

Business and Travel Expenses Policy and Procedures

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I. Policy Statement

Lehigh University reimburses individuals or businesses for all Reasonable, Necessary and Appropriate business and travel expenses incurred by Lehigh faculty, staff, students, and others in connection with approved University activities.

All University business and travel expenses shall be properly reported, documented, approved, and reimbursed in a timely manner.

The University is committed to conducting business in accordance with the highest ethical standards and prohibits all forms of fraud, bribery and corruption.

While traveling on University business, travelers should expect to receive services and accommodations that are both safe and comfortable, but not lavish or extravagant. Individuals should neither gain nor lose personal funds as a result of University travel or other business activities. Individuals are responsible for planning their spending so that costs will not exceed budgetary limitations. In each case, the business expense must be Appropriate to the situation and the nature of the business conducted.

II. Purpose

This document states the University's business and travel expense policy and procedures. The University operates a decentralized approval process, whereby the Requester and the Approver accept joint fiduciary responsibility for all submitted charges. This document explains the roles and responsibilities required for this approach.

The Policy establishes responsibilities and guidelines for ensuring that business and travel expenses are Reasonable, Necessary, and Appropriate, and in compliance with Internal Revenue Service (IRS) and other governmental regulations. The University expects faculty, staff and students to exercise good judgment in committing and expending University funds.

III. Scope

This Policy applies to all faculty, staff, students and others who incur expenses while engaged in University business or related travel. It applies to business and travel expenses supported by all sources of University funds. Travel arrangements made for non-employees, such as guest speakers, consultants and recruits shall follow this Policy as well.

University funds include, but are not limited to, unrestricted, restricted, faculty incentive, research and discretionary funds, grants and contracts from all sources, endowment, student and plant funds. Where sponsor, agency, or other applicable regulations are more restrictive than prescribed by this Policy, the sponsor, agency, or other regulations will apply.

See the Appendix for specific guidelines from the Office of Research and Sponsored Programs (ORSP) regarding business and travel expenses charged to sponsored projects.

IV. Definitions

- A. Allowable:** An Allowable University expense is Reasonable, Necessary and Appropriate as defined by this Policy. It has been properly documented and approved in accordance with this Policy.
- B. Allocable:** An expense is Allocable if it is assignable or chargeable to one or more cost objectives on the basis of relative benefits received or other equitable relationship. (This term is used in the Appendix covering sponsored research).
- C. Appropriate:** Expenses are Appropriate if they are suitable or fitting for a particular business purpose. In order for an expense to be Appropriate, it must also be Necessary, which is the responsibility of the Requester and the Approver to determine.
- D. Approver:** The Approver is the responsible fiduciary with delegated authority to commit University resources to a given endeavor.
- E. Necessary:** An expense is Necessary if there is a valid University business purpose pursued to fulfill the mission of the University. The primary beneficiary of a Necessary business expense is the University, not the individual. A Necessary expense is a minimum purchase or service required to achieve the business objective.
- F. Per Diem:** Per Diem refers to a fixed daily rate or daily allowance. Per Diem reimbursement may be claimed in lieu of actual expense for lodging and/or meals and incidentals. It represents the daily rate that will be reimbursed against the actual expenses incurred by the business traveler.
- G. Professional Services:** Professional service means that Lehigh is paying for professional or technical expertise; the term includes payments for consultants, honorariums, fees, moving expenses, commissions, or any other compensation paid to individuals or firms for professional services rendered.
- H. Reasonable:** A Reasonable expense is the amount that would normally be spent in a specific situation. An expense is considered Reasonable if it is not extreme or excessive and reflects a prudent decision and action to incur the expense.
- I. Requester:** an individual who incurs expenses while engaged in University business and seeks approval for the University's payment of, or reimbursement for, such expenses.
- J. Unallowable:** An Unallowable expense is not permitted and is classified as such under University policy as well as applicable federal regulations, including IRS regulations, for Allowable business expenses. Requests that are unreasonable or extravagant, that do not comply with University policy, and/or lack required documentation are deemed Unallowable.

V. Roles and Responsibilities

- A. Requester:** It is the responsibility of each person who incurs expenses while engaged in University business to ensure that all expenses being paid or reimbursed by the University:
 - were incurred in the course of University business;
 - are Reasonable, Necessary and Appropriate;
 - are fully documented;
 - have not been, or will not be, paid via other means;
 - serve a valid business purpose; and
 - are in full compliance with the provisions established in this Policy.

Unallowable expenses paid for using the University's OneCard must be repaid by the cardholder. Personal expenses may not be charged to the OneCard, and must be promptly reimbursed to the University if charged erroneously.

The Requester may delegate responsibility for submission of expense reports, but will always retain responsibility and accountability for the Allowability of the expenses. Documentation of delegation should be maintained by the department.

Individuals preparing expense reports have the responsibility for applying the correct index and account number to each expense to ensure compliance with University requirements, as well as those of sponsors and/or donors.

- B. **Approver:** By submitting expenses for payment by the University, the Requester and the Approver are jointly attesting to the Allowability of an expense as defined in this Policy.

The Approver may delegate responsibility for approval of expense reports, but will always retain ultimate responsibility and accountability for the Allowability of the expenses. Documentation of delegation should be maintained by the department.

- C. The **University** will not reimburse Unallowable expenses as defined by this Policy. Unallowable expenses charged to the OneCard shall be collected from the recipient through payroll deduction or, if specifically requested and approved, an agreed-upon repayment plan.
- D. **Audits and Reviews:** The Controller's Office and Purchasing Services are responsible for audits of business expenses and advances. Additional audits may be conducted by Internal Audit to monitor compliance with this Policy. Any questionable expenses are referred to the Controller and/or the appropriate Vice President for further review.
- E. The **Provost, Deans, Vice Presidents** and others of equivalent level will oversee compliance with this Policy in their areas of responsibility and shall establish standards and an escalation process to review extraordinary and/or questionable expenses.

VI. Documentation of Expenses

All business and travel expense reporting must comply with the terms of this Policy for submission of supporting receipts and must include complete documentation for the valid business purpose of the expenditure.

A. Timely submission of expenses:

Expense reimbursement requests must be submitted within 30 days of incurring the expense. The Controller's Office may approve an additional grace period of up to 60 days upon written request given justifiable extenuating circumstances. The University reserves the right to disallow expense reimbursements submitted after 90 days. The University will not accept or reimburse expense reimbursement requests after it has closed the fiscal year in which the transaction occurred.

B. Documenting Business Purpose

Documentation of the business purpose, together with a supporting receipt, must enable the Approver to understand the business expense and whether it is Allowable under this Policy. In general, the valid business purpose and receipt should always answer five basic questions:

- 1) Who was involved in the activity? (Participant names and their affiliation)
- 2) What goods or services were purchased / provided?
- 3) Why was the purchase Reasonable, Necessary and Appropriate and how did it benefit Lehigh?
- 4) When did the purchase occur?
- 5) Where did the purchase take place?

Expenditures that are not documented as Reasonable, Necessary and Appropriate with a valid business purpose will be deemed Unallowable.

C. Receipt Requirements

Requesters must obtain original itemized receipts for all expenses of **\$75.00 or more** and must clearly document the business purpose for any expenses less than \$75. Splitting invoices or receipts to circumvent transaction limits or this Policy is strictly prohibited.

Receipts shall include:

- the name and location of the services provided;
- dates of service;
- proof of payment;

- itemized listing of charges;
- gratuity amount; and
- if payments were made on behalf of other individuals, the names of those individuals and their relationship to the University.

Credit card receipts that do not indicate exactly what was purchased are not acceptable. Receipts are not required for food expenses covered by Per Diem. Stems/departments may develop and enforce more detailed receipt requirements. Receipts are required for lodging covered by Per Diem to establish location and duration.

If receipts are lost or missing, the Requester shall submit a missing receipt form, which includes an attestation documenting the expense and an explanation as to why the receipt cannot be provided. This attestation must be signed by the Requester and the Approver. This form is acceptable only on an exceptional basis; Requesters and Approvers must take steps to avoid and prevent any abuse. Repeated violations will result in Unallowable expenses and/or suspension of OneCard privileges.

Gratuities should be within accepted standards for the region. (Generally, no more than 20% for meals).

Conference registration receipts must include a copy of the conference registration form or agenda that describes the conference subject matter to support the valid business purpose of the conference.

For expenses submitted prior to an event, i.e., flights, hotel bookings or conference fees booked in advance, evidence of appropriate approval should be submitted along with booking receipts.

D. Payment Methods and Sales Tax

The University has several payment options available for University business and travel expenses. See [Purchase Policies](#) for more information. Buyers must avoid the “splitting” of purchases or transactions to circumvent the dollar threshold limitations. Use of third-party payment services for the purpose of altering payment terms or splitting payments is strictly prohibited.

a. The University OneCard

The University provides a credit card, the “OneCard,” to employees to use for payment of University business and travel expenses. A departmental OneCard is available for department use. Use of the OneCard is strongly encouraged for business expenses, although some offices may impose restrictions to better serve the needs of their areas.

The University will directly pay OneCard expenses that have been properly reported, submitted and approved. All transactions placed on the OneCard must comply with this Policy and the [OneCard Policy and Procedures Manual](#) found on the University Business Services website.

Travelers can submit out of pocket expenses, such as mileage or Per Diem, via the WellsOne Expense Management (WOEM) system for reimbursement.

Personal expenses may not be charged to the OneCard. Unallowable and/or erroneous charges must be promptly repaid by all employees.

Because Requesters and Approvers share joint fiduciary responsibility, they also share responsibility when this Policy and the OneCard Policy is violated. Individuals who violate the policies will receive a written warning, usually by email. A second violation (within a year of the first violation) will be escalated to the applicable supervisor or department head. A third violation will result in OneCard privileges being revoked for a period of time commensurate with the severity of the violations.

b. Unimarket

Unimarket builds in appropriate approvals and controls prior to purchase. Unimarket is available for routine departmental purchases and/or purchases that are over the OneCard transaction limit. Unimarket may be used for many purposes, but it must be used for software and orders that require competitive bidding.

c. Accounts Payable

Payments for Professional Services, along with awards, rents, royalties, or any other compensation paid to individuals or firms for services rendered must be paid directly by the University to the individual or firm providing the service using the Accounts Payable [Payment Approval form](#). OneCard may not be used, nor will reimbursement be authorized, for the payment of these services.

d. Sales Tax

As a non-profit 501(c)(3) organization, Lehigh University is exempt from Pennsylvania sales and use tax for most purchases related to the education and research mission of the university. The [PA Sales Tax Exemption](#) may not be used for any purpose other than purchases for Lehigh University. Additional details are found in the [OneCard Policy Manual](#).

VII. Business Travel

(See Appendix for ORSP Business Travel guidance)

University business travel is travel on official University business round trip from one's home or normal place of employment to another destination with a valid business purpose that is for the benefit of the University. Business travel involves at least one overnight stay. Commuting between one's home and regular place of employment is not business travel.

A. Booking Travel - University Travel Management Tool

The University's Travel Management Tool, known as "*Lightning*", is required for booking international air travel and is strongly recommended for booking domestic travel. *Lightning* is required for booking student and group air travel, both domestic and international, *including student workers*. *Lightning* is required for booking externally sponsored program-funded air travel. Utilizing *Lightning* allows travel arrangements to be made for University employees for a modest transaction fee and offers advantages for those who use this service. See the [Purchasing Services website](#) for additional information on *Lightning*, including contact information and fee schedules.

B. International Travel *(See Appendix for ORSP International Travel guidance)*

All international travelers traveling on Lehigh business must book air travel through *Lightning* and register through [Lehigh's International SOS program \(ISOS\)](#). When arranging international travel through *Lightning*, itineraries will automatically be forwarded to International SOS, the University's international medical and security assistance provider, to ensure protection and assistance in a crisis.

a. Export Controls

Export controls are federal regulations that limit the export of physical items, technology, data and information out of the United States for national security or economic reasons. Export control laws may apply when individuals travel outside the United States, depending on their destination, what they bring with them, and what they plan to do while abroad. **Lehigh faculty, staff and students are responsible for engaging the Research Integrity Office as required when traveling on University business.** Please review Research Integrity's [export control policies and guidance](#), particularly the [information for faculty](#) and the [information for international travelers](#), to ensure that you comply with all relevant export control laws and University policies.

b. International Travel Costs

Actual costs of acquiring visas, tourist cards, required inoculations, immunization, and foreign currency transaction fees are Allowable. Passport application and renewal costs are Unallowable.

(NOTE: For Visa/citizenship Sponsorship questions, please refer to the [Policy on Sponsorship for Permanent Residency for Faculty](#)).

c. Foreign currency

Foreign currency payments that are not converted by a credit card must be converted to the U.S. dollar equivalent. Use of cash is strongly discouraged unless there is no other option available. Travelers must always first try to use their OneCard when traveling overseas on University business. If a traveler visits a location where credit cards are not accepted, cash should be converted at reputable exchange agencies providing a dated receipt with the conversion rate. In rare circumstances where exchange agencies are not available, a signed attestation shall be provided documenting the date, location, conversion rate and amounts.

C. Guests of the University *(See Appendix for ORSP Guests of the University guidance)*

a. Reimbursement rules

It is Allowable to reimburse prospective employees, guest speakers or lecturers, and consultants for expenses incurred in connection with their business travel to the University. These travel arrangements, payments and/or expense reimbursements made to, or on behalf of, persons other than University employees must comply with the same policies as University employees. Reimbursement for such expenses directly to these individuals can only be made through Accounts Payable by completing the [Payment Approval form](#) and attaching original receipts as required by this Policy.

Employees may use their OneCard to pay Allowable business travel expenses on behalf of non-University employees. University employees may not seek reimbursement for business travel expenses paid using the University employee's personal credit cards on behalf of non-University employees. Please refer to the "Accounts Payable" section above (under Payment Methods) to avoid any confusion between business travel and professional service expenses.

Lehigh **employees** may purchase a **nonrefundable** airline ticket. Airline tickets for Lehigh **guests** (only) must be fully **refundable** to ensure that Lehigh University receives a full credit in the event of a cancellation.

b. Foreign Visitors

Generally, it is Allowable to reimburse visiting lecturers and other official visitors who are nonresident aliens for expenses incurred in connection with their travel to the University. IRS regulations, however, preclude the payment or reimbursement of travel expenses to foreign visitors who arrive in the U.S. with certain visa types. See "Payments to Foreign Visitors" in the [Accounts Payable Procedures section](#) of the Controller's Office website for more details.

Procedural Note: Contact Accounts Payable regarding visa requirements and related documentation prior to making travel arrangements for foreign visitors through *Lightning*.

D. Travel Insurance

Faculty and staff traveling internationally on University business are automatically covered by [international travel insurance](#). Travelers are strongly encouraged to familiarize themselves with the terms of coverage and how to access medical services while abroad.

Refer to the [Office of Risk Management](#) for more useful information regarding travel insurance.

E. Per Diem

Per Diem consists of two components: (1) Lodging and (2) Meals and Incidentals (M&I)

a. Per Diem in the United States

The University's reimbursement rate for domestic travel is based on the [U.S. General Services Administration](#) per-diems by geographic area. New per diem rates become effective on October 1st of each year.

b. International Per Diem

The University's rate for foreign travel is based on the [U.S. Department of State](#) allowances, which lists per-diems by country and locality. If a country is not listed, then use the U.S. Department of State's "Other" per diem rate. Because rates for specific localities may change often, the traveler must ensure that the applied rate corresponds to the actual dates of travel.

F. Lodging

Lodging expenses incurred during University business travel are Allowable. In general, trips of 50 miles or more from the office qualify for an overnight stay if business is conducted on more than one day or if it is not practical to return on the day business is completed.

The University provides two distinct methods for payment of lodging expenses: actual cost and per-diem. A traveler may use only one of these methods for the duration of a trip. The combination of actual cost and per diem during the same trip is not allowed.

a. Per Diem

The University will reimburse expenses based on the per-diem rate for the geographic region where the expense is incurred. Lodging receipts are required even when using per-diem to demonstrate duration and location.

Business travelers cannot claim lodging Per Diem when staying in free accommodations. Examples include, but are not limited to, frequent guest award programs, stays with friends and family, complimentary stays, etc.

b. Actual Cost

Travelers should use standard room rates at reasonably priced accommodations when making reservations. When traveling to a conference, it is appropriate to stay at the conference hotel, provided that the daily rate is not unreasonably expensive relative to other Reasonable alternatives.

G. Meals and Incidentals (M&I) (*See Appendix for ORSP Meals and Incidentals guidance*)

Meal and incidental expenses incurred during University business travel are Allowable. The University provides two distinct methods for payment: actual cost or per-diem. One method must be chosen for the duration of the trip. The combination of actual cost and per diem during the same trip is not permitted.

a. Per Diem

M&I Per Diems may be used only when travel involves an overnight stay. Meal receipts are not required when requesting reimbursement of meals and incidentals using M&I Per -Diem. Duration of stay is validated by the lodging receipt. Because business travel requires an overnight stay, one day travel does not qualify for M&I Per Diem.

Incidental expenses include fees and tips for persons providing services, such as food servers, hotel housekeeping and luggage handlers as well as transportation between your lodging and meal location. Thus, these types of expenses cannot be submitted separately. Incidental expenses do not include transportation to/from the airport or laundry.

Per Diem reimbursement of meals and incidentals are different on the first and last travel day, particularly if multiple locations and partial day travel is involved. The University's meal and incidental Per-Diem will be reduced to account for meals furnished at no cost or nominal cost to the traveler. If meals are included in the cost of a conference, those meals should be deducted from the Per-Diem rate according to the schedule below:

- Breakfast 15%
- Lunch 25%
- Dinner 40%
- Incidentals 20%

b. Actual Cost

Travelers may opt out of M&I per diem and choose to be reimbursed their actual M&I expenses instead. In this case, reimbursements are generally limited to three meals a day. On the days of travel to or from the destination, the individual's departure and return times determine whether a meal was incurred during the period of travel. If meal costs are provided in the cost of a conference, corresponding meals outside of the conference are Unallowable.

Costs related to business meals should be Reasonable and the choice of restaurant should reflect the nature of the function. Additional justification may be required in situations involving higher cost meals that exceed the per meal per diem rate.

- Total meal expense for the day should generally be consistent with per-diem levels;
- Should the traveler opt out of per diem, they must submit M&I receipts according to the requirements in this Policy; and

- Stems/departments may develop and enforce a meal receipt requirement that is more detailed than this Policy requires.

H. Extended living expenses

In general, reimbursement of extended living expenses (including but not limited to lodging, meals, rental car, etc.) while on sabbatical or another academic break period is an Unallowable use of University funds from any source. For this purpose, “extended” is defined as a stay involving more than fourteen (14) consecutive nights.

The following statement of clarification has been added on September 8, 2023:

Certain Necessary sabbatical expenses may be reimbursed if approval from the Dean is obtained, in advance, as part of a sabbatical or academic leave plan. Documentation must substantiate that the reimbursed expenses directly support a bona-fide business purpose. Any appeals or disputes related to sabbatical expense Allowability will be decided by the Provost.

Please note: according to IRS regulations, some expense reimbursements may be taxable income to the employee.

I. Transportation

a. Air Travel (See Appendix for ORSP Air Travel guidance)

Commercial air travel expense is Allowable on the basis of the actual cost incurred by the traveler using normally traveled routes. Economy fares are the only classes of travel allowed. *Basic Economy* should be avoided due to the restrictive nature of the fare class. *Premium Economy* (sometimes referred to as *Economy Plus*) is Allowable for trips with at least one segment of air travel exceeding five (5) continuous hours (not including layovers). Business Class is Allowable for trips with at least one segment of air travel exceeding ten (10) continuous hours (not including layovers). A traveler who opts to fly at a higher than Allowable fare class must *personally* pay the difference between the Allowable fare price and the higher fare price. Vice President, Provost or equivalent level exceptions must be approved by the President’s Office. Additional accommodations for health or other reasons will be made consistent with any disability accommodations approved by Human Resources.

Air travel allowability is based on the following:

- Seat assignment fees are Allowable only if not included in the price of the ticket. Preferred seating is Unallowable.
- One checked bag is Allowable. Excess baggage is Unallowable unless accompanied by a statement showing that the excess baggage items are Necessary for the business conducted or if the trip is for an extended period of time (at least 10 days).
- Preferred boarding, early boarding, lounge access and bag wrapping are Unallowable expenses.
- Expenditures to stay an extra day for personal reasons are Unallowable.
- Additional charges for changes to flight arrangements must be Reasonable and justification must be included with the traveler’s receipts.
- Lehigh University does not reimburse travelers for tickets purchased with frequent flier miles.
- Neither the University nor the University’s insurance will pay for loss or damage to personal property.

b. Private Airplanes or Vessels

No employees, students, or agents of the University may use personally-owned aircraft or serve as pilot in command or crew member of any aircraft while conducting University business. If you have received approval to charter or lease an aircraft or other vessel, contact the Office of Risk Management to arrange for proper insurance coverage.

c. Automobile Transportation

Use of your personal vehicle is reimbursed at the prevailing IRS mileage rate as listed on the [Controller’s Office website](#). This mileage rate covers all operating costs including depreciation, repairs, gasoline, insurance, towage and other similar expenditures. Submitting gas receipts and mileage is “double dipping” and is not permitted.

Tolls and Reasonable parking charges are Allowable in addition to the mileage allowance.

Reimbursement for two or more persons traveling in the same vehicle is limited to the mileage reimbursement paid to the driver/owner of the vehicle.

Under normal circumstances, mileage for conducting University business is computed from the University to the destination and return to the University. Mileage for traveling from an individual’s home to work or return is an Unallowable commuting expense.

Traffic tickets, parking and toll violations are Unallowable expenses.

d. Department Fleet Vehicles

The [Transportation Office](#) is the primary source for securing a fleet vehicle for University business. If you need a vehicle while traveling, contact the University's travel management company (*Lightning*). Lehigh University car share programs are not eligible for business travel.

e. Local Transportation at Destination

For ground transportation, including airport limousines, courtesy shuttles, Uber and taxis, travelers should compare costs of alternate transportation to minimize the cost of ground transportation between airports and accommodations or other final ground destinations.

Rental cars should be used at one's destination only when absolutely Necessary. Before rental cars are returned, they should be filled with gas to avoid excessive refill charges from rental companies.

f. Auto Insurance

The University's Transportation and Risk Management Offices provide necessary auto insurance coverage to insure the driver, passengers and the University while traveling on University business. It is essential that University employees obtain vehicles only from authorized sources. Information regarding the University's negotiated rental car contracts, and the advantages of using those negotiated contracts, can be found on the [Purchasing Services website](#). Travelers should refer to the [Office of Risk Management](#) website for more information regarding insurance issues associated with using personal vehicles.

g. Other Forms of Transportation

For travelers using railroads, buses or other public means, the University will pay the cost of the lowest business-class accommodations available for the trip.

J. Other Travel Expenses

a. Conference Registration Fees

Conference and seminar registration fees should be paid directly using the OneCard. Conference attendees without a OneCard should ask their department coordinator to use the departmental OneCard. Travelers who book conferences and/or accommodations on personal credit cards may not claim reimbursement until after the event.

b. Laundry

Reasonable and Necessary expenses for laundry services are Allowable when they are due to an absence from home for five or more nights or when unusual and documented circumstances necessitate their use.

c. "No Show" Charges for Air, Accommodation and Car Service

If a traveler fails to appear for a reserved air, accommodation or car reservation, it is considered a "no show" and the traveler may be charged for the reservation. The traveler must cancel the reservation if the traveler is unable to fulfill the reservation for any reason (including emergencies). "No show" charges are Unallowable unless the charge resulted from an unforeseeable emergency situation in which cancellation was impossible. Approval is required for any "no show" charges.

K. External Organizations

a. Sharing Expenses with External Organizations

Travelers are encouraged to combine University travel with other business if travel expenses can be shared with other organizations. Where travel expenses are being shared with external organizations, a duplicate copy of the receipts will suffice if the receipt includes a detailed explanation of which organization is paying the balance of the expenses.

See the [Conflict of Interest Policy](#) for more information.

b. Travel Expenses Incurred for an External Organization

Travel expenses incurred by an individual solely for the benefit of an outside organization where the individual is acting in a consulting, advisory, or other capacity not directly related to their University responsibilities are Unallowable. In addition, such expenses may not be charged to the University and then later reimbursed to the University by the individual. It is the responsibility of the individual to obtain reimbursements or expense advances directly from the outside organization.

L. Travel Advances

In the rare situation in which a cash advance is required for out-of-pocket expenses related to business travel, faculty and staff should use their OneCard. The limit varies by cardholder as it is established during the OneCard application and approval process.

Large advances are processed through the Bursar's Office using a properly completed *University Advance form*. Requests over \$1,000 require approval from the University Treasurer's Office. The Bursar will forward advances over \$500 to be paid through Accounts Payable. Advances must be settled within 30 days after the trip by submitting a *Cash Advance Settlement Form* to the Bursar's Office. All outstanding advances must be settled before the Bursar's Office will issue another advance.

VIII. Business Meals and Entertainment

(See Appendix for ORSP Business Meals and Entertainment guidance)

The University relies upon individual judgment at all levels of the organization in determining whether business meals and entertainment expenses are Necessary and Reasonable. Resources expended for business meals and entertainment are resources unavailable for other important programmatic purposes. In all cases, the Approver reserves the right and bears the responsibility to refuse payment of an expense deemed unnecessary or unreasonable.

A. Cost and Frequency

Meals with guest speakers, guest lecturers and recruited faculty or staff are Allowable if they are Reasonable, Necessary and Appropriate as defined in this Policy.

The per-person cost of business meals, including tips and tax should not exceed the published daily per diem meal rate for that meal (see Per Diem Reimbursement of Meals and Incidentals). For example, the lunch per diem is 25% and the dinner per diem is 40% of the daily M&I per diem rate. In limited circumstances, such as meetings involving faculty and staff recruitments and donor relations, meals may involve a higher cost. Exceptions must be documented and approved.

- a. **Meals with students** are Allowable but should be a Necessary component of an established University project or program that advances the educational mission of the University.
- b. **Meals between two or more University employees**, in local restaurants or in University dining facilities, during which routine business issues are discussed are generally Unallowable. Local meals with colleagues should be considered a personal expense unless the business being conducted is such that it cannot be done in the office. Employee-only business meals may be Allowable when:
 - Business must be conducted off University premises;
 - Dining with other employees on an out-of-town trip such as a conference;
 - Authorized by a supervisor for job performance reward, recognition, or other valid business purpose (see Department and Stem Functions); or
 - An internal working meeting is being conducted in the office.

An explanation of the reason as to why the meeting could not take place in the office or during another part of the business day must be included with the valid business purpose documentation.

B. Department Functions

Certain department functions, such as holiday parties, retirement parties, and other significant departmental gatherings, serve a valid business purpose for the University in supporting morale and encouraging networking amongst colleagues. It is important that all employees give proper consideration of the University's fiduciary responsibilities when planning these functions.

Departmental function expenses must be Reasonable, Necessary and Appropriate.

All faculty and staff below the Dean, Vice President or equivalent level must obtain approval of their Dean or Vice President prior to committing any University funds for a department function.

C. Alcohol

Occasionally, additional costs may be incurred for the provision of limited alcohol service if consistent with the terms of the University [alcohol guidelines](#) and Appropriate for the nature of the event.

If alcohol will be served at a function, prior approval must be obtained from the Dean, Vice President or equivalent level and the event must comply with the University's alcohol guidelines.

Provost approval is required for the purchase of alcohol for student meals or events. Documentation of approval is required for reimbursement. For more details please refer to the [Student Organization Events with Alcohol Policy](#).

IX. Gifts and Prizes

University funds are only to be used for activities that directly support the operations of the University in its core mission of teaching, research and service.

A. Anti-Bribery

University community members are prohibited from directly or indirectly making, promising, authorizing, or offering a payment of or giving anything of value to a non-US government official on behalf of the University for a corrupt purpose. This prohibition includes payments to third-parties where the University community member knows, or has reason to know, that the third-party will use any part of the payment for bribes or in any other manner that violates the Foreign Corrupt Practices Act or other anti-corruption laws.

See the Lehigh University Anti-Corruption Policy for further details.

B. Gifts

Gifts to individuals or organizations, including non-profit organizations and charities, are Unallowable. Exceptions must be approved in advance at the Vice President level following consultation with the Controller's Office and Office of the General Counsel.

Upon request, the President's Office may provide for arrangements for tangible expressions of sympathy from the University.

Gifts or flowers to any University employee for any purpose other than those provided through official University recognition programs are Unallowable. University funds may not be used to purchase gifts for any individual in recognition of events such as birthdays, weddings or wedding/baby showers, housewarming or holidays.

Deans and Vice Presidents have discretion to determine whether gifts or flowers are Appropriate in certain cases for University events or where institutional representation is important.

Employee gifts and awards for outstanding achievement, length of service, retirement, and morale building are primarily administered through the Office of Human Resources.

Modest gifts may be given by a department to employees for retirement or departure out of University funds up to the amounts noted below. Departure Gifts must be approved at the Dean, VP level or above.

For the employee departure or retirement with:

- 5 or more years of continuous service, a non-cash gift up to the maximum Allowable amount of \$100
- 10 or more years of continuous service, a non-cash gift up to the maximum Allowable amount of \$200
- 15 or more years of continuous service, a non-cash gift up to the maximum Allowable amount of \$250

C. Prizes

The Commonwealth of Pennsylvania considers all forms of gambling (which includes raffles, lotteries, and games of chance) to be illegal unless specifically permitted by law, therefore all University-sponsored raffles, contests, or drawings that involve prizes must first be reviewed by the Controller's Office or the Office of the General Counsel for compliance with Pennsylvania gambling law via the Prize Support Form on the Accounts Payable website. In addition to complying with Pennsylvania law, all contests must support a valid institutional purpose and must have supervisor approval.

The IRS considers all prizes, including cash, gift cards, gift certificates and non-cash merchandise, to be taxable income to the recipient, regardless of value. The University's obligation to report the prize to the IRS, or to withhold taxes, depends upon the value of the prize, the recipient's employment status, and the recipient's immigration status. Departments that are considering a prize program should first consult with the Controller's Office for a full explanation of the tax and reporting considerations. The purchase of any approved prize may not be funded through the travel advance process without prior approval of the Controller's Office. Departments must send the following information to Accounts Payable: recipient's name, address, LIN, purpose of the award, description of the award, and market value of the award. Academic achievement and financial aid awards are separately administered within Academic Affairs.

Student prizes, awards and fellowships may be taxable income and therefore are not processed through the Office of Financial Aid or the Bursar's Office. They must be requested through Accounts Payable using a [Lehigh University Student Disbursement Form](#).

D. Gift Cards

The IRS considers gift cards to be cash equivalents and thus are taxable income to the recipient, regardless of value. IRS regulations require Lehigh to issue an IRS form 1099 when the total income paid, from all Lehigh sources, to any person or entity, exceeds the IRS limit of \$600 in a calendar year.

- Employees:** Employees are defined, for this purpose, as anyone paid through the Payroll Office. Gift cards may be given to employees if and only if they are reported to payroll through Human Resources. The employee will be taxed on the income according to IRS regulations.
- Students and others:** Students who are not on the Lehigh payroll may be given one gift card up to \$25 per month. Anyone who is not an employee or a student may also be given a single gift card up to \$25 per month.

Providing more than one gift card in order to circumvent the Allowable limit is viewed as a deliberate attempt to bypass University policy. If gift cards must be provided in higher amounts or more frequently than once per month, the details (SSN/LIN and amount) must be reported to Human Resources.

See Section XI D. for *Incentive payments for Human Subjects participating in Research Studies*

X. Technology and devices

The University's technology and communications system and equipment, including office telephones, are provided for the conduct of official University business. Personal use of this equipment should be kept to a minimum.

University-purchased devices are property of the University. When an employee separates from the University, supervisors shall immediately deactivate the employee's account and the employee must either purchase the device at fair market value or return the equipment to the University. When an employee transfers to a different organization within the University, LTS will coordinate with the new supervisor to evaluate the employee's access needs based on their new role.

Approvers of technology devices should be diligent in their review of justification as each approval creates a precedent for subsequent requests. Stewardship of University resources should be a key factor in all decisions related to the approval of technology devices.

- A. **Mobile devices:** The determination of whether an employee requires a mobile communications device and the availability of University funding for such support is at the discretion of the employee's department at or above the Dean, Vice Provost or Associate Vice President level. Purchase of a mobile communications device for the convenience of the employee is not considered adequate justification. Please refer to the [Mobile and Communications Device Policy](#) for further details.
- B. **Other technology devices** and peripherals, such as tablets, headphones, keyboards, mouse, additional monitors, etc. require a valid business purpose and justification over and above the convenience of the employee.
- C. **Other Technology Fees:** Fees for WIFI access are Allowable if purchased for the purpose of conducting University business while traveling. Purchase of accessories and "apps" for University-owned devices may be supported with University funds if integral to the employee's ability to use the device for its intended business purchase. Accessories for University-owned devices should be purchased through the University cell phone plan in order to benefit from the negotiated discount. Accessories and "apps" for personally-owned devices may not be purchased with University funds.

XI. Other Expenses

A. Relocation Allowance

The Provost, Dean or Vice President must approve Relocation Allowance in advance and include the conditions in the written offer letter to a newly recruited employee. Details regarding the Relocation Allowance Policy and Procedures are available on the [Controller's Office website](#). Relocation Allowance is considered taxable income by the IRS.

B. Academic Gowns / Regalia

The University allows for the one-time purchase of academic gowns from Faculty Discretionary or Startup funds for faculty who are required to attend University commencement. Rental cost of academic gowns rented through the University Bookstore is an Allowable expense for faculty and staff who are required to attend University commencement.

C. Remote Work Expenses

[Fully Remote Work for staff](#) must be approved by Human Resources. It is only available when it is determined, through a formal process, that remote work supports a strategic objective of the University. If a staff position is approved for Fully Remote Work, some Reasonable and Necessary expenses may be Allowable. Basic office supplies should be purchased through the employee's department to take advantage of preferred provider relationships and bulk discounts.

Home internet and home office furniture (chairs, desks, lamps, etc.) are Unallowable expenses. Home renovation or modification expenses are Unallowable. Technology devices such as printer, and monitors should be acquired as University property and must be assigned for home or remote use through the employee's department to maintain consistent practices.

State specific regulations may override some terms of this policy.

The University will reimburse travel expenses for fully remote employees who reside more than 50 miles from their designated University office location when their presence is required at the office.

D. Incentive payments for Human Subjects participating in Research Studies

Incentive payments, including gift cards, may be Allowable for Research Studies involving human subjects, but only after advance approval by the University [Institutional Review Board](#) (IRB). If incentive payments or gift cards are approved by the IRB for Research Studies involving human subjects, the Principal Investigator (PI) must ensure that no research subject is paid more than \$600 in a single calendar year. The PI must keep records of payments and also ask each participant if they are being paid for involvement in other research studies at Lehigh University. If a participant is paid for involvement in multiple studies, the PI must inform Research Accounting of the annual amount paid to that participant for the study. If Research Accounting determines that total payments across all projects exceeds \$600.00 for any participant in a calendar year, Research Accounting shall report the total amount to Accounts Payable for 1099 issuance. Please refer to [Payments to Research Participants](#) on the Office of the Vice Provost for Research website for additional guidance.

XII. Unallowable expenses

(See appendix for specific ORSP policies and guidelines.)

This section includes Unallowable expenses that are not otherwise addressed in the Policy. This list serves as a guide and is not intended to be all-inclusive. If an item is not listed, that does not mean that it is Allowable.

- *Alcoholic beverages that are not purchased for Allowable Business Meals and Entertainment*
- *Amazon prime memberships - (Lehigh has a University Business membership)*
- *Car rental insurance purchased for domestic travel*
- *Child care expenses*
- *Contributions (political, charitable, etc.)*
- *Personal credit card fees or finance charges (The University OneCard is not personal)*
- *Dues for private clubs and societies not job-related*
- *Expenses for traveling from an individual's home to work or return*
- *Expenses related to vacation or personal days taken before, during or after a business trip*
- *Frequent flier and other similar awards for hotel and car rentals*
- *Home internet and/or home office charges*
- *Hotel amenities such as exercise facilities, movies, massages and saunas*
- *Personal insurance costs and/or baggage insurance*
- *Laundry service for travel of fewer than five nights*
- *Valet parking service*
- *Loss or theft of cash or cash advance money, personal funds or property including lost baggage*
- *Medical costs, doctor fees, prescriptions or other drugs*
- *Office holiday decorations, desk accessories, or artwork*
- *Optional conference events (e.g., tours, golf outings, etc.)*
- *Parking tickets or traffic violations*
- *Personal expenses such as reading materials, toiletries, clothing, grooming services, souvenirs or personal gifts, or briefcases*
- *Personal entertainment expenses (movies, shows, sporting events, golf fees, social and amusement activities, etc.) while traveling on University business*
- *Unapproved Spouse Travel*
- *Travel Clubs*
- *Tuition expense (outside of University sponsored benefit plans or approved University academic programs)*
- *Upgrades for air, hotel or rental cars to premium or luxury, including luxury limousine service*
- *Other expenses not directly related to the performance of the travel assignment*

XIII. Policy Exceptions and Escalations

Individuals seeking an exception to this Policy must submit a written request to their Approver explaining the basis for the request. The request must be endorsed by their Approver and the applicable department or stem.

Departments and stems shall establish an escalation process to review and endorse or deny extraordinary and/or questionable expenses within their areas. Endorsed requests for exceptions must be explicitly justified as beneficial to the University and may result in taxable income to the individual.

Departmental / stem Endorsed requests for exceptions to this Policy must be submitted to the Exception Review Board (ERB). The ERB is composed of representatives from the Provost's office, the Controller's Office and Purchasing Services. Documentation of exceptions shall be included as support within the OneCard System.

The Vice President for Finance and Administration may approve exceptions for the President, Provost, or equivalent level.

Appendix

Office of Research and Sponsored Programs (ORSP) **Guidance for Business and Travel Expenses on Sponsored Projects**

General Guidelines: Reimbursable expenses must conform to University policy, federal and state law, if applicable, and the restrictions within the terms and conditions of sponsored awards. Domestic and foreign travel charged to sponsored projects must follow the guidelines set forth in this document, unless federal regulations or the funding agency imposes greater restrictions.

The use of OneCard is strongly encouraged for all travel on sponsored projects. The use of Unimarket is strongly encouraged for materials and supplies purchased on sponsored projects.

Business Travel:

Travel is allowable as a direct cost when such travel is necessary to fulfill the research objective of the project and will provide direct benefit to the award. All travel costs charged to grants and contracts must be reasonable, allocable to the project, and in accordance with policies established by Lehigh University, the sponsor, and the terms of the specific award. Travel policies of federal and non-federal sponsors may vary. Per Federal guidelines, participation of the traveler must be justified through documentation as being necessary and assignable to the award. [Examples include: 1) a student should be working and receiving stipend on the award; or 2) a student's role defined as data collecting for the award during travel; or 3) student co-authored a paper from research work on the award.]

International Travel:

The definition of International (or Foreign) travel may differ from sponsor to sponsor and therefore each award must be reviewed for this definition. The award must also be examined for any applicable prior approval requirements. Some sponsored projects from federal agencies require that all foreign travel, even if included in the award budget, be approved well in advance of booking travel by the sponsor's administrative officer. Principal Investigators should contact their Contract and Grant Specialist for assistance with obtaining approval and the Office of Research and Sponsored Programs must countersign all letters requesting approval before submitting it to the sponsoring agency. Written approval from the agency must be received before any travel-related costs can be charged to the project index.

Lodging Per Diem:

Some sponsored projects establish per-diem rates for lodging. University employees must follow a sponsor's travel policies where Appropriate. Financial Managers should review the terms of the award or consult with their Contract and Grant Specialist prior to incurring charges to the project index.

Guests of the University:

An employee's OneCard should not be used to pay for visitors' expenses on a sponsored research account. The visitor must request reimbursement by submitting proper receipts. Lehigh's Accounts Payable form should be used.

Meals and Incidental Actual Cost:

Some sponsored projects establish per-diem rates or limitations for meals and other business travel expenses. University employees must follow sponsor's travel policies where Appropriate. Financial Managers should review the terms of the award or consult with their Contract and Grant Specialist prior to incurring charges to the project index. Costs of alcoholic beverages are Unallowable.

During travel, meals for other University employees (other investigators, graduate students, etc.) are Allowable provided that the individual is associated with the research the travel is being charged to (i.e. other investigators are named on the proposal or graduate students are receiving stipends on the project). Non-Lehigh collaborators or subawardees on the same project must request reimbursement from their respective employer or institution and will be reimbursed directly by the sponsor or through a subawardee invoice. The cost for meals for non-Lehigh non-project personnel are not Allowable.

Air Travel:

Per Section VII.A. of this policy, *Lightning* is required for booking externally sponsored program-funded air travel.

Federal requirements (the Fly America Act) state that domestic grantees must use U.S. flag carriers to the maximum extent possible when commercial air transportation is the means of travel between the United States and a foreign country or between foreign countries. This requirement shall not be influenced by factors of cost, convenience, or personal travel. The detailed implementation practices adopted to conform to the Fly America Act may differ among federal agencies. Accordingly, individuals

traveling abroad should consult agency guidelines and/or contact their Contract and Grant Specialist to ensure compliance with the respective agency requirements. Additionally, travelers on foreign trips sponsored by federal funds must use the University's travel management company and inform the reservationist that they are subject to this Act when making airline reservations.

Business-class or First-class Airfare is Unallowable except for travelers with University approved disability accommodations. These situations are reviewed and approved by the university on a case-by-case basis. In certain cases, sponsor pre-approval may be required.

Business Meals and Entertainment:

Business meals not associated with travel are considered entertainment charges and are Unallowable except when documented as a programmatic expense AND authorized either in the approved budget or with prior written approval of the awarding agency. Costs of alcoholic beverages are Unallowable.

Relocation Allowance: Relocation Allowance for research personnel recruited for work on a sponsored program, assuming the following conditions are met:

- The move is for the benefit of the University as an employer of the individual;
- Payment is in accordance with the Relocation Allowance Policy and Procedures; and
- The reimbursement does not exceed the employee's actual expenses

Consult with your Contract and Grant Specialist for additional guidance on Allowable costs.