

Policies and Procedures Handbook
Illinois Institute of Technology

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I. Policy

A. General

This document describes IIT's general policy and procedures as they relate to travel authorizations, advances issued to employees, university business expenses incurred by employees, settlement of expenses, various modes of transportation, lodging accommodations, credit cards, cancellations and changes, international travel, travel insurance, and travel agent procedures.

Advance written authorization is required when one of the following occurs: university paid transportation out of the Chicago metropolitan area; the issuance of travel advances; a trip encompassing an overnight stay; or personal travel combined with university business travel. Written authorization is requested by completing a Travel Request Form (TRF), available at <http://www.iit.edu/~controller/forms.html>.

Expenses incurred by employees on official university business will be reimbursed on the basis of a per diem for meals and incidentals and/or actual cost reimbursement upon receipt of a properly completed Travel Expense Accounting Report (TEAR) and valid receipts supporting the reimbursement request, available at <http://www.iit.edu/~controller/forms.html>.

Official travel begins when an employee leaves his/her residence or regular place of employment for the purpose of furthering university business and ends when the employee returns to his/her residence or regular place of employment. For travel outside of the Chicago metropolitan area, there is a \$30 per diem on meals and incidentals or actual cost reimbursement with receipts. Reimbursements in excess of \$30 per day will require receipts. Original receipts are required for reimbursements claimed on the TEAR. When the original receipt is not available, a copy is acceptable with an explanation of why the supporting document is a copy. Reimbursement without required receipts is subject to the discretion of the IIT Controller's Office. Lack of proper support for expenditures will result in any reimbursement included as taxable income to the employee. Guidance should be sought from the Controller's Office as to the reimbursement policy of any questionable or unusual expense before the expense is incurred.

B. Standards

Employees share a basic responsibility for the use of good business judgment when incurring expenses. Employees are expected to exercise the same care when incurring business expenses as would be exercised when incurring personal expenses. Effective control of expenses is a primary concern of everyone at IIT and should be kept in line with a reasonable economical standard of living.

C. Use of Travel Credit Card

If an IIT Procurement Corporate credit card is available, then this is the preferred medium for charging all applicable travel expenses; otherwise, the traveler should use a personal credit card for charging university-related travel expenses. Airline tickets can be charged directly to IIT's central account only when making reservations through the IIT designated travel agency. All tickets issued by IIT's designated travel agent will be treated as an advance to the employee until properly accounted for. All other travel costs (excluding charges to procurement card) will be reimbursed after travel is complete.

D. Approval

All travel of IIT personnel on IIT business must have the advance approval of the appropriate Department Chair, Principal Investigator or Department Director, and in the case of foreign travel, the Provost. Travel on grants and contracts requires the same approval as other university travel. No airline tickets will be charged to IIT's central account by the designated travel agent without an approved TRF.

II. IIT Travel Request Form (TRF)

A. When using the designated travel agent:

1. The TRF is the method of authorization ensuring accurate travel requirements between all concerned parties. When IIT employees choose to use the designated travel agent, they must fax a copy of the properly completed TRF to the agent prior to the agent issuing and releasing tickets or confirmation numbers.
2. The white original and yellow copy of a properly completed TRF must be submitted to the Controller's Office as soon as travel plans are made when using the designated travel agent. No advances or reimbursements will be made unless the Controller's Office has received an approved TRF.
3. The third (pink) copy of the TRF must be attached to the TEAR when it is submitted to the Controller's Office after travel is completed. The fourth (goldenrod) copy is the Department file copy.

B. When using the Internet or other sources, the TRF must be forwarded to the Controller's Office with the TEAR after travel is complete in order to be reimbursed for travel expenditures.

III. Advances

As a result of the use of either an IIT Procurement Corporate credit card or other credit cards for travel expenses such as lodging, food, air travel, car rental, etc., out-

of-pocket expenses should be minimal. If an advance is required, the TRF must be forwarded to the Controller's Office prior to travel.

- A. A traveler can be given a cash advance up to a limit of \$100.
- B. No advances will be issued until a properly completed and approved copy of the TRF (white) is received by the Controller's Office. The Controller's Office will forward an advance via a check to the traveler's respective campus only after receiving an approved copy of the TRF (white).
- C. Advances must be settled within five working days after the return from the trip. An outstanding travel advance not accounted for within 30 days of return from a trip may be subject to payroll deduction and must be settled before the traveler can receive a further advance.

IV. Transportation Reservations

A. Use of Travel Agency

IIT employees may use the IIT designated travel agent (Foremost Travel Agency at 312.334.7881/Fax 312.726.8662, contact person Dan Lindell), any other travel agent, or the Internet to obtain the most economical prices for university travel. (View specific Travel Information on the Controller's website at http://www.iit.edu/~controller/procedure_manual.html). Departments shall assume responsibility for their travel budget, and travel documents will be audited to ensure compliance with the travel policy.

When IIT employees choose to use the designated travel agent, they must fax a copy of the properly completed TRF to the agent prior to the agent issuing and releasing tickets or confirmation numbers. The original TRF should be forwarded to the Controller's Office.

No binding reservations, the costs of which are charged directly to IIT, may be made by the IIT designated travel agent until a properly completed and approved TRF is provided to the travel agent. All airline tickets issued for university business by the IIT designated travel agent will be charged to a centrally bill account. Any airline ticket that is billed to our central account is treated as an advance to the employee until properly accounted for.

For efficient reservation services, it is also requested that when employees use Foremost Travel Agency for the first time, they complete and return a Business Traveler's Profile which can be obtained from the Controller's Office or the Downtown Campus, Office of Administration and Finance, Suite 265. The information contained in the profile will remain confidential.

B. Cost Containment

Whenever possible, employees should plan their trips in advance so IIT can take advantage of discounted airfares. In many cases, hotel and automobile rates are also discounted by making reservations in advance.

Coach and other discounted airfares are considered reimbursable expenses by IIT. First class and business class air travel are generally not reimbursable, except when unusual circumstances warrant exception. These exceptions must be approved in advance by the appropriate vice president, in writing, and by the Controller's Office.

Employees should use connections, one-stop flights, and alternate airports whenever feasible, to ensure cost effectiveness. All airline tickets, hotel and rental car reservations made on the Internet or through other sources must be charged to a corporate or personal credit card. Only airline tickets reserved by the designated travel agent will be charged to IIT's centrally billed account.

C. Itinerary

Each traveler should leave an itinerary with his/her department and, if possible, information on how he/she can be reached during the trip. Should an approved itinerary change during the trip, all changes must be noted on the original TEAR.

D. Travel Cancellation or En Route Changes

1. Upon adequate notification by the individual traveling, the designated travel agency will cancel transportation reservations. If arrangements were made through another travel agent or the Internet, the traveler is responsible for canceling all reservations. All cancelled pre-authorized trips that have centrally billed airline tickets or travel advances, need to be noted on the original TEAR.
2. If a pre-authorized trip is cancelled and the airline ticket issued was centrally billed to IIT, return the ticket along with the associated TEAR to the Controller's Office. When the ticket is returned, provide the reason for cancellation and the charge number from the TEAR.
3. If a pre-authorized trip is canceled and a travel advance was issued, immediately return advanced monies to the Controller's Office and net the expense report to zero (if no other expenses were incurred).
4. When canceling a reservation, the operator's number, time, and date should be recorded on the reverse side of the ticket.
5. Once an employee has reached his/her destination and a change in routing becomes necessary, the designated travel agent will make

arrangements to have the tickets ready for pick-up at the airport counter or will give the traveler a confirmation number for an electronic ticket. When a change in routing becomes necessary for a traveler who has made reservations through other sources, he/she is responsible for changing their own reservations.

V. Reimbursable Expenses

A. Transportation

1. Air Travel: Coach-class travel will be the traveling standard. To reach destinations outside of practical driving distances, IIT employees are typically expected to travel via commercial air. The IIT designated travel agent is required to book the most economical fare, keeping the traveler's convenience in mind. Requests for traveling on fares other than coach must be approved in advance, in writing, by the appropriate department director or vice president.
2. Rail Transportation: First-class rail travel is IIT's normal standard. If the rail transportation is more expensive than available airfare rates, election of rail travel in lieu of commercial air transportation must be approved in advance, in writing, by the appropriate department director or vice president.
3. Vehicle Rental: Compact or mid-size car rentals are IIT's normal traveling standard. To minimize travel costs, employees must refuel vehicles prior to returning them to the rental agent.
4. Privately Owned Vehicle: If an employee desires to use his/her own car in lieu of air travel, written approval from his/her department director or vice president must be obtained in advance. Reimbursement will be limited to the lesser of the average coach air fare or first class rail fare normally paid by IIT or the amount determined by using the standard per mile reimbursement rate. When auto travel is used for transportation, the reimbursement will be at the rate that is currently allowed by the Internal Revenue Service; currently 44.5 cents per mile effective January 1, 2006. In the event of an accident involving a privately owned vehicle, the driver's personal auto coverage is primary because coverage follows the vehicle.
5. Parking: If an employee decides to drive his/her car to the airport and leaves it there for the duration of the trip, the cost for long-term parking should be considered. Receipts must be attached to the TEAR.
6. Employees must use the most feasible and cost-effective mode of transportation to and from airports. Options such as shared rides, public transportation, hotel shuttles, and long-term parking should be investigated. The designated travel agent may be able to help obtain some forms of ground transportation. Receipts are always necessary

for reimbursements of ground transportation.

B. Car Rental and Insurance

IIT employees can use the IIT designated travel agent (Foremost Travel Agency at 312.334.7881/Fax 312.726.8662, contact person Dan Lindell), any other travel agent, or the Internet to obtain the most economical prices for rental cars. Departments shall assume responsibility for their travel budget, and travel documents will be audited to ensure compliance with the travel policy. In the normal course of business, rental cars should be compact or mid-size whenever possible. Employees traveling together must share rental cars. The traveler must submit a copy of the car rental agreement with the expense report. Gas and toll expenses are considered reimbursable.

When picking up a rental car, employees should ask the rental agency if they have any special promotional rates, which are lower than the standard corporate rates IIT has received. Consideration of mileage charges should be part of the equation. Refueling rental vehicles before returning them is a must to avoid exorbitant refueling charges imposed by rental agencies.

Provided that a vehicle is rented (i) domestically, (ii) in connection with university business and (iii) in the name of IIT (e.g., Illinois Institute of Technology, Professor Smith), automobile liability insurance is provided by IIT for the employee renting the vehicle. This covers liability for damages to the rented vehicle, other vehicles and property and injury to other persons. Accordingly, no need exists to obtain the insurance provided by the rental company.

For international travel, employees must obtain the automobile liability waivers provided by the car rental agency because IIT's current automobile insurance policy does not cover employees driving outside the United States.

If the traveler has renter's or homeowner's insurance, loss of personal effects may be covered under their policy. If the traveler has adequate coverage, the traveler does not need to accept the optional Personal Effects Coverage offered by the car rental agency, unless they prefer not to involve their insurance company. IIT's policy does not cover loss or stolen personal effects.

Any damage or loss due to collision, theft, fire, vandalism, or loss of use charges by the car rental company must be promptly reported to the rental car company and IIT's General Counsel's Office.

C. Living Expenses

Living expenses include reasonable amounts for lodging and meals.

1. IIT employees can use the IIT designated travel agent (Foremost Travel Agency at 312.334.7881/Fax 312.726.8662, contact person Dan Lindell), any other travel agent, or the Internet to obtain the most

economical prices for hotels and motels. Departments shall assume responsibility for their travel budget, and travel documents will be audited to ensure compliance with the travel policy. Lodging reservations for a conference or seminar offering a special block rate should be utilized when available. Employees are expected to select medium range hotels and motels and to avoid luxury cost hotels when traveling on university business. Hotel rooms should be charged to a credit card whenever possible. Attach the receipts and record hotel expenses daily.

2. A single room in a business class hotel/motel is IIT's standard. Suite or luxury accommodations cannot be reimbursed unless prior department director or vice president approval is received. If suite or luxury accommodations are obtained because the hotel/motel is overbooked, it is the employee's responsibility to ensure that only the corporate single rate is charged for the accommodation.
3. Indicate cost of meals, including the tip, on the TEAR. There is a \$30 per diem on meals and incidentals. The traveler may also retain receipts and be reimbursed for actual costs. All reimbursements in excess of \$30 per day will require receipts; however, feasibility and cost containment should always be considered.

D. Other

IIT travelers each receive \$200,000 flight insurance through IIT Procurement Corporate credit card if it is used to book reservations. Should additional insurance be desired, reimbursement will not be made for the extra purchase.

Employees with receipts or bills will be reimbursed for necessary expenses such as local transportation, parking, toll charges, telephone calls, postage, telegrams, faxes, registration fees and other charges incurred for IIT or sponsored activities. Reimbursement without required receipts is subject to the discretion of the Controller's Office.

VI. Non-Reimbursable Expenses

Unreasonable or unnecessary expenses are not typically reimbursable. Examples, include, but are not limited to:

- Non-business related expenses
- Movies or other personal entertainment
- Childcare fees
- Kennel fees
- Fines or other financial penalties for violations of laws or regulations
- Repairs to privately owned vehicles
- Gifts
- Loss from theft

- Annual credit card fees on non-IIT issued cards

Guidance should be sought from the Controller's Office as to the reimbursement policy of any questionable or unusual expense before the expense is incurred.

VII. Rules for Preparation of Travel Expense Accounting Report (TEAR)

A. TEAR & CDV

1. A TEAR must be prepared in duplicate and must be signed by the person making the trip. Both copies should be forwarded to the Controller's Office with proper approvals as soon as possible after returning from the trip. At the Downtown Campus, the TEAR should be submitted to the Assistant Vice President of Finance, Administration and CLE/CLC for approval, after which it will be forwarded to the Controller's Office.
2. Airline tickets that were not centrally billed may be reimbursed in advance. This may be done by submitting a Cash Disbursement Voucher (CDV) to the Controller's Office with a copy of the credit card charge attached. The trip and account number from the upper right hand corner of the TRF must be shown on the CDV. When submitting the TEAR, this reimbursement must be shown as a prepaid amount.

B. Expense Reporting

1. Expense items should be recorded at a time when the traveler has complete knowledge of every detail of expense.
2. All expense items must be substantiated with receipts, credit card bills, paid bills or the like, when possible. These items must have receipts:
 - Out of town lodging (regardless of amount)
 - Transportation expenditures of \$30 or more
 - Meals and incidentals in excess of the \$30 per diem.
3. When making long distance telephone calls, itemize and indicate the person called and points between which the call was made. Employees may use their personal telephone cards to call IIT "collect" if necessary. Reasons for all long distance calls should be given. Only university business related telephone calls will be reimbursed.
4. When making local telephone calls, show total dollar amount only and the number of calls.

C. Charge Number

Indicate the account number (including travel expense sub codes) to which expenditures should be charged. Account sub codes for travel include the following: Domestic Air Fare-3210; Foreign Air Fare-3220; Registration fees-3230; Hotel Expenses-3240; Meals-3250; Local Travel-3260; Auto Rental-3270; and Other-3280. When travel expenses concern two or more accounts, an allocation of the proper portion of expenses should be made.

D. Approval

The TEAR must be approved by:

1. The appropriate department director or vice president who certifies that the purpose of the trip was accomplished.
2. The controller (or controller-appointed individual) who states:
 - a. The authenticity and formal correctness of the attached supporting documents, e.g. paid bills, receipts, and the like.
 - b. Accuracy in counting and footing of the columns listed on the TEAR.
 - c. The conformity of listed expenditures with the obliging regulations.

VIII. International Travel

International travel is considered travel outside the United States and its possessions. International travel requires approval from the appropriate vice president.

Employees who perform tasks in foreign countries should notify the Office of Human Resources in advance so that Workers' Compensation coverage may be assessed. Each case must be examined on its own merits to determine if replacement coverage is necessary. Trips to certain countries may require shots and vaccinations prior to departure.

Note: for international travel, employees need to obtain the automobile liability waivers provided by the car rental agency because IIT's current automobile insurance policy only covers employees driving in the United States.

Note: all expenses must be reported on the TEAR in U.S. dollars. Exchange rates must be noted on each receipt when receipts are represented in foreign currency and supported with external exchange rate documentation or submit a copy of the credit card receipt in U.S. dollars.

IX. Insurance

All of IIT's group life and accidental death and dismemberment insurance are fully effective while an employee is traveling on university business by aircraft, train, bus, taxi, personal automobile or rental car. Travelers should review the Group Life and AD&D Insurance booklet for specific coverage and limits.

Policies currently providing coverage are:

- CIGNA Group Insurance-Life/Accident/Disability
- Optional Hartford Life and Accident Insurance

Please note that these policies are subject to change. Coverage for travel in war zones or hostile areas may be excluded or may require payment of an additional premium.

Employees who perform temporary tasks in foreign countries should notify the Office of Human Resources in advance of travel so that Workers' Compensation coverage may be assessed. Each case must be examined on its own merits to determine if replacement coverage is necessary.

Provided that a vehicle is rented (i) domestically, (ii) in connection with university business and (iii) in the name of IIT (e.g., Illinois Institute of Technology, Professor Smith), automobile liability insurance is provided by IIT for the employee renting the vehicle. This covers liability for damages to the rented vehicle, other vehicles and property and injury to other persons. Accordingly, no need exists to obtain the insurance provided by the rental company.

For international travel, employees must obtain the automobile liability waivers provided by the car rental agency because IIT's current automobile insurance policy does not cover employees driving outside the United States.

Any damage or loss due to collision, theft, fire, vandalism, or loss of use charges by the car rental company must be promptly reported to the rental car company and IIT's General Counsel's Office.

X. Procedures for IIT-Designated Travel Agent

The IIT designated travel agent is required to comply with the following procedures when university business travel tickets are issued to IIT employees and charged to our centrally billed account.

IIT employees are required to fax a properly completed and approved copy of the TRF prior to the agent issuing or releasing tickets or giving the employee a confirmation number for electronic tickets. IIT employees will then forward the original TRF to the Controller's Office.

The travel agent copy of the TRF will indicate the transportation requirements of the traveler as well as the date the tickets are required.

The travel agent should not alter the original authorized description of the TRF. The traveler will document any changes of travel dates, destinations, etc. on their TEAR.

The travel agent will provide travelers with a quote (booking) form for airfares, hotel rates, or rental car rates if requested to do so.

When a traveler refuses the lowest fare or rate quoted by the designated agent, the agent will prepare and forward a Fare Refusal Report to IIT with a brief explanation of why the traveler refused the fare or rate.

Employees may make preliminary scheduling plans over the phone with the IIT designated travel agent. However, under no circumstance will the IIT designated travel agent release tickets billed to our central account or to an IIT employee unless the employee has submitted an approved TRF to the travel agent. The employee will forward this form to the Controller's Office.

Air Travel: IIT designated travel agents are required to book the most economical airfare, keeping the traveler's convenience in mind. Coach class is IIT's traveling standard.

Car Rental: In reserving a vehicle that will meet the traveler's needs, the IIT designated travel agent should obtain the best available pricing with consideration given to IIT's pre-negotiated car rental rate with Avis. Compact or mid-size car rentals are IIT's normal traveling standard.

Living Expenses: IIT designated travel agents are required to obtain the most cost effective, conveniently located accommodations available. Accommodations are normally booked at a single occupancy rate. When special accommodations are required, the IIT employee should indicate this on the TRF.

Non-Refundables: These tickets are to be returned to the Controller's Office along with the original TEAR. This ticket information will be entered into the employee travel profile and the travel agent will periodically advise the employee of the status of the non-refundable ticket. The employee has one year from the date of issuance to use the ticket.