



Standard Operating Procedure

Procedure Title: Travel and Business-Related Expense

Procedure #: FS.003

Revision #: 1

Unit Responsible: Financial Services Division

Individual Responsible: Chief Financial Officer

Effective Date: 8/26/2022

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Next Review Date: *[leave blank for now]*

***Does this procedure support a Board Policy? Yes**

If yes, identify: Board Policy 5.009

Board policies can be found at: [LCC Board of Trustees Policy Page](#)

***Does this procedure support HLC criteria? N/A**

If yes, identify: N/A

HLC Criteria can be found at: [HLC Accreditation Criteria](#)

***Does this procedure support a State or Federal Regulation?**

If yes, identify:

***Note: Standard Operating Procedures should be in furtherance of some LCC policy and/or accreditation criteria, even if the relationship is not direct. Assistance in determining this information can be obtained from the Academic Procedure Advisory Committee (APAC) and/or the Accreditation Liaison Officer.**



Travel and Business-Related Expense (BP 5.009):

1. Purpose

The purpose of this procedure is to define the areas for which LCC employees may receive authorization to expense travel for professional development or conducting business on behalf of the College while in travel status. Additionally, to define the areas for which LCC employees may receive authorization to submit expense reimbursement for conducting business on behalf of the College during non-travel status. It provides a common set of guidelines to administer and control such expenses, to standardize both the documentation and application of such expenses and to meet the reporting requirements of the Internal Revenue Code. Decisions regarding the use of travel funds will be made by the individual units of the College. Travel policies, procedures, regulations and reimbursement rates apply to all College travel regardless of source of funds.

All travel costs paid by the College to non-College employees (e.g. speakers, consultants, athletic teams, and other College guests) must be negotiated and agreed to by the Purchasing Department.

2. Scope

The procedure applies to all College employees.

3. Prerequisites

N/A

4. Responsibilities

The Controller's Office is responsible for implementing and monitoring compliance with these procedures.

5. Procedure

I. TRAVEL RELATED EXPENSES:

- A. **Authorization for Travel** – All employees are to request and be pre-approved for travel on College business prior to departure by the employee's supervisor. The pre-approval process for travel is designated by each Division within the College.

For persons who travel in-state on a regular basis for the same purpose which is within the prescribed scope of their duties, or when several related in-state trips are to be made by the same person during a short period of time, it is not necessary to obtain pre-approval for each trip. In these instances, pre-approval of the reason(s) for and extent of the authorization of the trips should be completed and kept on file in the departmental office before departure to document that the traveler is on College business.

B. Travel Arrangements – Once proper approval has been obtained for the business travel, the employee or their travel arranger may make the necessary arrangements for the upcoming travel.

1. Air Travel (**All Flights Must Be Booked Through the College Approved Travel Agency, ALTOUR, Through the Concur Travel Program**)

- a. *Commercial Flight Reservations* - All LCC reimbursable air travel is expected to utilize the least expensive fare available in Coach/Economy Class, regardless of aircraft size. The designated travel program will respond with the lowest available airfare within a reasonable time constraint. The travel agency will offer arrangements along the appropriate route and with the carrier that will provide the lowest logical airfare - considering cost vs. time, travel objectives, and airline restrictions. College travelers may be offered the lowest airfare on departures from Lansing, Detroit, Flint, and Grand Rapids (or any major commercial airports within 100 miles of their primary office or residence). To the extent possible, when travelling for business LCC employees will explore the option of using Capital Region International Airport (LAN) in Lansing. Further, if the cost of an LAN flight is within \$100 of a flight at a surrounding airport (Detroit, Flint, and Grand Rapids), employees will use LAN. If arrivals are not available within the traveler's parameters, an alternative schedule will be offered to provide maximum cost savings with minimum time inconvenience for the traveler.

In order that the College can be assured that the least expensive fares are being offered, travelers are required to:

- Accept alternate airport for departure/arrival if the cost savings exceeds by \$100 or more any additional costs when compared to similar arrangements out of a preferred airport.
- Accept least costly travel arrangements, regardless of number of connections or their routing, provided that arrival is still within traveler's required parameters.
- Make reservations as far in advance as possible to take advantage of early booking discounts and availability of open seat inventories.

Travelers who wish to upgrade their airfare (i.e. business or first class, seat priority, and/or seat assignments, etc.), must pay for those costs out of pocket and are not reimbursable.

Travelers who wish to extend travel either prior to or after the designated approved travel must determine and document the price of the air travel for the designated approved travel and the price of air travel for the extended period. If the cost is more to extend the travel period, the employee is responsible to reimburse the College for the difference and no per diem is provided for extended travel periods.

Travelers may accrue frequent flyer program credits to personal use. However, business travel will always be by way of the least expensive airline option and no travel will be planned around a frequent flyer program.

It is the responsibility of the traveler to review all tickets and itineraries for accuracy prior to booking the travel and again upon receipt and to immediately report any discrepancies to the designated travel agency (ALTOUR).

- b. Changes in Commercial Flight Reservations - When changes in travel plans require either cancellation or revision of airline tickets, the designated travel agency is to be notified immediately so that alternate arrangements can be made. Unused airline tickets will continue to hold a value (minus an airline administrative fee), as long as cancellations or revisions are made prior to the originally scheduled departure.

Changes to flight reservations while enroute, which do not require airfare changes, may be made directly with the participating airline. However, if a revised itinerary requires processing a fare change, the traveler must contact the designated travel agency that originally issued the ticket.

- c. Other Common Carrier - When travel is by taxi, bus, limousine, automobile, ship or rail, the expense may not exceed the cost of the lowest available airfare. Work hours lost from time enroute for the traveler to be away from his/her duties, as well as any additional travel-related expenses should be measured against travel time and cost of using a commercial air carrier.

2. Ground Transportation

- a. **Transportation Hires** – Taxi, shuttle services, or other similar services incurred in connection with authorized travel by common carrier are reimbursable. Transportation hire expenses are only allowable for travel directly related to business.

Services such as Uber or Lyft may be utilized, however, employees may not use their LCC issued purchasing card to pay for these services. Detailed receipts for the service may be submitted for reimbursement by the employee.

Employees who wish to use a transportation hire to travel to and from the employees place of work or home to the airport will be reimbursed the lesser of the transportation hire or the amount the College would be required to pay for airport parking and, if applicable, personal mileage to the airport as per the defined mileage guidelines which are attached to this procedure. The employee is responsible for providing all comparison documentation in their expense report to receive reimbursement.

If ground transportation is only required to travel between the airport and the work site/hotel/conference location, travelers should inquire into the availability of least expensive common carrier. Most airports are adequately serviced by taxi or shuttle. Many hotels also offer courtesy shuttle service for their guests.

- b. **Automobile** - Any penalties for traffic/parking violations are the responsibility of the driver. Reasonable parking costs may be expensed, using the most economical situation available and receipts must be provided in the expense reimbursement request.

- *College-owned Vehicles* - Use of a college owned vehicle must be approved in advance by the Fleet Manager. College-owned vehicles may be used for any authorized travel and are encouraged for use by employees, student clubs, and student organizations.

If a college owned vehicle is requested, the request must be submitted to the Fleet Manager. It does not, however, guarantee a vehicle will be available. Priority decisions with respect to vehicle requests are made by the Fleet Manager.

- *Personal Vehicles* - Reimbursement for transportation by the traveler's personal vehicle is generally an authorized expense per the attached LCC Mileage guidelines.

When two or more persons are traveling to the same destination, efforts should be made to car pool. Only the traveler whose personal car is utilized will be reimbursed for mileage.

Operating expenses for gasoline, repairs, towing, etc. are included in the allowance and are not separately reimbursable. Only actual mileage may be expensed per the standard mileage rate established by the Internal Revenue Service. Travelers using their personal cars are responsible for insurance coverage sufficient to meet all state minimum requirements and property damage.

- *Rental Vehicles* - Under certain circumstances, the use of a rental car may be necessary. The reasons for use of a rental car must be clearly documented on the travel authorization for pre-approval. The expense of car rental must be less than transport by common carrier. Rental cars will be confirmed through the designated travel agency's reservation system and confirmation information will be printed on the travel itinerary with traveler's age, name of the rental agency, pick-up date, pick-up city, and cost for the rental. Car rental expenses are only allowable for travel directly related to College business. When car rentals become necessary, the lowest available rate must be utilized by picking the appropriate vehicle size.
- *Reporting Accidents* - All accidents involving LCC travelers driving on College business must be reported to LCC Risk Management at 517-483-5298. When an accident occurs:
 - i. Report the accident promptly to the jurisdictional authority.
 - ii. Do not admit negligence or liability.
 - iii. Do not attempt settlement, regardless if minor.
 - iv. Obtain the names, address and telephone numbers of injured persons.
 - v. Exchange vehicle identification and insurance policy information with other party.
 - vi. Photograph the accident scene immediately, if at all possible.

C. Lodging - Lodging includes expenses for overnight accommodations. All lodging reservations should be made by the employee or their travel arranger. Lodging reservations may be completed through the designated travel agency. Conference guaranteed rates for hotels are to be utilized, unless documented that the hotel is

out of conference guaranteed rate rooms. In this case, the employee should make efforts to find a hotel and room rate within reasonable distance from the host hotel.

Reservations that have been guaranteed and which the employee will not use, must be canceled as appropriate and a cancellation confirmation must be noted.

Authorized room type is a reasonable and economically priced single occupancy room, proximate to the business location.

Incidental expenses charged to the room are considered separately and not considered lodging expenses and are the responsibility of the employee and not reimbursable.

D. Meal & Incidental Expenses Per Diem Travel Allowance

Per Diem Travel Allowance rates include a maximum amount for meals and incidental expenses which includes:

1. All charges for meals and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons)
2. All fees and tips to wait staff and dining room stewards
3. All fees and tips to bell staff, porters, and baggage handlers
4. All fees and tips to hotel maids and hotel servants

If not traveling for the entire 24-hour day, the standard meal allowance must be prorated for the day travel occurs. For the date of departure, $\frac{3}{4}$ of the standard meal allowance amount is the most that can be claimed. For the date of return, $\frac{3}{4}$ of the standard meal allowance amount is the most that can be claimed. These amounts are calculated and determined when completing the travel itinerary in the Concur expense reporting system.

In those cases where meals are included in registration fees or paid for by others, the standard meal allowance must be marked as provided in the Concur expense reporting system. A copy of the conference or business meeting agenda must be attached to the expense report to document the appropriate meal allowance.

If travel is extended, the College will only reimburse the per diem travel allowance for the business-related portion of the trip.

E. Other Reimbursable Expenses – Other expenses that are not part of the daily per diem rate that are reimbursable include:

1. Personal baggage fees for air travel – the College will reimburse up to 2 bags for air travel, however, the employee is encouraged to limit their baggage to 1 checked bag. The College will **not** reimburse for overweight luggage.
2. Excess **business** baggage may be separately reimbursable. This is defined as non-personal, project materials such as computers, equipment, manuals, reports, office supplies etc. that are required for the business trip. Excess business baggage must be documented by content and business purpose when the related transportation cost is submitted for reimbursement. For Federally sponsored project activities, some granting agencies require prior written approval for the

expense of transporting excess business baggage.

3. Airport parking fees – the College will reimburse employees for the cost of airport parking while on business travel. If travel is extended, the College will only reimburse for the cost of parking during the business-related portion of the trip.
4. Tolls – the College will reimburse employees for the cost of tolls when personal vehicles are approved to be used for College business travel.
5. Hotel Internet/Wi-Fi – If the employee is required to conduct College business while not attending business meetings, conference sessions, etc. and, if pre-approved by the employee’s supervisor, the College will reimburse employees for the cost of hotel internet/Wi-Fi when not included within the cost of the hotel room.
6. Other Costs – If other costs are anticipated during the employee’s travel, pre-approval for reimbursement must be obtained.

F. Reimbursement Processes

The employee must account for expenses within ten (10) business days after the completion of the business-related trip. The only exception to this is for employees that are required to routinely submit reimbursement requests for mileage only. These employees may request mileage reimbursement on a monthly basis. Expense reimbursement requests submitted outside of these parameters without prior approval from the Controller or Assistant Controller may not be approved for payment.

The College shall process reimbursement for business related travel within 10 (ten) business days after submission of valid expense reports, requisite receipts, and proper supervisor approval.

Exceptions to this procedure must be requested and approved by the employee’s supervisor and forwarded to the Controller’s office for final approval prior to any authorization of such expenses.

6. Reference

OTHER BUSINESS-RELATED EXPENSES:

The following guidelines are viewable on the [Accounting Services Webpage](#)

- A. LCC Meal and Refreshment Guidelines for Non-Travel
- B. LCC Gifts and Flowers Guidelines

7. Definitions

For purposes of clarity, the following definitions will apply:

- Local travel is defined to include travel for which the destination is within the prescribed LCC taxing district.
- In-state travel is defined to include travel for which the destination is outside the local LCC taxing district, but within the state of Michigan.

- Out-of-state travel is defined to include travel for which the destination is outside of the state of Michigan.
 - Domestic travel is defined to include travel for which the destination is within the 48 contiguous U.S. states, Alaska, Hawaii, as well as U.S. protectorates (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands).
 - International travel is defined to include travel outside of the United States and its protectorates.
 - College business travel is defined to include any travel paid for, through reimbursement out of an LCC account, including grant and agency accounts. When travel is funded by a grant, contract, or sponsored program, the use of travel funds will be governed by the more restrictive of the grant, contract or College policies.
- All foreign travel authorizations must be pre-approved by the employee's Executive Leadership Team member, and the President, Provost and Senior Vice President of Academic Affairs or the Senior Vice President of Business Operations, as appropriate.
 - Travel advances are not permitted.
 - College employees are responsible for out-of-pocket expenses for both domestic and foreign travel and must request reimbursement via an expense report using original detailed receipts with the exception of meals.
 - In order to minimize institutional loss, good judgment should be used in deciding the number of employees representing one area or function who may travel on any single conveyance.
 - Expenses attributable to personal travel, or spouse/companion travel are not reimbursable.
 - Reimbursement is generally limited to actual cost of business-related expenses, except for mileage and per diem meal expense/incidentals (travel allowance). Separate meals may not be expensed when included in the price of a conference or other attended event, when offered enroute on a conveyance, or when included in the standard price of accommodations.
 - Per diem is only allowed when in overnight travel status.
 - When a trip is changed or canceled the traveler must notify both the College's designated travel agency immediately. For airline tickets issued on a discounted fare, the airlines will generally not refund the cost of the ticket, but may allow the value to be placed against future travel (minus an administrative fee) if the change is made prior to the initially scheduled departure date. Service fees incurred in the normal course of doing business are reimbursable. Fees incurred by the traveler through negligence, personal choice, or carelessness of the traveler are not reimbursable.