hours**, M&IE shall not be reimbursed unless the travel includes an “overnight stay” as supported by a lodging receipt.¹⁰ If the traveler is unable to provide a receipt, they must include a statement with the travel expense claim explaining why a receipt is not available (e.g., the traveler lodged with a friend or relative, stayed overnight at the airport, or took alternative transportation that required the traveler to be away overnight).

An exception to the overnight-stay requirement may be allowed when a traveler incurs a meal expense in connection with a business meeting (e.g., a working lunch scheduled as an integral part of a meeting or conference). The business purpose of the meal must be explained on the travel expense claim or substantiated by other documentation (e.g., an agenda), which should be attached to the claim. Reimbursement for the cost of the traveler’s meal is allowed up to the maximum amounts set forth in [BUS-79](#).

For a trip of **less than 24 hours** that includes an overnight stay, reimbursement shall be authorized as follows:

a. CONUS Travel

The actual cost of lodging and M&IE is subject to the daily maximum amount set forth in Appendix B for M&IE incurred on travel of less than 30 days. The

¹⁰ The overnight-stay requirement does not apply to meal reimbursements authorized under [BUS-79](#), Expenditures for Business Meetings, Entertainment, and Other Occasions.

maximum amount for a single day shall be authorized for the entire trip, even if the trip takes place over two consecutive days. The traveler **must** be at least forty miles from the headquarter location or home, whichever is closer, to be reimbursed for an overnight stay.

b. Foreign and OCONUS Travel

The actual cost of lodging is not to exceed the applicable federal per diem rate (see Appendix B). For continuous travel of 21 hours or more, one full per diem should be authorized for M&IE. The per diem must be prorated for travel of less than 21 hours, in accordance with Section V.E.2.c.ii.; however, reimbursement may be authorized only if the travel involves an overnight stay. A lodging receipt must be provided or a statement explaining why a receipt is not available, even if the traveler claims the per diem method of reimbursement.

Appendix E provides additional information on the reimbursement of M&IE expenses for travel of less than 24 hours.

4. Payment of Group Subsistence Expenses

The University may negotiate agreements with restaurants, hotels, and similar establishments to furnish subsistence to a group or groups of University employees when it is to the University's advantage. Under such an agreement, the vendor may be paid either by the group leader or by billing the University.

Reimbursement of such expenses may be claimed by group travelers as follows:

- Group leaders who pay all or part of the group's expenses may be reimbursed by submitting a claim for the actual expenses incurred. The claim must be accompanied by the vendor's invoice/receipt showing payment in full.
- Members of a group who have some portion of their subsistence expenses paid by the group leader may claim reimbursement for the remainder of their subsistence expenses.

5. California City and County Transient Occupancy Taxes Exemption

In a limited number of California cities and counties, University employees traveling on official business are granted an exemption from the payment of occupancy taxes imposed by these cities or counties on the transient rental of rooms. Travelers should identify themselves as University employees and claim exemption from the tax when checking in. The traveler may be required to complete an exemption certificate. For additional information regarding the exemption and a list of cities and counties that grant an exemption, see Accounting Manual Chapter T-182-75, Taxes: Transient Occupancy Taxes.

F. Miscellaneous Travel Expenses

Miscellaneous expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. The travel expense claim must include an explanation of why such expenditures are being claimed.

Allowable miscellaneous expenses include the following:

- Business office expenses such as word processing services; equipment rentals; fax and computer expenses; copy services; overnight delivery/postage; purchase of materials and supplies, when normal purchasing procedures cannot be followed; rental of a room or other facility for the transaction of official business; local and long-distance telephone calls (including one reasonably brief, non-emergency, personal call home per day); and laundering, cleaning, or pressing of clothing (if a trip exceeds six days).
- Special fees for foreign travel, including the actual cost of obtaining a passport, visa, tourist card, and necessary photographs; cost of certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion and check cashing fees; the cost of traveler's checks; costs related to hiring guides, translators, and local labor; and the cost of full collision insurance on automobiles rented in foreign countries (see Section V.D.3.b.ii. for more information on insurance coverage).
- Registration fees for attendance at conferences, conventions, or meetings of professional or learned societies.

Actual costs for lodging taxes (not included in CONUS per diem rates). (See Section V.E.2.a.ii., Long-Term Travel - Assignment of 30 Days or More).

- Charges for checking and storing baggage necessary for the business purpose of a trip. Excess baggage charges are also allowable; however, a justification for carrying excess baggage must be provided on the travel expense claim.
- The occasional use of a one-day airline or airport membership may be approved, provided there is a significant business purpose of the use of the membership, such as a planned meeting or conference call. The cost of the membership is reimbursable as a miscellaneous travel expense.¹¹
- Other ordinary and necessary expenses not included in the above categories.

G. Intercampus Travel Expenses

The following procedures shall apply to the administration of travel for intercampus travelers and for visitors from outside the University when the cost of the travel will be paid by the funding campus (i.e., the host campus):

1. Funding Campus Responsibilities

a. Travel Funded by a Single Campus

i. Funding Campus

The funding campus (i.e., the host campus) shall be responsible for issuing cash/non-cash advances if applicable, accepting and approving the travel expense claim, and reimbursing amounts due to the traveler.

¹¹ Effective February 1, 2009.

b. Home Campus

Intercampus travelers may use their home campus staff and travel agencies to make reservations and ticket purchases. Such travelers also may use their corporate cards to make ticket purchases.

c. Travel Funded by Two or More Campuses

i. Designated Funding Campus

Travel funded by two or more campuses shall be handled by only one location, which shall be mutually agreed to by the campus departments involved. The designated funding campus shall be responsible for administering all aspects of the travel, which includes issuing cash/non-cash advances, if applicable, and approval and reimbursement of travel expenses on behalf of the other campus (es). The procedures outlined above in Section V.G.1.a.ii., Home Campus, also are applicable here.

The agreement to fund travel in this manner shall be initiated by the designated funding campus and shall be in writing with a copy provided to each campus accounting office stating either the maximum dollar amount or the percentage of the total cost to be charged to each campus.

Final Settlement

After final settlement of multi-campus funded travel has been made, the designated funding campus accounting office shall prepare the appropriate journals to distribute the travel expenses between the campuses. A copy of the travel expense claim should be attached to the journals and forwarded to the other funding campuses as documentation of the expense reimbursement.

The copy of the travel expense claim shall include the date and check number (or transaction identification number) of the reimbursement. This information will be used by the other campus accounting office(s) to prepare a journal to charge the appropriate account/fund and credit the designated funding campus control account.

d. Missing Original Receipts

Reimbursement of travel expenses for which the original receipts have been lost or are not available must be treated in accordance with the procedures set forth in Section V.I.2.b, Documentation Requirements. ***If such expenses are to be reimbursed, the funding campus department must verify with the traveler's home campus department that no expense reimbursement has been authorized that duplicates the expenses to be charged to the funding campus.***

e. Outstanding Cash Advances

If an intercampus traveler does not return an outstanding cash advance within 120 days (see Section V.B.3.d., Unrecovered Advances), the following procedures shall apply:

- The funding campus accounting office shall charge the funding campus department for the amount of the advance plus the employer's share of employment taxes. The accounting office shall notify the funding department of the amount of the expenses.
- The funding campus accounting office shall send a written authorization to the home campus accounting office with instructions to report the advance as additional income to the traveler and to schedule the appropriate federal and state income tax and employment tax withholding.

For travel funded by more than one campus, the amount of the charge plus the employer's share of employment taxes shall be prorated and distributed to each campus in accordance with the original agreement.

- The home campus payroll office shall add the amount of the advance to the employee's Form W-2 as income and schedule the appropriate amount of federal and state income tax and employment tax withholding.

2. Home Campus Responsibilities

Home campus departments and the home campus/medical center controller's office must inform their personnel of the following rules:

- Tickets purchased for intercampus travelers shall not be reimbursed by the home campus if another campus is paying for the travel.
- Cash advances must not be issued to intercampus travelers if the expenses are to be reimbursed by another campus.
- The traveler must refund an advance to the home campus if the campus issues a travel advance for travel to be funded by another campus.

Campuses may use a modified version of the foregoing procedures provided the method used is based on sound internal controls, eliminates duplicative efforts, and results in improved cost-effectiveness.

H. Special Travel Situations

1. University Travelers

Travelers in this category include visiting academic appointees, faculty members on sabbatical leave, students, and post-docs and other non-degree candidates. Travel expenses for these travelers must be paid, reimbursed, and reported in accordance with the provisions of this Bulletin.

a. Visiting Academic Appointees

i. General

An academic appointee with a Visiting title who is employed full-time for at least one quarter may be reimbursed for travel and related expenses incurred by reason of their appointment. [Academic Personnel Manual](#)

[Section 230](#), Visiting Appointments, contains information concerning allowable expenses, limitations, funding, and approval authority.

b. Authorized Advances

The amount of any authorized advance may not exceed the actual cost of transportation (which may be prepaid) plus 75% of the anticipated allowable subsistence and miscellaneous expenses.

c. Return Travel

After completion of the term of appointment, reimbursement may be made for return travel to the point of origin or another destination, whichever is shorter.

d. Faculty Member on Sabbatical Leave

Travel expenses incurred by faculty members on sabbatical leave are reimbursable if the travel is undertaken to perform study or research that cannot be done elsewhere. At the discretion of the department, a faculty member may be reimbursed for additional lodging expenses incurred at the sabbatical location, less any income received by the individual for renting out their primary residence.

Sabbatical travel expenses are *not* reimbursable if the travel is for a personal, recreational, or educational purpose that has no direct relationship to the individual's area of study.

A faculty member who is on sabbatical leave of less than one year is considered to be temporarily away from home and therefore may be reimbursed for reasonable travel expenses incurred at the temporary location, including meals and lodging (see Section V.E.2.a.ii., Long-Term Travel - Assignments of 30 Days or More, for more information on temporary travel).

Any sabbatical travel expenses allocable to a spouse or domestic partner or dependent(s) are considered taxable; accordingly, such expenses may not be reimbursed (see Section V.H.2.f., Spousal Travel).

e. Students

A student may be reimbursed for travel expenses when there is a direct connection between the expense and the business purposes of the University. Departments may also reimburse students for degree-related educational travel expenses, i.e., to attend a conference or visit a field site or laboratory facility.¹²

The business purpose of the travel must be substantiated on the travel expense claim, or other substantiating documentation must be provided, such as a copy of the meeting/conference program. Travel will be considered to have a University business purpose if travel:

¹² Travel funded under a scholarship or fellowship is subject to the tax reporting rules set forth in Accounting Manual Chapter T-182-77, Taxes: Taxation of Scholarship and Fellowship Grants and Educational Assistance.

- Directly supports a faculty member's project or research program, or
- Is an integral part of the student's degree work, or
- Is required for attendance at student-oriented meetings, student government events, University athletic events by student athletes, and the like, or
- Enables the student to attend a conference to present research findings for the University or to act in some other capacity on behalf of the University.

Transportation expenses for group travelers may be billed directly to the University, in accordance with Section V.E.4., Payment of Group Subsistence Expenses. Travel arrangements should be made through the campus-designated travel agency.

Student athletes who participate in off-site athletic events are also subject to NCAA rules and regulations governing travel.

f. Postdocs and Other Non-Degree Candidates

Postdoctoral fellows may be reimbursed for travel expenses if there is a University business-related reason for the travel, e.g., the individual is required to present a paper, deliver a speech or lecture, serve on a panel, etc. as an official representative of the University. The department should substantiate the University business purpose on the travel expense claim or provide other documentation, such as a copy of the meeting/conference program.¹³

Such individuals may also be reimbursed for travel related to their training, e.g., to visit a field site or an off-campus laboratory. The department must certify that the travel directly supports faculty research or other scholarly programs.

2. Non-University Travelers

Travelers in this category include prospective employees, independent contractors and consultants, inbound travelers hired by the University for a temporary assignment at a campus or the LBNL, foreign visiting scholars, spouses/domestic partners, and other dependents and dependent-care providers.

a. General Regulations

Allowable travel expenses for non-University travelers are subject to the provisions of this Bulletin. A travel expense claim must be submitted in accordance with the requirements set forth in Section V.I., Reporting Travel Expenses. Such reimbursements shall be tax-coded as specified in Accounting Manual Chapter D-371-12.1, Disbursements: Accounting For and Tax Reporting of Payments Made through the Vendor System.

¹³ See Footnote 9.

Travel expenses incurred by non-University travelers shall not be reimbursed from a University fund source unless the travel has been approved in advance by the inviting department.

b. Prospective Employees

i. Authorization

The University may reimburse the actual travel expenses related to interviewing prospective employees when such expenses are necessary to acquire key personnel for employment at the University. Authorization shall be obtained before any commitment to reimburse travel expenses is made to the prospective employee. Reimbursement of allowable expenses is not taxable if the expenses are properly substantiated. In addition, at the Chancellor's discretion, actual travel expenses and dependent care expenses may be reimbursed for spouses/domestic partners, dependents and dependent-care providers who accompany candidates for faculty or high-level administrative positions (including Manager and Senior Professional positions) on final interviews.

ii. Allowable Expenses

Actual transportation expenses shall not exceed one round-trip coach airfare between the prospective employee's current residence and the interview location for each round of interviews. Subsistence and **non-personal** miscellaneous expenses also may be reimbursed. Transportation and lodging expenses for such individuals may be paid directly by the University. Such travel arrangements should be made by the department through the campus' designated travel agency.

c. Independent Contractors and Consultants

Reasonable travel expenses incurred by University-retained independent contractors or consultants are reimbursable in accordance with this Bulletin. Such reimbursements are not taxable, provided the amounts claimed are properly substantiated. Unsubstantiated amounts must be reported as income to the contractor, on a Form 1099 (see Accounting Manual Chapter D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System).

d. Inbound Travel – Temporary Assignments

Individuals (including employees, independent contractors, and consultants) hired by the University for temporary assignments that do not last more than one year may be reimbursed for travel expenses, including meals and lodging. Such individuals must incur lodging expenses that ***duplicate the expenses of a permanent residence in another location and satisfy one of the following criteria:***

- The traveler has a member or members of their family currently residing at the permanent home; or

- The traveler intends to return to the vicinity in which their claimed residence is located.

The reimbursement for lodging shall be reduced by any amount received by the traveler for renting out their primary residence.

Inbound travel is subject to the provisions for outbound travelers outlined in Section V.E.2., Travel in Excess of 24 Hours. Inbound travel in excess of one year is subject to the provisions contained in Section V.E.2.a.iii., Indefinite Travel - Assignments That Exceed One Year.

e. Foreign Visiting Scholars

A foreign visiting scholar who is an **employee of another entity** (e.g., a foreign university) may be reimbursed for substantiated travel expenses. Such amounts are excludable from the individual's income, are not reported as compensation, and are exempt from withholding and payment of employment taxes.

A foreign visiting scholar who is an **independent contractor** may be reimbursed for travel expenses provided the expenses are properly substantiated, and the amount of the reimbursement does not exceed the substantiated expenses. If these requirements are met, such payments are not subject to withholding or reporting.

Payments to foreign visitors, including advances for airfare, cash advances, and reimbursements for travel expenses, may be restricted by the visitor's visa status or other requirements established by the Department of Homeland Security. In most cases, additional documentation must be provided by the visitor **in advance of reimbursement**. Refer to Accounting Manual chapter, T-182-27, Taxes: Federal Taxation of Aliens, for more information.

f. Spouse, domestic partner, dependent, and dependent-care provider travel

i. Reimbursement of expenses for bona fide University business travel purpose

The travel expenses of a spouse/domestic partners who accompanies a University business traveler (e.g., the President, Provost, Senior Vice President, Vice Presidents, Chancellors, Laboratory Directors, Principal Officers of The Regents, or other employees as approved by the Chancellor) are reimbursable under this Bulletin, provided it can be established that the spouse or domestic partner's presence serves a bona fide University business purpose.

Under IRS regulations, the travel expenses of a spouse or domestic partner are not taxable, provided it can be established that their presence serves a bona fide business purpose. A spouse or domestic partner who attends a function is considered to have a business purpose if they have a **significant** role in the proceedings or makes an important contribution to the success of an event. Generally, protocol or tradition dictates when the participation of a high-level official's spouse or domestic partner is required

at official University functions, such as alumni gatherings, fund-raising or ceremonial activities, certain athletic events (see below), and community events. Documentation should be provided with the travel expense claim to show that the spouse or domestic partner's attendance at the function meets the above conditions (e.g., an event or meeting agenda, or a letter of invitation requesting that the spouse or domestic partner attend the meeting or event).

If a spouse or domestic partner has no significant role in the proceedings or performs only incidental duties of a social or clerical nature, attendance does not constitute a bona fide business purpose. Such expenses are taxable to the employee and, therefore, may not be reimbursed under this policy.

In accordance with the Policy on Associate of the President/Chancellor, an Associate may be reimbursed for expenses related to the use of a personal automobile for University business purposes at the basic mileage rate specified in Appendix A.

ii. Reimbursement for travel expenses of a spouse, domestic partner, dependents, or dependent-care provider

Reimbursement of travel expenses, including dependent care expenses for a spouse, domestic partner, dependent-care provider and dependents who accompany an employee or candidate for employment on bona fide University business travel may be allowed in limited circumstances when pre-approved by the Chancellor, Executive Vice Chancellor/Provost, Dean, Director, Department Chair, or other senior University officer, as designed. See Section VII., Frequently Asked Questions, for examples of limited circumstances that might be allowed. Reimbursement of expenses related to dependent care provided outside of normal working hours while an employee or candidate for employment is traveling on bona fide University business may be allowed in limited circumstances when pre-approved by the Chancellor, Executive Vice Chancellor/Provost, Dean, Director, Department Chair, or other senior University officers as designated. Reimbursable expenses that do not have a clear University business purpose are taxable. Reimbursements under this policy for dependent(s) travel expenses and/or dependent(s) care are taxable.

Funding. Spouse, domestic partner, dependent-care provider and dependent travel expenses may be charged to allowable funds containing no restrictions on the use of funding for these purposes. For travel charged to a contract or grant fund, the traveler should check with the contract or grant sponsor whether these travel expenses are permitted under any special provisions of the contract or grant. Allowable funds controlled by the University may be used to fund spouse, domestic partner, dependent-care provider and dependent travel, but only within the restrictions, if any, governing the use of the fund and within the policy set forth in this Bulletin. See Section VII. Frequently Asked Questions for more details.

g. Athletic Travel – Spouse or Domestic Partner and Other Family Members

Travel by a spouse or domestic partner who accompanies an athletic director (or assistant director or head coach) to sporting events such as bowl games and tournaments is presumed to have a bona fide University business purpose (see Section f, Spouse or domestic partner Travel, above) in situations where the NCAA or potential donors expect that certain high-ranking members of the athletic department, and their spouse or domestic partner, will participate in events associated with these athletic activities. The travel expenses of a spouse incurred in the pursuit of such activities may be reimbursed, provided documentation, such as an NCAA event agenda, is provided to substantiate the business purpose of the travel. Such amounts are not taxable or subject to reporting.

Travel expenses incurred by other family members generally do not satisfy the bona fide University business purpose test and therefore are not reimbursable; however, see Section VI.F.ii and the FAQs in Section VII for special circumstances where such expenses might be reimbursed but still treated as taxable.

Refer to Section f above for information on funding sources for spouse or domestic partner travel.

I. Reporting Travel Expenses

A travel expense claim (Form U85 or an equivalent, or an electronic version) shall be used to account for all travel advances and expenses incurred in connection with official University travel. When properly completed and approved, this form is used to reimburse the traveler for any additional amounts due. ***A travel expense claim must be processed even if no reimbursement is due to the traveler.***

1. Reporting Period

The travel expense claim must be submitted to the disbursements/travel accounting office (or equivalent office on campus) within a reasonable amount of time not to exceed 45 days after the end of a trip unless there is recurrent local travel, in which case claims may be aggregated and submitted monthly. [If a Travel Card is used, campuses have the discretion to require a shorter time frame for submission of the travel expense claim]. When a trip lasts more than 90 days, the traveler must submit a quarterly report of expenditures to the disbursements/travel accounting office. Travel reimbursement requests submitted after 45 days are left to the discretion of the campus, considering the facts and circumstances, whether the reimbursement will be made and if any reporting as taxable income will be required. See section II.B.1 of Accounting Manual Chapter D-371-12.1, for the proper reporting of taxable travel reimbursements to both employees and nonemployees.

2. Completion of a travel expense claim

The total amount of all expenses and advances pertaining to a particular trip must be accounted for when submitting a travel expense claim. Except for trips that require quarterly reporting, all expenditures for a trip should be reported on one

travel expense claim. Supplemental claims may be submitted if necessary, but must be clearly marked "Supplemental" and must identify the main travel claim submitted in connection with the travel.

a. Substantiation of Expenses

Substantiation must include the following:

- The date and time of departure from and return to the traveler's headquarters or residence. When any personal leave is taken while on official travel status, the number of personal days must be specified on the travel expense claim and/or the expenses associated with such personal days of travel. Note that any personal expenses incurred on a trip will not be reimbursed by the University. *Mandatory* charges imposed by the hotel, such as valet parking or a "resort fee" should be explained on the travel reimbursement request.
- The origin and destination of the trip and the route taken. Travel within a local area also should be indicated; continuous travel between major points, such as from city to city, should be shown separately. Any substantial deviation from the distance shown in a standard highway mileage guide must be explained.
- The purpose of the travel or the nature of the business benefit derived as a result of the travel.
- The amount of each expense of \$75 or more, listed by date and location.

In order to adequately determine the business purpose of the trip, campus procedures must require documentation that justifies each day on travel status. Examples of adequate documentation include:

- When meetings are held with individuals, documentation that specifies meeting dates, times, locations, general meeting topics, attendees and organizational affiliation;
- Agendas, brochures, or event announcements for conferences and professional events;
- When the meeting is confidential in nature, travelers should provide as much information as possible to justify the business purpose; and
- Complex travel itineraries, such as a research project that involved extended travel with multiple destinations, should include documentation such as a brief narrative, as to why the traveler needed to go to each location.

Claims for reimbursement of expenses paid for others shall be submitted by the group leader and must include the names of persons on whose behalf expenses were incurred, an itemization of the expenses, and other pertinent supporting documentation. (For additional information on group expenses, see Sections V.E.2.c.iii., Adjustment for Subsistence or Lodging Provided Without Charge, and

V.E.4., Payment of Group Subsistence Expenses). It is required that the traveler seeking reimbursement includes a written “business purpose” for the travel along with the other supporting documentation.

b. Documentation Requirements

i. Receipts

The original of the following receipts must be submitted with the travel expense claim:

- Receipts for all airline expenses.
- Receipts for all lodging expenses incurred for domestic travel, except where per diems are authorized for lodging expenses (i.e., long-term travel, use of non-commercial facilities, etc.). Since hotel receipts may include charges that are not reimbursable, the traveler shall not be reimbursed for lodging expenses unless the receipt presented by the traveler contains *itemized charges for the room*, e.g., taxes, telephone, etc.
- Receipts that support the reimbursement claim for long-term foreign lodging that is charged to a federal fund source (whether reimbursed as a per diem or actual) should be kept on file within the department and retained for such periods as required by either the sponsor’s retention policy or UC retention policy.
- Receipts for all rental car expenses.
- Receipts for meal expenses of \$75 or more.
- Receipts for local transportation of \$75 or more.
- Receipts for each miscellaneous expense of \$75 or more.
- Receipts for all private aircraft landing and parking expenses.
- Receipts for all extraordinary items, such as repair of accidental car damage, supported by appropriate justification.
- Receipts for gifts provided to a host **costing \$25 or more**.
- An agenda, itemized receipt, or other supporting documentation for all registration fees.
- Any reimbursable item not specified above costing \$75 or more.

Electronic Receipts. Electronic receipts are acceptable, provided that the detail contained in an *electronic receipt* is equivalent to the level of detail contained in an acceptable paper record. For example, an electronic receipt must show the name of the payee, the amount of the charge, the transaction date, and the form of payment. When required to ensure adequate documentation of the costs incurred, the traveler is responsible for providing additional detail, e.g., a receipt with itemized hotel charges.

E-mailed or faxed documentation provided by an airline or travel agency for electronic ticketing expenses for airfare is acceptable for substantiating such expenses. A copy of the faxed itinerary and receipt or a copy of the e-mail itinerary and receipt printed locally should be attached to the Travel expense claim.

Travel Packages Purchased from Internet Vendors. Travel "packages" offered by Internet vendors typically do not include itemized expenses. Therefore, no business-related travel should be booked through such vendors unless the traveler has confirmed that each aspect of the package will be separately itemized (e.g., itemized hotel charges, airfare, car rental, etc.) to assure appropriate documentation for reimbursement.

ii. **Missing Original Receipts**

When original receipts are required but cannot be obtained or have been lost and all measures to obtain a duplicate receipt have been exhausted, a statement should be provided explaining why such receipts are not being submitted with the travel expense claim. The statement must include a certification that the amount shown is the amount actually paid and that the traveler has not and will not seek reimbursement from any other source.

iii. **Agenda**

Depending upon the nature of the trip, an agenda associated with the business reason for the trip should be provided as part of the substantiating documentation.

c. **Certification of Travel Expenses**

The traveler **must** either sign or provide an electronic equivalent on the travel expense claim certifying that the amounts claimed are a true statement of the expenses incurred on official University business and that the original of all required receipts has been submitted, whether scanned or faxed. Internal departmental expense claim forms are not an acceptable alternative for obtaining the traveler's signature on the travel expense claim (or electronic equivalent) unless approved as an exception to this policy. The traveler's signature or electronic submission acts as certification of the following:

- The University is not being charged for any expenses already reimbursed by a third party entity directly to the traveler, and
- Any expenses charged to the University that are reimbursed by a third-party entity will be returned to the University by the traveler.

Submission of the travel expense claim under a traveler's electronic authorization will be considered certification that the traveler incurred the expenses being claimed. In accordance with IRS regulations, an electronic signature must:

- Identify the traveler who is submitting the electronic form;
- Authenticate and verify the submission; and

- Be the final entry in the submission.

3. Return of Excess Advance Amounts

If the amount of an advance exceeds the reimbursable expenses, payment for the amount due shall be submitted with the travel expense claim. The check must be made payable to "UC Regents."

VI. RELATED INFORMATION

Academic Personnel Manual

- [Section 190 - Appendix D](#), Policy Governing Travel to Scholarly Meetings and Field Research Travel
- [Section 230](#)-20.h., Travel Expenses for Appointees to Visiting Titles
- [Section 540](#), Recruitment: Travel Expenses
- [Section 570](#), Recruitment: Travel Expenses for Short-term Appointees on Extramurally Funded Projects
- [Section 740](#), Benefits and Privileges: Leaves of Absence/Sabbatical Leaves

Accounting Manual

- D-371-12.1, Disbursements: Accounting for and Tax Reporting of Payments Made through the Vendor System
- E-821, Loaned Automobiles Provided by a Third Party
- P-196-11, Payroll: Accounting for and Tax Reporting of Mandatory Deductions and Insurance Benefit Contributions
- R-212-2, Receivables Management
- T-182-75, Transient Occupancy Taxes
- T-182-27, Taxes: Federal Taxation of Aliens
- T-182-77, Taxes: Taxation of Scholarship and Fellowship Grants and Educational Assistance

Business and Finance Bulletins

- [BUS-43](#), Materiel Management
- [BUS-46](#), Use of University Vehicles
- [BUS-63](#), Insurance Requirements and Certificates of Insurance
- [BUS-79](#), Expenditures for Business Meetings, Entertainment, and Other Occasions
- [BUS-81](#), Insurance Programs
- [G-13](#), Policy and Regulations Governing Moving and Relocation

- [U.S. General Services Administration Website, Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates Webpage.](#)
- Regent action specifying that travel expenses incurred by Regents for attending Board or Committee meetings or in the performance of other University business be reimbursed in conformance with the University Policy and Regulations Governing Travel, October 15, 1982.
- Regents Policy [7709](#), Senior Management Group Automobile Allowance.
- President's letter to Vice President--Financial and Business Management delegating authority for establishing and publishing travel policies, December 1, 1982 ([DA0755](#)).
- Senior Vice President--Administration's letter to University Controller delegating authority for establishing and publishing implementing procedures and regulations, May 23, 1991.
- Presidential Policy on Associate of the President/Chancellor, July 1, 1995.
- President's letters to Chancellors, June 22, 2009.

Per Diem Rates

- Maximum Travel Per Diem Allowances for Foreign Areas, Section 925, Supplement to the Standardized Regulations, (Government Civilians, Foreign Areas) U.S. State Department.
- Prescribed Maximum Per Diem Rates for [CONUS](#), GSA Office of Government wide Policy.
- Official Department of Defense Overseas/[OCONUS](#) Per Diem Rates, Per Diem, Travel and Transportation Allowance Committee.

Internal Revenue Service (IRS)

- Internal Revenue Code Section 62 Adjusted Gross Income Defined
- Internal Revenue Code Section 152(c) and 152(d) Definition of Dependent
- Internal Revenue Code Section 274 Disallowance of Certain Entertainment, etc., Expenses
- Treasury Regulation Section 1.62-2, Reimbursements and Other Expense Allowance Arrangements
- Treasury Regulation Section 1.274-5, Substantiation Requirements
- Treasury Regulation Section 1.274-5T, Substantiation Requirements (Temporary)
- IRS Revenue Ruling 2003-106, 2003-2 CB 936, 10/20/2003, Adjusted Gross Income—Expense Reimbursement Arrangements—Accountable Plan
- IRS Revenue Ruling 2012-25, 2012-37 IRB 337, Gross Income—Wage Recharacterization—Reimbursement Arrangements
- IRS Revenue Procedure 97-22, 1997-13 IRB, Electronic Record Retention Rules

- IRS Revenue Procedure 98-25, 1998-1 CB 689, Recordkeeping requirements— Automatic Data Processing (ADP) System Requirements
- IRS Revenue Procedure 2010-51, 2010-51 IRB 883, Business use of auto— application of optional standard mileage rates for 2011
- IRS Notice 2020-05, 12/31/2019
- IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses

Other

- UC Travel Management Services (May 11, 2006)
- [Federal Travel Regulation, Chapter 301](#)
- NIH - [Fly America/Open Skies policy](#) (see section 7.9.1 “Travel/Employees”)
- [GSA Bulletin FTR 11-02](#), October 06, 2010
- Code of Federal Regulations ([CFR sections 200.474 and 200.432](#))

VII. FREQUENTLY ASKED QUESTIONS

Dependent Care Expenses and Dependent Travel Expenses

What are the types of limited circumstances that reimbursement might occur?

Examples of the type of circumstances that a Chancellor might determine a reimbursement are appropriate include:

1. Two UC employees with joint dependent care responsibilities are on University business (e.g., conference, meeting, training, etc.);
2. An employee on University travel status has a dependent who requires twenty-four-hour care;
3. Prospective faculty on the final interview needs to bring their dependent(s) to the interview.

How are state funds defined?

“State funds” include funds in the following fund group codes:

- 401 – General Funds (fund numbers 199XX, excluding UCGF)
- 40411 – State Specific Funds (fund numbers 18000-18069)
- 41412 – State Special Funds (fund numbers 18070-18199)
- 40421 – State Contracts, Grants, and Cooperative Agreements (fund numbers designated by campus)
- 1003 – Plant Funds State Appropriations (fund numbers 00800-00999)

Campuses should consult with their respective budget offices to determine the funds that fall within the fund groups mentioned above.

Note that approximately 45% of the Systemwide Assessment Fund (Fund 69085) is from state funds. Therefore, for purposes of AB 1887 compliance (section III.E,) fund 69085 may be used to reimburse otherwise allowed travel to one of the states listed on the [California Attorney General's website](#) as long as the total expenditures for a department's travel to any of these states do not exceed 55% of the department's total 69085 fund allocation.

What expenses are covered under a federal fund source?

Dependent care costs can only be charged to federal funds if they are above and beyond regular dependent care that directly results from travel to a conference for the federal award and are temporary during the travel period. This is subject to the circumstances where such expenses can be reimbursed as determined by the Campus Chancellor. The travel expenses of the dependent can't be charged to a federal fund.

How is "conference" defined in the Uniform Guidance?

Conference is defined in UG Section 200.432: "a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award.

How is a dependent defined for purposes of charging federal fund source?

Internal Revenue Code Section 152(c) defines "dependent" as either a qualifying child or a qualifying relative.

1. Foreign Travel Related qualifying child is an individual-
 - A. Who has a relationship with the taxpayer as-
 - I. A child of the taxpayer or a descendant of the taxpayer's child, or
 - II. A sibling or stepsibling of the taxpayer or descendant of the taxpayer's sibling or stepsibling,
 - B. Who has the same principal housing residence as the taxpayer for more than 6 months in a calendar tax year,
 - C. Who is-
 - I. Under 19 years of age, or
 - II. Is a student under 24 years of age,
 - D. Who received more than 50% of support from the taxpayer for the calendar tax year, **and**
 - E. Who has not filed a joint return with the individual's spouse (other than for a claim of refund). I.R.C. § 152(c).

2. Qualifying relative is an individual-
 - A. Who is related to the taxpayer as-
 - I. A child or a descendant of a child,
 - II. A brother, sister, stepbrother, or stepsister,
 - III. The father or mother, or an ancestor of either,
 - IV. A stepfather or stepmother,
 - V. A son or daughter of a brother or sister of the taxpayer,
 - VI. A brother or sister of the father or mother of the taxpayer,
 - VII. A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, or
 - VIII. An individual who has the same principal housing residence as the taxpayer for the taxpayer's calendar tax year,
 - B. Whose gross income for the calendar tax year is less than the personal exemption under I.R.C. § 151(d),
 - C. Who received more than 50% of support from the taxpayer for the calendar tax year, **and**
 - D. Who is not the taxpayer's qualifying child during any time of the calendar tax year. I.R.C. § 152(d).

Foreign Travel Questions:

- How will it be determined that a trip will be primarily for *personal* reasons?
In accordance with IRS regulations, the presumption is that if the time spent on personal activities **exceeds** 50% of the total time, the trip will be treated as primarily *personal* unless there are other factors that would cause the trip to be treated as primarily business.
- What are the four situations where the special allocation formula for foreign travel (see section V.E. 2.b) does not apply to nonbusiness expenses incurred in foreign travel?

Even if you did not spend your entire time on business activities, your trip is considered entirely for business if you meet at least one of the following four exceptions:

Exception 1: No Substantial Control. A trip is considered entirely for business if you did not have substantial control over the arranging of the trip. The fact that you control the timing of the trip does not, by itself, mean you have substantial control over the arranging of the trip. You do not have substantial control if you are: a). an employee who was reimbursed or paid a travel expense allowance;

and b). are not related to your employer; and c). are not a managing executive who has the authority and responsibility, without being subject to veto by another, to decide on the need for business travel.

Exception 2: Travel Outside the United States for No More than One Week. A trip is considered entirely for business if you were outside the United States for a week or less, combining business and nonbusiness activities. A week means seven consecutive days; in counting the days, the day you left the United States is not counted, but the day that you return to the United States is counted.

Exception 3: Less than 25% of Time is Spent on Personal Activities. A trip is considered entirely for business if: a). You were outside the United States for more than one week, and b). You spent less than 25% of the total time you were outside the United States on nonbusiness activities. For this purpose, count both the day your trip began and the day the trip ended.

Exception 4: Vacation is Not a Major Consideration. A trip is considered entirely for business if you can establish that a personal vacation was not a major consideration, even if you have substantial control over the arranging of the trip.

VIII. REVISION HISTORY

8/1/2020: Revised to incorporate recommendations from Internal Audit regarding business and first class travel and documentation of travel business purpose; addition of sustainable travel suggestions; gender-neutral references; and IRS business mileage rate effective 1/1/20. Clarified that CONUS and OCONUS federal per diems do not include taxes on lodging, while foreign per diems includes taxes on lodging and M&IE. Changed the foreign per diem website in Appendix B from the Department of Defense's to the Department of State's. Changed fund source to allow state and federal funds, subject to restrictions noted.

7/1/2019: Delegation to Chancellor or other University official to reimburse, in limited circumstances, spouse/domestic partner, dependent-care provider, and dependent travel expense or dependent-care expenses related to employee's or employment candidate's University travel.

1/31/2019: Change in mileage reimbursement rate in accordance with IRS Notice 2019-2.

4/30/2018: Change in mileage reimbursement rate in accordance with IRS Notice 2018-3.

10/15/2017: Change in mileage reimbursement rate in accordance with IRS Notice 2016-79; revised language concerning payment of travel reimbursed by third parties; revised language on direct bill of rental cars; and direct billing of rental cars. Clarified ancillary charges for airfare and base and economy fares. Provided a definition of state funds and referenced state law AB 1887. Revised the maximum daily meals and incidental reimbursement for CONUS travel under 30 days to \$62 and instituted \$275 dollar limit on daily lodging reimbursement in CONUS under 30 days.

This Policy was remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0.

3/1/2016: Change in mileage reimbursement rate to correlate with IRS Notice 2016-1. Reformatted to the new policy template. Increase in domestic daily meals and incidental reimbursement rate to \$74 per day in accordance with IRS Notice 2015-63.

4/13/2015: Change in mileage reimbursement rate to correlate with IRS Notice 2014-79 & 2014-114; reduce time period for a traveler to substantiate business travel to forty-five days from sixty-days; receipts for long-term foreign lodging should be retained at the campus department level to reflect outcome of NSF audit; and consistent use of the term “spouse and domestic partner”.

1/28/2014: Change in mileage reimbursement rate for business use of a private automobile and travel reimbursements for international and domestic travel as requested by Bureau of State Auditor.

4/1/2013: Change in mileage reimbursement rate to conform to IRS notices; lodging within U.S. should be reasonable for location of travel; recommend that travelers be cost-conscious when traveling to the airport or parking at the airport; business purpose requirement stated in travel expense claim; specified that traveler must be forty miles or more from the headquarters or home, whichever is closer, before overnight lodging is reimbursed.

3/30/2012: Reformatted policy into the new template; increase to \$71 per day for meals and incidental expense reimbursement rate within continental U.S.

7/1/2011: Minor technical changes
5/7/2010: Information on the “Open Skies Agreement;” guidance on prepaid expenses and direct billing arrangements, and refueling and GPS devices in rental cars. Elimination of the rule limiting reimbursement of long-term subsistence expenses to 55% of the federal per diem and allowing 100% of the per diem for location of travel.

4/9/2008: Update to indicate that there is no exception to the daily meals and incidental reimbursement cap for travel less than thirty days within the continental U.S, and that the daily meals and incidental rate is not meant to be a per-diem. Travelers are encouraged to purchase travel services through preferred suppliers, and prospective employees can be reimbursed for one round- trip coach airfare for each round of interviews.

9/12/2007: Revised

10/1/2006: Revised

5/1/2005: Revised

1/1/2003: Revised

8/6/2001: Revised

12/15/2000: New section on special travel situations added; ethics statement regarding traveler’s responsibility with respect to reporting travel expenses; insurance requirements for use of private automobile on University business, and

10/21/1997: Revised

8/29/1997: Revised

12/15/1995: Revised

8/1/1994: Revised

7/1/1992: Revised

6/15/1989: First Published

IX. APPENDIX

APPENDIX A: MILEAGE REIMBURSEMENT RATES FOR PRIVATE VEHICLES AND AIRCRAFT

The following mileage reimbursement rates shall be used to reimburse travelers who use a private automobile or aircraft on official University business:

Per Mile

A. Automobiles--employee-owned/procured (including vans)

- Standard Rate for business-related travel is 57.5¢†.
- Standard Rate for travel in connection with a move or relocation is 17.0¢†.

B. Automobiles loaned to the University for assignment to employees (including vans) is 30.5¢†. Refer to Accounting Manual Chapter E-821, *Loaned Automobiles Provided by a Third Party*.

(Standard mileage rate of 57.5 cents per mile, less 27 cents per mile depreciation component published by IRS Notice 2020-05 and in accordance with Revenue Procedure 2010-51)

C. Aircraft (based on the rate published by the [General Services Administration](#)) is \$1.27, effective January 1, 2020.

Note: The above rates may not apply to University employees covered under a collective bargaining agreement.

†Effective January 1, 2020

APPENDIX B: LODGING AND M&IE REIMBURSEMENT CAPS

The following chart summarizes the applicable reimbursement methods and the maximum rates authorized for lodging and meal and incidental expenses (M&IE) incurred while on travel status:

	Less Than 30 days	30 Days or More	In Excess of One Year
CONUS : ¹⁴ Daily M&IE and Lodging	M&IE: Up to \$62 ¹⁵ Lodging: Actual costs for the location of travel up to \$275 per night ¹⁶	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
OCONUS ¹⁷ Daily M&IE and Lodging	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
Foreign Daily M&IE and Lodging	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)
Non-Commercial Facility Daily Expenses ¹⁸	Actual up to 100% of combined Per Diem	Actual up to 100% of combined Per Diem	Per Diem (up to 150% of 30-day Per Diem)

You may click on the links above to obtain the per diem rates.

¹⁴ Travel within the continental United States.

¹⁵ CONUS meal rate for travel under 30 days effective October 15, 2017.

¹⁶ Actual lodging expenses for location of travel up to \$275 per night supported by a receipt are reimbursable effective October 15, 2017.

¹⁷ Travel within Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and possessions of the United States.

¹⁸ Use per diem rate for appropriate geographic area (applies to CONUS, OCONUS, and foreign areas).

APPENDIX C: IRSTAX GROSS-UP FORMULA

Under the IRS one-year rule, travel expense reimbursements for assignments that exceed one year must be treated as taxable income. Thus, to compensate for additional federal and state income and applicable employment taxes owed by an employee, the reimbursement rate may be increased *up to 150%* of the applicable federal per diem rate authorized for the location of travel (see Section V.E.1.).

Following are two examples of the gross-up procedure for a trip of more than one year. In both examples, the daily reimbursement rate is based on 100% of the CONUS Maximum Per Diem rate of \$166 for the X area.

Example 1: Salary Subject to Social Security Tax

This example is based on the following assumptions:

- 15% federal income tax rate plus 5.1% California income tax rate [6% less 15% Federal tax benefit]
- 1.45% Medicare rate
- 6.2% Social Security rate

The Gross-Up Formula is applied to the \$166 daily reimbursement rate as follows, where W equals Gross-Up Amount

$$\begin{array}{rcl}
 \text{daily reimbursement rate} & \$166 & \$166 \\
 W = \frac{\text{-----}}{1 - \text{applicable tax rate}} & W = \frac{\text{-----}}{1 - .15 - .0510 - .0765} & W = \frac{\text{-----}}{.7225}
 \end{array}$$

W = \$ 229.76 or 138% of the daily reimbursement rate

Example 2: Salary Exceeds Social Security Wage Base

This example is based on the following assumptions:

- 28% federal income tax rate plus 6.7% California income tax rate [9.3% less 28% federal tax benefit]
- 1.45% Medicare rate

The Gross-Up Formula is applied to the \$166 daily reimbursement rate as follows, where W equals Gross-Up Amount

$$\begin{array}{rcl}
 \text{Daily reimbursement rate} & \$166 & \$166 \\
 W = \frac{\text{-----}}{1 - \text{applicable tax rate}} & W = \frac{\text{-----}}{1 - .28 - .0670 - .0145} & W = \frac{\text{-----}}{.6385}
 \end{array}$$

W = \$ 259.98 or 157% of the daily reimbursement rate¹

¹ The maximum amount reimbursable in this situation would be \$249.00 (150%), unless the Chancellor grants an exception to the policy.

APPENDIX D: PRORATING PER DIEMS FOR TRAVEL INVOLVING MULTIPLE LOCATIONS

The following method may be used to prorate a per diem(s) when a trip is reimbursable under more than one per diem rate.

The first leg of a trip shall begin upon the traveler’s arrival at the first business stop and shall end upon their departure for the next travel location; the last leg shall begin upon the traveler’s departure from the previous travel location and shall end upon their departure for the return trip to headquarters. The time element charged to each per diem location is prorated based on the number of hours spent at each travel location. For partial days, hours should be rounded to the nearest quarter day.

Example: A trip that involved three locations with three different per diem rates took a total of 237 hours, excluding air travel time from headquarters to the first business location and the traveler’s return from the last travel location to headquarters. The time spent at each location was as follows: 53 hours, 145 hours, and 39 hours. The reimbursable amount of the per diem for each location is calculated as follows:

	Hours Per Location	Quarter Days	Location Per Diem Rate	Reimbursable Amount
Location 1	53	2 ¼	140	\$315.00
Location 2	145	6	152	\$912.00
Location 3	39	1 ¾	168	\$294.00
TOTAL	<u>237</u>			<u>\$1,521.00</u>

APPENDIX E: TRAVEL OF LESS THAN 24 HOURS M&IE REIMBURSEMENTS

The IRS Taxable Fringe Benefit Guide (“IRS Guide”) states that in order for the reimbursement of meals and incidental expenses (M&IE) to be excludable from a traveler’s income, the individual must be “away from home” in the pursuit of business on a temporary basis. Merely working overtime or at a great distance from an employee’s residence does not create excludable reimbursements for travel expenses if the employee returns home without spending the night or stopping for substantial “sleep or rest.”

Section V.E.3. prohibits the reimbursement of meal expenses for travel of less than 24 hours unless the traveler is away from their home overnight **as supported by a lodging receipt** or other evidence explaining why the traveler was unable to obtain a receipt.

The following examples from the IRS Guide illustrate the application of the “overnight rule”:

Example 1: A consulting engineer works with clients in a three-state area by making one-day trips to each client. They frequently leave home at 6:30 a.m. and do not return

until midnight. During the day, the traveler stops in a rest area and closes their eyes for 20 minutes to refresh them self for the drive. They cannot deduct the cost of their meals on these trips because they are not away from home long enough to obtain substantial sleep or rest.

Example 2: An employee is required to travel from Milwaukee to Madison to work on a Project. The employee leaves home at 11:00 a.m. on Monday, with plans to return home the same day. They are unable to complete the project on Monday, so the employee spends the night in Madison. After completing the project the next day, they return to Milwaukee by 10:30 a.m. Even though the employee had not planned to spend the night and is gone for less than 24 hours they have met the “away from home” rule because the employee spent the night away from their tax home on business.

Example 3: An employee is required to travel from Dallas to Houston to work for the day. The employee leaves home at 6:30 A.M. and returns that night at 10:00 P.M. On the trip home the employee stops for dinner and rests in the car for two hours. Even though the employee has been away from home for substantially longer than their normal work day, the employee is not considered to be in travel status. Courts have ruled that stopping for a meal or a rest in a car does not meet the substantial "sleep or rest" rule.

Example 4: A government agency supplies office equipment to all agencies within the state. An employee drives a tractor-trailer with equipment from the warehouse in Sacramento to an agency in San Diego. After 10 hours the driver stops and rents a room at a rest stop for a four hour nap before completing the round trip. Since the driver rented a room in order to sleep, they are considered to have met the "sleep and rest" rule. Reimbursements for meals and lodging are not taxable to the employee.

This content is from the eCFR and is authoritative but unofficial.

Title 45 – Public Welfare

Subtitle A – Department of Health and Human Services

Subchapter A – General Administration

Part 75 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards

Subpart E – Cost Principles

Basic Considerations

Authority: 5 U.S.C. 301; 2 CFR part 200.

Source: 79 FR 75889, Dec. 19, 2014, unless otherwise noted.

§ 75.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 75.306(b).
- (g) Be adequately documented. See also §§ 75.300 through 75.309.

This content is from the eCFR and is authoritative but unofficial.

Title 45 – Public Welfare

Subtitle A – Department of Health and Human Services

Subchapter A – General Administration

Part 75 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards

Subpart E – Cost Principles

General Provisions for Selected Items of Cost

Authority: 5 U.S.C. 301; 2 CFR part 200.

Source: 79 FR 75889, Dec. 19, 2014, unless otherwise noted.

§ 75.474 Travel costs.

- (a) **General.** Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies. Notwithstanding the provisions of § 75.444, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award.
- (b) **Lodging and subsistence.** Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the non-Federal entity in its regular operations as the result of the non-Federal entity's written travel policy. In addition, if these costs are charged directly to the Federal award documentation must justify that:
- (1) Participation of the individual is necessary to the Federal award; and
 - (2) The costs are reasonable and consistent with non-Federal entity's established travel policy.
- (c)
- (1) Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences is allowable provided that:
 - (i) The costs are a direct result of the individual's travel for the Federal award;
 - (ii) The costs are consistent with the non-Federal entity's documented travel policy for all entity travel; and
 - (iii) Are only temporary during the travel period.
 - (2) Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the HHS awarding agency. See also § 75.432.

- (d) In the absence of an acceptable, written non-Federal entity policy regarding travel costs, the rates and amounts established under 5 U.S.C. 5701–11 (“Travel and Subsistence Expenses: Mileage Allowance”), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under Federal awards (48 CFR 31.205–46(a)).
- (e) **Commercial air travel.**
 - (1) Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:
 - (i) Require circuitous routing;
 - (ii) Require travel during unreasonable hours;
 - (iii) Excessively prolong travel;
 - (iv) Result in additional costs that would offset the transportation savings; or
 - (v) Offer accommodations not reasonably adequate for the traveler's medical needs. The non-Federal entity must justify and document these conditions on a case-by-case basis in order for the use of first-class or business-class airfare to be allowable in such cases.
 - (2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a non-Federal entity's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the non-Federal entity can demonstrate that such airfare was not available in the specific case.
- (f) **Air travel by other than commercial carrier.** Costs of travel by non-Federal entity-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of airfare as provided for in paragraph (d) of this section, is unallowable.

[79 FR 75889, Dec. 19, 2014, as amended at 81 FR 3018, Jan. 20, 2016]

APPENDIX L

Post-65 Retiree Health Care Plans

January 1, 2023 - December 31, 2023



University of
Pittsburgh



Post-65 Retiree Health Care Plans

Plan Year 2023

January 1 – December 31, 2023

Table of Contents

Overview of Changes for Calendar Year 2023	4
Enrollment Options	4
Qualified Status Change	4
Retiree Benefits Service Center	5
Post-65 Medical Plan Designs	6
Medical Plans Monthly Cost Schedule	7
Prescription Drug Plans and Cost Schedules	8
Dental and Vision Plans and Cost Schedules	10
Defined Dollar Benefit (DDB) Program Overview	12
Surviving Spouses/Domestic Partners	13
Contact Information	14

Disclosure

The information presented in this Post-65 Retiree Health Care Plans Summary Guide to Benefits is intended to provide a general overview and discussion of the plans. Descriptive literature is available from the carriers and the Office of Human Resources. Additional details of the benefits presented may also be found at www.hr.pitt.edu/retirees. The rights and obligations of retirees, employees, and those of the University are governed by the terms of each benefit plan and, in some cases, by contracts with the insurance companies. The plans are based on current federal and state laws and are regulated by those laws. If there is a conflict between the Post-65 Retiree Health Care Plans Summary Guide to Benefits and the plan/contracts, then the plan and contracts will control.

Benefits may be modified as required by applicable laws, and benefits may be modified or terminated as deemed necessary or appropriate by the University. Any such modifications or terminations will be communicated in writing, as appropriate. No one speaking on behalf of the plans or purporting to speak on behalf of the plans can modify the terms of the plans in any way. The terms of the plans or any modifications control in all instances.

Overview of Changes for Calendar Year 2023

The program offerings for Calendar Year 2023 remain the same as in 2022. However, the Centers for Medicare and Medicaid Services (CMS) annually announce required changes to plan coverage and communications. The carriers for the University of Pittsburgh sponsored plans mail documents such as the Annual Notice of Change and Evidence of Coverage to retiree members.

The cost of the medical plans for Calendar Year 2023 are located on page 7 of this summary guide. DDB credits remain the same at \$401 per month in 2023.

Enrollment Options

For retirements prior to July 1, 2004, participation in retiree benefit plans is contingent upon the retiree and spouse/domestic partner having been enrolled in active coverage at the time of retirement. If you were not enrolled in a medical plan prior to your retirement, you are not eligible to enroll in medical coverage as a retiree.

However, election of the Defined Dollar Benefit (DDB) Credit Program is available for retirements on or after July 1, 2004, regardless of whether or not the eligible retiree and spouse/domestic partner were enrolled in any medical coverage prior to retirement. Additional information about the DDB program can be found on page 12.

You may elect to participate in Post-65 dental and/or vision at annual open enrollment, even if you did not carry the coverage at the time of your retirement.

During open enrollment, you are able to change from the “old plan” to the DDB plan, add/delete/change your medical plan, add/delete your dental plan, and/or add/delete your vision plan.

A retiree can do this by making the appropriate election on the enrollment form.

Eligibility requirements for University of Pittsburgh retiree benefits can be found at www.hr.pitt.edu/retirees/eligibility.

Qualified Status Change

During the year, if you have a qualified status change, you may be able to make changes to your benefits. Examples include:

- » Removing a spouse/domestic partner due to divorce or death
- » Addition of a spouse/domestic partner due to loss of employer coverage

Status change requests must be submitted to Benefit Management Services (BMS) within 60 days of the event. A qualified status change is required if you are adding, terminating, or changing the coverage level of your benefits outside of the open enrollment period.

Retiree Benefits Service Center

Services offered by UPMC Benefit Management Services (BMS) extend to individuals who are retired and who are eligible to be participants in the University of Pittsburgh health care insurance programs. This service also extends to eligible family members.

While the University remains responsible for the overall management of the plans, BMS handles the general program administration and day-to-day operations, such as:

- » Sending out annual benefit enrollment packets to both pre-65 and post-65 retirees
- » Sending out retiree benefit enrollment packets to newly retired faculty and staff members
- » Collecting benefit election forms and enrolling retirees in their elected programs
- » Assuring proper enrollment in retiree medical, dental, vision, and University-sponsored life insurance plans, as well as the Defined Dollar Benefit (DDB) program
- » Preparing and mailing invoices to collect premiums when necessary
- » Answering retirees' general questions
- » Administering the DDB program for participating retirees and their spouses/partners
- » Requesting supplemental information such as: medical insurance carrier applications and information, dental and vision information, DDB Reimbursement forms, Automatic Premium Payment Authorization (APPA) forms, and Reimbursement Account Direct Deposit Authorizations
- » Changing your address: BMS will update their records as well as forward your new contact information to the insurance carriers for University-sponsored health care and life insurance plans

You have access to member services representatives Monday through Friday, 7:00 a.m. to 7:00 p.m. and Saturday, 8:00 a.m. to 3:00 p.m.

Contact BMS

UPMC Benefit Management Services (BMS)

339 Sixth Avenue
Heinz 57 Center
9th floor – HFS 010901
Pittsburgh, PA 15222

Email: BenefitManagementServices@upmc.edu

Telephone: 1-888-499-6885 (select "retiree" option)

Fax: 1-877-851-5591



Post-65 Medical Plan Designs

Plan Offered	Medican Plan Type/ Residency Requirements*	Includes Prescription Drug Plan	Summary
UPMC for Life HMO	Advantage Plan Western Pennsylvania only	Yes	Features include no deductible and a broad range of coverage in the UPMC network only. Individuals are covered for emergency care, urgent care, and out-of-area dialysis when they are out of the service area.
UPMC for Life PPO - Standard	Advantage Plan Western Pennsylvania only	Yes	Offers a broad range of UPMC in-network benefits, generally at 100% coverage utilizing the UPMC network after copays are applied. This plan also provides 80% coverage for all out-of-network eligible expenses after meeting the \$500 deductible. This plan has a \$5,100 combined in- and out-of-network out-of-pocket limit.
UPMC for Life PPO - Basic	Advantage Plan Western Pennsylvania only	Yes	Provides 90% coverage for eligible UPMC in-network expenses after a \$250 deductible, with a \$1,000 out-of-pocket maximum. Provides 80% coverage for all out-of-network eligible expenses after meeting a \$500 out-of-network deductible. This plan has a \$3,400 combined in- and out-of-network out-of-pocket limit.
UPMC Health Plan National Complementary Plan (with Prescription Drug Plan)	Supplemental Plan Pennsylvania or National	Yes	Provides coverage for any physician and any service when the provider of service accepts Medicare.
Highmark Freedom Blue PPO - Standard	Advantage Plan Pennsylvania or National	Yes	Provides 100% coverage in- and out-of-network after applicable copays and coinsurance. There is no deductible in this plan, and it has a combined in- and out-of-network \$3,400 out-of-pocket maximum.
Highmark Freedom Blue PPO - Basic	Advantage Plan Pennsylvania or National	Yes	Provides 90% coverage for eligible Highmark in-network expenses in- and out-of-network after applicable copays and coinsurance. The annual in-network out-of-pocket maximum is \$1,000. The combined in-network and out-of-network maximum is \$3,400.
Highmark Signature 65 with Blue Rx Prescription Drug Plan	Supplemental Plan Pennsylvania or National	Yes	Provides coverage for any physician and any service that accepts Medicare.

Medicare Advantage Plans (HMO and PPO Plans)

These plans are known by many names, including: Medicare Advantage Programs, Medicare Replacement Programs, and Medicare Part C Programs. These programs replace traditional Medicare. However, you remain responsible for the Part B Medical Premium that is deducted from your Social Security check. For more information, visit: www.medicare.gov/sign-up-change-plans/types-of-medicare-health-plans/medicare-advantage-plans

Prescription Drug Coverage

All of the University-provided Post-65 plans have prescription drug coverage built in, so you do not need to purchase Medicare Part D coverage separately.

Medicare Supplemental Plans (Complementary Plans)

Retirees who live outside of Western Pennsylvania or travel frequently typically enroll in one of the complementary plans. Medicare provides significant coverage, but it also has many gaps. Complementary plans fill in many of these gaps and coordinate coverage with Medicare. For more information, visit: www.medicare.gov/supplements-other-insurance/whats-medicare-supplement-insurance-medigap

* Service maps are available from both UPMC and Highmark.

Note: the carrier is the primary payee. Brief medical plan explanations are provided on this page; refer to the summary grids and other information for full details online at www.hr.pitt.edu/retirees.

Medical Plans Monthly Cost Schedule

University Premium and Retiree and/or Participant Premium (if applicable) Calendar Year 2023



The total premium rate applies to each individual who is eligible and chooses to participate in a University-sponsored retiree medical plan. The University contribution is indicated for both the eligible retiree and eligible spouse/domestic partner as designated by the retiree on University records at the time of retirement. The total premium rate applies to an eligible surviving spouse/partner after a transition period from the date of death.

University Sponsored Retiree Medical Plan	Total Premium for each person covered	DDB Plan*			"Old Plan"	
		University-Provided DDB Credit	Retiree Responsibility	Unused Balance/Accrual	University Contribution	Retiree Responsibility
UPMC <i>for Life</i> HMO	\$241.00	\$401.00	\$0.00	\$160.00	\$241.00	\$0.00
UPMC <i>for Life</i> PPO - Standard	\$297.00	\$401.00	\$0.00	\$104.00	\$297.00	\$0.00
UPMC <i>for Life</i> PPO - Basic	\$254.00	\$401.00	\$0.00	\$147.00	\$254.00	\$0.00
UPMC Health Plan National Complementary Plan	\$360.00	\$401.00	\$0.00	\$41.00	\$234.00	\$126.00
Highmark Freedom Blue PPO - Standard	\$289.00	\$401.00	\$0.00	\$112.00	\$289.00	\$0.00
Highmark Freedom Blue PPO - Basic	\$228.00	\$401.00	\$0.00	\$173.00	\$228.00	\$0.00
Highmark Signature 65	\$376.00	\$401.00	\$0.00	\$25.00	\$244.40	\$131.60

* The difference between the Total Premium and the DDB credits accrues in an account for each of the eligible retiree and the eligible spouse/domestic partner, month to month and year to year. The unused, accrued DDB credits can be accessed in the event the premium cost in a particular month exceeds the University-provided DDB credits.

Under the "Old Plan," contributions to the National Complementary and Signature 65 plans are split on a 65/35 basis.

Prescription Drug Plans and Cost Schedules

Calendar Year 2023

The following charts are based on a one-month supply* of a retail prescription, and outlines the retiree's and/or participant's responsibility.

Each of the University-sponsored retiree medical plans includes prescription drug coverage. The group medical plans with prescription drug coverage sponsored by the University for active faculty and staff, pre-65 retirees, and post-65 retirees, meet the standards for creditable coverage required by federal regulations and guidelines. Therefore, a retiree should not separately purchase prescription drug coverage.

Standard Network

Plan	Tier 1: Preferred Generic	Tier 2: Generic	Tier 3: Preferred Brand	Tier 4: Non-Preferred Brand	Tier 5: Specialty	90-Day Supply (Tier 1)
UPMC <i>for Life</i> HMO	\$15.00	\$20.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Mail Order Only
UPMC <i>for Life</i> PPO - Standard	\$15.00	\$20.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Mail Order Only
UPMC <i>for Life</i> PPO - Basic	\$15.00	\$20.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Mail Order Only
UPMC Health Plan National Complementary Plan	\$15.00	\$20.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Mail Order Only
Highmark Freedom Blue PPO - Standard	\$15.00	\$15.00	\$35.00	\$70.00	\$70.00	\$20.00 Mail Order Only
Highmark Freedom Blue PPO - Basic	\$15.00	\$15.00	\$35.00	\$70.00	33% Coinsurance	\$20.00 Mail Order Only
Highmark Signature 65	\$15.00	\$15.00	\$35.00	\$70.00	\$70.00	\$20.00 Mail Order Only

* The prescription, if purchased from a retail pharmacy, is generally filled for a one-month supply, however, the exact number of days varies according to each plan's filing with the applicable state regulatory department.

Standard and Preferred Networks

All available medical plans include both a Preferred Network (associated with a lower copay) and a Standard Network (provides a broader retail network with higher copays).

For more information about prescription benefits, please visit www.hr.pitt.edu/retirees.

Preferred Network

Plan	Tier 1: Preferred Generic	Tier 2: Generic	Tier 3: Preferred Brand	Tier 4: Non-Preferred Brand	Tier 5: Specialty	90-Day Supply (Tier 1)
UPMC <i>for Life</i> HMO	\$0.00	\$10.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Retail Only
UPMC <i>for Life</i> PPO - Standard	\$0.00	\$10.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Retail Only
UPMC <i>for Life</i> PPO - Basic	\$0.00	\$10.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Retail Only
UPMC Health Plan National Complementary Plan	\$0.00	\$10.00	\$47.00	\$100.00	33% Coinsurance	\$0.00 Retail Only
Highmark Freedom Blue PPO - Standard	\$10.00	\$10.00	\$30.00	\$65.00	\$70.00	\$20.00 Mail Order Only
Highmark Freedom Blue PPO - Basic	\$10.00	\$10.00	\$30.00	\$65.00	33% Coinsurance	\$20.00 Mail Order Only
Highmark Signature 65	\$10.00	\$10.00	\$30.00	\$65.00	\$70.00	\$20.00 Mail Order Only



Dental and Vision Plans and Cost Schedules

Calendar Year 2023

University-sponsored plans for post-65 dental and vision coverage are available separately. When assessing your needs for dental and vision services, keep in mind that the Medicare Advantage HMOs and PPOs may provide limited benefits for dental and vision care services. DDB credits cannot be used to cover the cost of the dental plan or vision plan.

Dental Plan

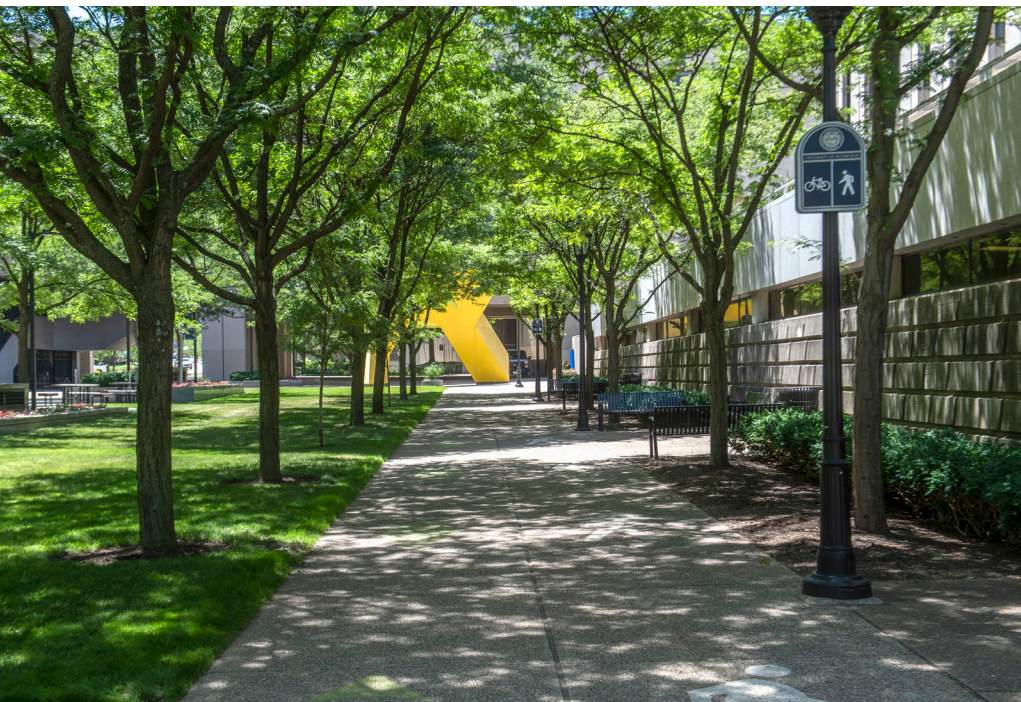
United Concordia Dental

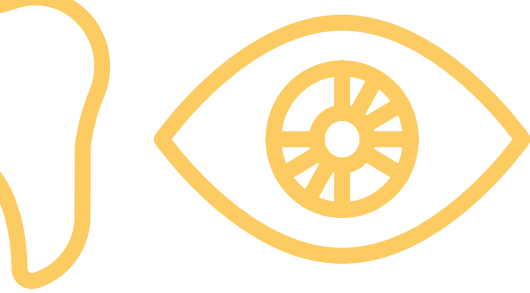
Retiree Cost: **\$19.82 per month** for Individual Coverage

Benefit Category	In-Network	Out-of-Network
Diagnostic/Preventive Services	100%	100%
Basic Services (includes Periodontal Maintenance Cleanings)	70%	70%
Major Services	Non-surgical Periodontics: 40% Member pays reduced discounted fee for other Class III Major Services*	Non-surgical Periodontics: 40% Member pays dentist's full charge for all other Class III Major Services
Annual Deductible (per person)	\$25 Applies to Class I and Class II Services	\$75 Applies to Class I and Class II Services
Maximum the insurance will cover per year (per person)	\$750 Class I Services do not apply	\$750 Class I Services do not apply

* To find a participating provider in the Advantage Plus national dental provider network, use the Find a Dentist tool on www.unitedconcordia.com.

The same network can be utilized for the discount services (Major and Orthodontic) listed above. Select the Advantage Plus network when entering your search preferences, then look for the dentists who have a solid square symbol (■) next to their name. You may also contact United Concordia at 1-877-215-3616.





Update: Davis Vision is transitioning to **Davis Vision by MetLife** effective January 1, 2023. The benefit plan and monthly premium remain the same for 2023.

Vision Plan

Davis Vision by MetLife

Retiree Cost: **\$7.98 per month** for Individual Coverage

Benefit Category	In-Network	Out-of-Network
Eye Examination	Covered in full annually	Up to \$30
Eyeglass Lenses	Covered in full every 12 months	Single Vision: \$25 Bifocal: \$35 Trifocal: \$45 Lenticular: \$60
Frame	Plan pays up to \$80 every 12 months Fashion Frame: Covered in full up to \$100 Designer Frame: \$15 copayment Premier Frame: \$35 copayment A \$130 allowance plus 20% off any balance is available for frames purchased at Visionworks' locations	Up to \$30
Contacts (in lieu of eyeglasses)	Evaluation and fitting: Covered in full Plan pays up to \$75 for provider-supplied contacts Medically necessary: Covered in full	Daily wear: up to \$30 Standard daily wear: up to \$48 Elective: up to \$75 Medically necessary: up to \$225

For more details, contact Davis Vision by MetLife at 1-833-393-5433. You can also access self-service by visiting www.metlife.com/mybenefits.



Defined Dollar Benefit (DDB) Program Overview

The Defined Dollar Benefit (DDB) program was first introduced to faculty and staff retiring on or after July 1, 2004. The program is now offered to all eligible retirees.

General Information

On the first business day of each month, a fixed amount of credits is applied to an account that may be used toward the reimbursement of retiree medical coverage. The credits cannot be used toward the cost of dental or vision coverage, or toward the cost of Medicare premiums.

The amount of credits per month is reviewed annually with an effective date of January 1, and increased as necessary in accordance with the medical component of the consumer price index up to five percent. **In 2023, DDB credits remain the same at \$401 per month.**

DDB Credit Usage

Credits do not accrue while retirees and their spouses/domestic partners are covered under the University's pre-65 medical plans. However, credits will accrue if there is no enrollment in a University-sponsored medical plan; for example, if active coverage is obtained through a spouse/domestic partner through another employer.

All post-65 retirees and their eligible spouses/domestic partners who are entitled to participate in the DDB program can choose to use their credits three different ways:

1. Apply credits toward the cost of a University-sponsored post-65 retiree medical plan.
2. Apply credits toward the cost of retiree medical coverage obtained independently of the University. Reimbursements may be obtained on a monthly basis from BMS. A Defined Dollar Benefit Reimbursement request form (claim form) is required each calendar year by both the eligible retiree and eligible spouse/domestic partner.
3. Accrue credits in your account for use at a later date if you have comparable retiree type medical coverage from another insurance carrier, employer, or spouse/domestic partner. DDB credits cannot be used to pay for active group coverage through an employer.

DDB credit balance statements will be sent to each eligible participant on an annual basis.



Application of DDB Credits

- » Your credit balance will accrue from month to month and year to year if the cost of the retiree medical coverage does not exceed the amount of credits in your account. As such, the accrued credits may be applied to retiree medical coverage at a later date.
- » Credits are applied separately to the retiree's account and to the account of the eligible spouse/domestic partner.
- » If you choose to participate in the University-sponsored retiree medical plan, your credits will be applied automatically each month toward the total premium of the plan you elect. If the cost of coverage is more than the credit allowance, the remaining amount will be deducted from a designated checking account.
- » If you choose to participate in a non-University-sponsored plan, you must pay the full cost of coverage up front.
 - » DDB claim forms (downloadable from www.hr.pitt.edu/helpful-tools under Retiree Forms) must then be completed and submitted with proof of payment to Benefit Management Services (BMS). This form is required annually. Claim forms must be submitted within six (6) months from the end of the prior plan year.
 - » Once approved, BMS will reimburse you for the payment up to the current DDB credit allowance in the account you designate. A reimbursement plan can be set up on an automatic recurring plan. Contact BMS for specific instructions and eligibility.
- » To the extent that the retiree medical plan costs more than the amount of the credits in your account, you will be reimbursed up to the DDB credit balance.
- » In the event that both a retiree and his or her spouse/domestic partner participate in the DDB program, two separate applications of credits will occur for two separate DDB accounts. However, withdrawals and/or reimbursements may be made to and/or from the same checking account.

Surviving Spouses/Domestic Partners

The eligible spouse/domestic partner of a deceased retiree will have continuation of coverage for three months following the end of the month in which the employee/retiree passes away.

Continuation of coverage means payment of the cost share (if applicable) or continuation of the DDB credits. The credits for the deceased retiree are dissolved. However, in addition to the three months of continuation of coverage, the spouse/domestic partner may use the remaining credits in their own account until they are depleted. After three months, or exhaustion of credits, the surviving spouse/domestic partner may elect to continue group coverage through the University, but they are responsible for paying the full cost of the premium.

A surviving spouse becomes ineligible when they remarry. A domestic partner becomes ineligible when they establish a new domestic partnership. Coverage will end if the spouse/domestic partner fails to pay the monthly premium.

Contact Information

Pre-65 Health Care Insurance

Carrier	Website	Phone Number
UPMC Health Plan	www.upmchealthplan.com	1-888-499-6885
Davis Vision by MetLife	www.metlife.com/mybenefits	1-833-393-5433, client code 4228
United Concordia	www.ucci.com	1-877-215-3616

Post-65 Health Care Insurance and other Benefits Contacts

Carrier	Website	Phone Number
UPMC <i>for Life</i> HMO	www.upmchealthplan.com	1-877-381-3765
UPMC <i>for Life</i> PPO	www.upmchealthplan.com	1-877-381-3765
UPMC National Complementary Plan	www.upmchealthplan.com	1-877-381-3765
Highmark - Current Members	www.highmarkbcbs.com	1-800-550-8722
Highmark - Prospective Members	www.highmarkbcbs.com	1-866-456-7739 Reference code: Freedom Blue PPO Basic: 23FB178452 Freedom Blue PPO Standard: 23FB178453 Signature 65 with Blue Rx: 23BRX197360
Davis Vision by MetLife	www.metlife.com/mybenefits	1-833-393-5433 1-888-777-7418
United Concordia	www.ucci.com	1-877-215-3616
The Hartford Life Insurance Portability and Conversion	enroll.thehartfordatwork.com/upittbene	1-855-396-7655 1-877-320-0484
Social Security Administration	www.socialsecurity.gov	1-800-772-1213
Medicare	www.medicare.gov	1-800-633-4227

Retirement Investment Companies	Website	Phone Number
TIAA	www.tiaa.org/pitt	1-800-682-9139
Pension Administration Center - Defined Benefit Plan		1-866-283-0208

Retiree Benefits Service Center Benefit Management Services (BMS)

Mailing Address:

339 Sixth Avenue
Heinz 57 Center
9th floor - HFS 010901
Pittsburgh, PA 15222

Email: BenefitManagementServices@upmc.edu

Telephone: 1-888-499-6885 (select "retiree" option)

Fax: 1-877-851-5591





University of Pittsburgh

Office of
Human Resources

Benefits Department

320 Craig Hall
200 S. Craig Street
Pittsburgh, PA 15260

Submit an inquiry: hr.pitt.edu/contact-ohr

Call: 833-852-2210

Website: hr.pitt.edu/retirees