

## **FAQs for Travel outside the U.S.**

Under IRS regulations, in order for any part of travel outside of the United States to be reimbursable, the trip must either: 1) meet the criteria that all of the travel is entirely for business (i.e., no personal activities); or 2) meet one of the exceptions allowed by the IRS to be considered entirely for business.

The University utilizes an exception titled “No Substantial Control” to demonstrate that travel that has some personal component is considered entirely for business. The requirement is that the University must demonstrate that the employee does not have substantial control over the trip. The University meets this criteria by requiring the approval of the managing executive (the responsible Vice President) to objectively review the travel and determine the extent of business travel and thus the extent of reimbursement. Until the responsible Vice President deems the trip, or a portion of the trip, to be Considered Entirely for Business, no portion of international travel may be reimbursed.

### **When is the travel Entirely for Business or Considered Entirely for Business?**

- Travel is entirely for business if the traveler spends the entire time on business activities.
- Travel is considered entirely for business if (1) the traveler is not a managing executive (i.e., President/Chancellor), and (2) the travel was approved by the appropriate Vice-President/President as business travel in accordance with the IRS guidelines. Such approvals must be obtained prior to the travel. Travel not approved by the appropriate Vice President/President is not considered entirely for business, and the transportation costs to and from the business destinations will not be paid or reimbursed.

### **Are costs of airfares to/from the business destinations paid or reimbursed for Business/Personal combined travel outside the United States?**

- Costs of airfares to/from business destinations will be paid or reimbursed only for Travel Entirely for Business or Travel Considered Entirely for Business.
- Costs of airfares to and from personal destinations will not be paid or reimbursed.

### **What can be paid or reimbursed for Travel Entirely for Business or Travel Considered Entirely for Business?**

- Costs of transportations to and from the business destinations, at the lowest cost.
- Actual meal costs during business days and necessary travel days.
- Hotel costs for business days.
- Incidentals, tips, and other business expenses that are ordinary and necessary.

Hotel costs for personal days and other costs incurred for personal activities will NOT be paid or reimbursed.

### **Are costs associated with airfare upgrades allowable for Travel Entirely for Business or Travel Considered Entirely for Business?**

- Cost upgrades are not allowed as well as additional fees such as early bird check-in, select seating, extra leg room, economy plus, etc. Luggage fees are allowed.

**Travel was approved as Travel Considered Entirely for Business, however, the airfare purchased by the traveler included a personal destination. What is the process for the reimbursement?**

- The traveler must provide a lowest priced quote that only includes business destinations. The traveler will be reimbursed the lesser of the actual airfare, which includes the personal destination, and the quote, which only includes business destinations. Airfares that include personal destinations may not be directly billed on vouchers or charged to the UH Travel cards.
- If a partial airfare is approved for the reimbursement, the approved portion will only apply to the lesser of the actual airfare and the quote.

### Example

\*Travel Request approved by the appropriate Vice President shows 50% of the airfare will be reimbursed.

\*Traveler paid \$2,000 for airfare including his personal destination.

\*The quote shows that airfare includes his business destination only would have cost him \$1,500.

In the above case, the traveler's airfare reimbursement amount is \$750 (\$1,500 x 50%).

### **How are meal costs reimbursed?**

- The university does not have a per diem.
- Actual meal costs are required to be claimed.
  - Receipts are not required for actual meal costs up to the federal daily meals and incidental rate. However, departments may require receipts per their internal policies.
  - Receipts are required for actual meal costs that exceed the Federal daily meals and incidental rate as long as the costs are within the daily caps for the destination.
- \*• Costs cannot be averaged across days of travel.
- \*• Receipts or a written explanation from the traveler will be required if meal costs claimed indicate that actual costs may not have been submitted. This includes instances when meal costs are identical to the federal meal and incidental rate, and when meal costs do not fluctuate for different days of travel. The explanation must come from the traveler.

### Example

An employee traveled to Bristol to attend various meetings for three days. She did not submit receipts for the actual meals, but claimed \$93 (Federal daily meals and incidental rate for Bristol)

per day throughout her travel as her meal expenses. In such case, the employee (not the business office) must provide an explanation. For instance, she may state “My actual meal expenses were \$95.50 (1<sup>st</sup> day), \$98.35 (2<sup>nd</sup> day), and \$95.00 (3<sup>rd</sup> day). I did not maintain all receipts, so I am claiming \$93 per day for those 3 days.”

**Do conference hotel rates have to be published in the conference announcement to be allowable when they exceed the standard travel rate?**

- Conference hotel rates must be published in the conference announcement or some other conference document (i.e., official notices from the organizing entity, organizing entity website) to be allowable when they exceed the standard travel costs for the destination.
- If no published rate is available, an exception from MAPP will be required.

**Can the business expenses incurred during the personal travel be paid or reimbursed?**

- Business expenses incurred during the employee’s personal trip may be paid or reimbursed only if the expenses are directly related to the university business. Examples of such expenses are conference registration fees, local transportations to and from business event locations, and business meals.