

## A. Policy

Furman University approves and pays for necessary and reasonable travel, entertainment and other business expenses incurred while conducting authorized University business

The travel and entertainment policy and related guidelines contained in this statement are designed to conform to the substantiation rules published by the Internal Revenue Service (IRS).

Consistent abuse of the reasonableness provision of this policy could result in disciplinary action against the employee, up to and including termination of employment.

## B. Scope

This policy applies to the following individuals who travel, entertain or incur other business expenses on behalf of the University, regardless of the funding source:

- Employees of the University
- Students whose travel, entertainment and other business expenses will be paid by the University.
- Non-employees (including job applicants, guest lecturers, and volunteers) who have been invited to the University or have been authorized to travel entertain or incur other business expenses on behalf of the University.

This document outlines policies and procedures in general terms to allow reasonable discretion for travelers and administrators and is not expected to cover every possible situation. Federally funded programs may have additional requirements. Exceptions and unusual items should be discussed in advance with the approver or Travel Office, as applicable.

## C. Responsibility

### Furman University

The University is responsible for ensuring that all payments for travel, entertainment and other business expenses are fair and equitable to both the individual and the University, and are made in accordance with this policy and external regulations.

The University has no obligation to reimburse employees, students and non-employees for expenses that are not in compliance with this policy.

### Department Heads

Departments of the University are responsible for ensuring that anyone traveling, entertaining or incurring other business expenses on behalf of the University is aware of, and will abide by, the

policies and procedures outlined in this document. Departments may, at their discretion, impose greater but not less control than required by this policy.

### Authorized Approver

It is the responsibility of the supervisor authorized to approve travel, entertainment and other business expenses to ensure that all reporting and documentation requirements are met and that expenses adhere to these guidelines. Because they are more familiar with expenses incurred on behalf of their departments than is the Travel Office, authorized approvers must verify that expenses and the Travel and Entertainment Voucher (TEV) meet the following criteria:

- The expense was incurred while conducting University business.
- The information contained on form TEV and in accompanying documentation is accurate and in accordance with this policy.
- The expense meets applicable sponsor guidelines.
- The expense is charged to the proper general ledger account(s).

### Employee, Student and Non-Employee

Employees, students and non-employees traveling on business or incurring entertainment or other business expenses on behalf of the University are responsible for complying with University policy and procedures as described herein.

### Sponsored Program Travel

Travel charged to sponsored programs should follow this policy unless the funding agency imposes greater restrictions. The terms of a particular grant or contract should be referred to for specific guidance on what expenditures are allowed.

Federally funded sponsored programs are subject to the guidelines set forth in the OMB Circular A-21, Section 48, Travel Costs.

### Fundraising and Development Travel

The University recognizes the unique nature of certain travel, entertainment and other business expenses incurred for fundraising and development activities. If these activities necessitate a deviation from stated policies, the individual should attach an explanation during the pre-approval phase, if the exception is known in advance, or with the completed TEV if the employee could not anticipate the exception. The business purpose must indicate that the expenses are directly related to development activity.

## D. Guidelines

Travel, entertainment and other business expenses should be incurred at the lowest cost to the University. Good stewardship of the University's resources is the basic guideline.

Under no circumstances should pre-trip expenses for personal travel, entertainment or other expenses be charged to, or be temporarily funded by, the University. For example, airline tickets for a non-business traveling companion should not be charged to the University. Co-mingled personal and business expenses that are incurred during travel should be repaid within ten business days following the traveler's return to campus.

### 1. Approval and Reporting Procedures.

#### Pre-Approval:

To be eligible for payment, all travel and entertainment must be requested and approved in advance by completing Part I of the Travel and Entertainment Voucher (TEV). A travel request normally should be made at least two weeks in advance of the travel date to allow for approval and processing. Generally, airfare and other transportation costs are much lower if reservations are made at least two weeks in advance.

Non-employees traveling on business or incurring entertainment or other business expenses on behalf of the University do not need to submit a TEV. A TEV is also not required for local travel and entertainment expenses. However, proper approval(s) should be obtained prior to or after the activity in accordance with the approval requirements as defined in this policy and policy 370.4 TAP Card Program.

To qualify for approval, travel and entertainment must bear a direct relationship to the employee's, student's or non-employee's responsibilities at the University.

#### Approval Hierarchy

Travel and entertainment must be approved by at least one person upward in the University's reporting chain as follows:

- Faculty - Department chairperson and the Vice President for Academic Affairs and Dean.
- Administrative and Support Personnel - Budget Unit Head
- Budget Unit Head – Vice President, Department Head or Director, as is appropriate.
- Vice President and Direct Report to the President - President.
- Student and non-employee travel and entertainment must be coordinated and pre-approved by the faculty/staff sponsor and pre-approved further by a Vice President or other Budget Unit Head, as is appropriate.

It is the duty of the person who incurred the expense to accurately report the expense on his/her form TEV. Under no circumstances should employees traveling together shift expenses between forms TEV to avoid the approval hierarchy.

After authorization for travel and entertainment has been approved, form TEV should be forwarded by e-mail to the Travel Office where a number will be assigned for tracking and reporting purposes. In rare cases, travel may be required before a travel request can be processed. In this event, a confirmation travel request, duly approved, must be processed before reimbursement can be made.

#### Cancelled or Postponed Trips:

If a TEV has been approved and assigned a tracking number, and then the trip or event is cancelled, the employee must immediately notify the approver and return form TEV to the travel coordinator with "Trip Canceled" indicated on it.

If the University has prepaid expenses for a cancelled trip or event, these expenses should be entered on the TEV along with appropriate documentation and approval signatures. Any prepaid expenses eligible for refund must be documented as such on form TEV, and it is the traveler's responsibility to ensure that the University receives the refund.

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

#### Post Travel and Entertainment:

The pre-approved TEV should be completed within ten (10) business days after the employee returns to campus or completes the entertainment. Attach original receipts for all expenditures of \$50 or more. See Supporting Documentation for details.

The completed form TEV must be approved by at least one person upward in the University's reporting chain (refer to Approval Hierarchy under Approval and Procedures guidelines for specific directions).

#### Exceptions:

Exceptions to the University travel policies and guidelines must be pre-approved and documented. Only under the most extenuating circumstances will exceptions be approved after travel has been completed.

## 2. Travel Expenses.

#### Prepaid Expenses:

Transportation tickets may be billed directly to the University by using the designated travel agency named by the Director of Administrative Services. The TEV tracking number must be

provided to the agency at the time of booking. In addition, transportation tickets and conference fees, etc. can be charged to the University Travel and Procurement (TAP) credit card. Check requests for conference fees should be submitted to Financial Services/Accounts Payable. All requests must include the tracking number assigned to the approved TEV.

#### Expenses Incurred During Travel and Entertainment:

Expenses incurred during travel and entertainment should be charged to the extent possible to the employee's TAP card. Expenses charged to the University on the traveler's TAP card or by direct billing are to be included on the TEV but are not reimbursable to the traveler.

#### Cash Advances:

The University does not provide cash advances except in extenuating circumstances. If circumstances dictate, the traveler may request a cash advance in the "Notes and Substantiation" section of form TEV. All cash advance requests must be approved in writing, printed and delivered to the Travel Office for further processing in Financial Services/Accounts Payable.

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

#### Travel Club Membership:

Membership in travel organizations such as AAA will be authorized for employees who travel extensively in their personal vehicle outside a 30-mile radius of the campus. Extensive travel is considered to be more than five (5) business trips per year. Such membership must be processed by check request only and approved in advance by the appropriate member of the President's Council.

#### Supporting Documents:

Submit all receipts taped or glued to 8 ½" by 11" paper, attached to form TEV. Please place receipts in date order, following the format of the travel voucher.

Receipts are required if reasonably available for all expenditures. Photocopies of receipts are acceptable if the expense was shared by another employee who submitted the original receipt or if the original is attached to the traveler's TAP card statement. The photocopy should state with whom the expense was shared.

Receipts including part business and part non-business expenses should be submitted to the University. A photocopy should be retained for the employee's personal records.

Only the original airline ticket or e-ticket confirmation that includes the cost of the ticket can serve as supporting documentation for air travel; the itinerary alone is not sufficient. (E-ticket confirmations are normally delivered to the traveler by e-mail.)

Itemized hotel bills and car rental agreements, regardless of amount, should be attached to the travel voucher.

When travelers attend a conference, a conference brochure showing the agenda or meeting schedule should be attached to the completed TEV to verify business purpose, dates of travel, meals included in the conference fee, etc.

The following are not considered valid original receipts according to the IRS: checkbook carbon copies of checks, cancelled checks, personal credit card monthly statements, or credit card receipts.

It is the traveler's responsibility to ensure that all expenses equal the amounts reflected on form TEV by notation on the actual receipts attached or by separate schedule.

#### Entertainment Documentation:

In addition to original receipts for entertainment expenses, form TEV must include the following details:

- Who was visited or entertained
- Why the expense was incurred
- What type of event, activity or purchase
- Where the event or activity took place
- When the event or activity took place

#### Lost Supporting Documentation:

When receipts for expenses over \$50 are not available or are lost, the Receipt Verification Form must be completed, signed by the employee and the appropriate approver, and supplied with form TEV.

#### Returned Travel and Entertainment Voucher:

Expense reports which are not properly completed and approved may be returned to the employee.

Expenditures which are not substantiated by acceptable receipts within 30 days following the last day of the trip will be added to the employee's taxable gross income on the payroll date immediately following the end of the 30-day period. Once added to taxable income, the amount cannot be subsequently reversed, even if the employee subsequently complies with these requirements.

Any reimbursement due to the traveler will also be withheld until proper documentation is presented.

### 3. Transportation.

Travel should be by the most economical means reasonably possible. Reimbursement normally will be made at this rate only. However, if time and convenience of the traveler and time away from the University cause a traveler to select a travel mode other than the most economical, those factors will be considered in the computation of reimbursement.

#### Air Travel and Related Expenses:

Coach class is to be used for airline travel. Business class and first class travel will not be processed unless the approver provides an explanation of the medical reasons or extenuating circumstances that require such service.

Round trip domestic airline tickets that cost more than \$600 should be fully explained.

#### Travel on Charter and/or Private Aircraft:

For the safety of travelers, the University does not authorize flying on chartered private aircraft. Employees may travel on chartered or private aircraft only under exceptional circumstances and with prior approval of the President. Contact the Insurance Coordinator (x 3101) to determine liability coverage. Refer to File 381.1 in the event it is necessary to use air charter or air taxi services.

#### Saturday Night Stay:

When the savings generated by traveling and staying over a Saturday night exceed the cost of lodging and meals for a pre- or post-business period, the University encourages the employee to make the Saturday night stay. Entertainment and other personal expenses (including health club fees) incurred during this period, or at any other time will not be covered by the University. Please provide a worksheet with the completed form TEV showing the airfare with and without the Saturday night stay and the hotel/meal costs for the additional days to document the savings.

#### Frequent Flyer Miles:

Employees may retain frequent flyer miles earned while on University business. Furman will not reimburse travelers for tickets purchased with frequent flyer miles. Providing monetary compensation to an employee in exchange for a free ticket is considered additional pay. However, if a traveler chooses to use his/her miles for University business, Furman will reimburse fees associated with issuing a frequent flyer ticket such as taxes and agency or airline service fees.

Frequent flyer memberships should not influence travelers to select a flight that is not the lowest priced flight available. Excess cost due to the use of an employee's preferred airline will not be reimbursed.

#### Lost or Excess Baggage:

The airlines are responsible for compensating the owners of lost baggage. The University will not reimburse travelers for personal items lost while traveling on business.

Airlines charge an extra fee for more than two bags and for baggage exceeding weight limits (currently 50 lb. per bag). Excess baggage charges will be paid when it is reasonable and necessary.

#### Cancellations and Charges:

When a trip is canceled after the ticket has been issued, the traveler should inquire about using the same ticket for future travel. Incurring cancellation and change fees for airline travel is a cost of doing business. However, travelers must explain the reason why the change was necessary on their expense report. Travelers who incur additional charges due to a change or cancellation for personal reasons may not be reimbursed for those charges.

#### Ground Transportation and Parking:

Travelers using their personal vehicles to drive to the airport will be reimbursed at the standard mileage rate. Parking at the airport will be paid, but travelers are urged to use long-term, lower cost parking lots when available. Once at the destination, the traveler is reminded that hotel shuttles may be available free of charge or for a nominal fee.

#### Rental Cars:

When traveling on University business, travelers may rent up to and including a full size vehicle. Travelers may rent a car to their destinations when driving is more convenient than airline travel and/or when driving is necessary to transport large or bulky material.

Travelers may rent a car at their destination when it is less expensive than other transportation modes such as taxis, and airport shuttles.

Allowable costs include the daily rental fee, mileage fee, gasoline charges and tolls. Non-reimbursable costs include, but are not limited to tickets, fines, and traffic violations

Travelers may book a class of service above a full size vehicle when cars in the authorized category are not available, additional space is required for transporting materials, for pre-approved medical reasons or when the traveler can upgrade at no additional cost to the University.

#### Personal Automobiles/Mileage Reimbursement:

Travelers may use their private vehicle to save time, transport equipment, or reduce the cost for a group traveling to a common destination. The University will reimburse the vehicle's owner by applying a standard rate per mile to the actual driving distance by the most direct route. This mileage rate covers all transportation and operating costs, including gasoline. Tolls and reasonable parking charges will also be reimbursed. When two or more persons on University business share a private vehicle, only the driver may claim reimbursement for mileage. The University may limit reimbursement for personal mileage to the cost of airline tickets where excessive mileage reimbursement is requested.

#### Commuting Expenses:

Travel from an employee's residence to a normal place of business is treated as a commuting expense and is not reimbursable.

#### Chartered Buses:

There are certain exclusions in Furman's insurance policy for chartered buses. When buses are chartered a certificate of insurance must be secured from the chartering company, and the certificate must show that Furman University is an additional insured under the policy of the chartering company.

Contact the Insurance Coordinator (x 3101) for more information.

#### Vehicle Insurance:

Vehicle insurance coverage is for vehicles owned by the University and for vehicles not owned by the University but used for university business. Personal vehicles used for university business are subject first to the automobile owner's liability coverage; then University insurance will cover any excess over the primary coverage. The University carries no coverage for physical damage caused by vehicles owned by others. If an employee or student is driving a rental car, University insurance will pick up after the rental agency's liability insurance is exhausted. The deductible for this coverage is the responsibility of the driver's department. Travelers should not purchase additional insurance offered by rental agencies while on University business. Drivers should be sure it is clearly shown on the rental contract that the rental is on behalf of Furman University. Questions regarding insurance coverage may be directed to the Insurance Coordinator (x 3101).

## 4. Lodging

#### Hotel Accommodations:

Travelers should always consider reasonably priced lodging options. Exceptions may be made in extenuating circumstances such as travel to large metropolitan areas or conferences and meetings

scheduled at resort hotels. The traveler is required to substantiate the reason for selecting a high-end hotel at the time the travel request is submitted for pre-approval.

#### Hotel Cancellation Procedures:

Since hotel reservations are typically guaranteed to assure lodging for late arrivals, travelers are required to cancel these reservations in a timely manner to prevent no show charges. Except under extenuating circumstances, the University will not process expenses due to a traveler's failure to cancel guaranteed room reservations.

Travelers should request and record the cancellation number in case of billing disputes.

#### Lodging in a Private Residence:

When it is convenient and preferred by the employee, staying with friends or relatives can save the University money. When approved prior to the trip, the reasonable cost of a gift or meal in return for such hospitality is reimbursable. The cost of such gift or meal should not exceed \$50 and must be supported by a receipt and clearly explained on form TEV. The cost of the meal or gift plus any additional transportation costs must never exceed the cost of standard accommodations at the business destination, nor can a "cash payment" be made to the host.

#### Hotel Frequent Guest Programs:

Many hotels have frequent guest programs that reward travelers with free accommodations in exchange for a specified number of paid room nights at the hotel. Furman will not reimburse travelers for the value of free accommodations used for business travel.

Travelers on University business should select hotels based on reasonable pricing and not on their frequent guest memberships. Membership fees associated with joining these programs are not reimbursable.

### 5. Meals and Entertainment

#### Meals While Traveling:

Meals, including tips, incurred by and for the benefit of the traveler are reimbursable if travel is beyond a 30-mile radius of campus. The expense of each meal and tip must be reported to be reimbursed. Attach receipts for meals costing more than \$50.

#### Business Meals:

Business meals are defined as meals taken with students, colleagues, suppliers or donors during which a specific business discussion, directly related to the active conduct of University business, takes place. See Entertainment Documentation for details.

#### Meals with Fellow Employees:

Employees will be reimbursed for business-related meals taken with fellow employees only in the following circumstances:

- When, for confidentiality reasons, business must be conducted off campus.
- When authorized by a President's Council member for reward, recognition, or other appropriate business purpose.

Light refreshments for on-campus staff meetings are allowable with Department Head's approval.

Departments may incur reasonable expenses for one holiday luncheon or celebration each year. Any alcohol associated with these events may not be charged to the University.

Departments may not expend University funds for occasions such as farewell gatherings for employees with less than three years of service, employee birthdays, weddings or anniversaries. In order to recognize the many contributions made by administrative professionals, the University sponsors an Administrative Professional's Day through the Human Resources department; therefore, expenses for additional recognition should not be charged to departmental budgets.

#### Alcohol:

The cost of one beverage with dinner will be reimbursed as part of the meal expense.

The federal government has mandated that no alcohol may be charged as either a direct or indirect expense of federally sponsored projects. This means that under no circumstances should alcohol be charged directly to a federal grant or contract account.

To ensure that liquor is not charged directly or indirectly to a federal grant or contract, the liquor expenses must be charged to Object Code 82440.

#### Entertainment:

Entertainment expenses include outings to concerts, theaters, or sporting events when a business discussion takes place during, immediately before, or immediately after the event. Employees will be reimbursed for entertainment expenses:

- With prior approval of the appropriate President's Council member.
- If the person(s) entertained has a potential or actual business relationship with the University.
- If the business discussion will benefit the University.

To ensure that entertainment expense is charged to a federal grant or contract, charge entertainment expenditures to Object Code 82450.

Keep in mind that employees and students represent Furman University and individuals should use good judgment when selecting an event or location for entertaining guests of the University.

#### Documentation and IRS Requirements:

In order to comply with IRS rules, employees must substantiate the time, place, and business purpose for the entertainment. An original receipt must be submitted with the TEV for any individual meal or entertainment expense of \$50 or more.

#### 6. Miscellaneous Expenses

Miscellaneous expenses incurred by the traveler for the benefit of the university will be processed. Receipts for incidental charges are required and must be attached to form TEV. The travel and expense voucher must include an explanation of why such expenditures were made.

Allowable miscellaneous expenses include the following:

- Business telephone calls made while away from the office will be reimbursed. Reasonable calls to the home will also be reimbursed (i.e. one call of reasonable length per day). Direct long distance calls from the hotel room are extremely expensive and should be avoided. Employees are encouraged to use a Furman issued calling card, pre-paid phone card or cell phone. If you travel extensively for business, consider requesting a Furman calling card or cell phone through Computing and Information Services (x 2021).
- Travelers should refrain from using air phones except in emergencies or extenuating circumstances. An explanation must be noted on the TEV.
- Business office expenses such as word processing services, equipment rentals, fax and computer expenses, copy services, overnight delivery/postage, purchase of materials and supplies when normal purchasing procedures cannot be followed, rental of a room or other facility for the transaction of official business, and laundering, cleaning or pressing of clothing if a trip exceeds six days.
- Special fees for foreign travel, including actual costs of obtaining a passport, visa, tourist card, and necessary photographs; cost of certificates of birth, health, identity, and related affidavits; charges for required inoculations and medical evacuation insurance; currency conversion and check cashing fees; the cost of local labor; the cost of full collision insurance on automobiles rented in foreign countries.
- Charges for checking and storing baggage necessary for the business purpose of the trip. Excess baggage charges are also allowable; however, justification for carrying excess baggage must be provided on form TEV.
- Other ordinary and necessary expenses not included in the above categories.

## 7. Non-reimbursable Travel or Business-Related Expenses.

The following lists of non-reimbursable expenses are not to be considered all-inclusive, and a rule of reasonableness will be applied by the President and appropriate President's Council member:

### Transportation:

- Airline tickets for circuitous routes, unless justified before purchase.
- A frequent flier ticket used for business travel cannot be reimbursed for any reason.
- Parking tickets, fines for moving violations, or vehicle towing charges.
- Reimbursement for vehicle repair or servicing costs, regardless of cause, or insurance of personal automobiles.
- Theft, loss or damage of personal luggage and effects.
- Passenger insurance (flight insurance).
- Airline club membership dues.
- Cost differential on premium and luxury car rentals.
- Expenses associated with normal commuting between an employee's home and primary place of business.
- Any personal portion of the cost of a rental car.
- Travel expenses for family, friends or other guests of an employee on University business unless approved in advance in writing by a member of the President's Council.

### Lodging:

- Hotel room rates should be moderate for the geographic area unless the exception is pre-approved for travel to large metropolitan areas or to conferences and meetings scheduled at resort hotels.
- Condominium rental at a resort location is only allowed for a group traveling together on University business and a condominium is the most economical means of housing the group.
- Movies and other entertainment charged to the room, health club charges, golf, and other personal services.
- When traveling with a companion the employee is responsible for any additional charges above the single occupancy.
- Except under extenuating circumstances, the University will not reimburse expenses due to a traveler's failure to cancel guaranteed room reservations.

### Meals and Entertainment:

- No meal will be reimbursed in instances in which the traveler does not pay for the meal or in instances in which meals are covered by conference or registration fees, unless separate meal arrangements are justified by University business.
- Expenses for business meals (food or beverages) to the extent that such expense is lavish or extravagant under the circumstances. Employees should expect to cover the excessive costs of such meals beyond a reasonable amount.

- Drinks in excess of one per meal per traveler.
- Snacks or mini-bar, unless in lieu of a meal.
- Expensive bottles of wine, drinks that are not associated with a meal, or drinks taken at a bar.
- When a meal is included in the cost of a conference, the University will not reimburse the employee for the cost of a meal taken during that period (i.e. if employee chooses not to attend the provided lunch, the University will not pay for an alternative lunch taken).

#### Miscellaneous:

- Membership dues in private or social clubs or organizations.
- Luggage or back-packs.
- Childcare, baby-sitting, house sitting, or pet sitting costs.
- Any personal clothing or accessories.
- Grooming expenses.
- Prescriptions, over-the-counter medication or other medical expenses.
- Contributions.
- Other incidental items such as magazines, toiletries, and medicines are considered personal items.

#### 8. Exceptions

Exceptions to this policy may be authorized in writing by the President or other member of President's Council. A request for an exception must document the circumstances and need for the exception. When an exception has been granted, payment of expenses submitted will be limited to the actual costs incurred, provided such costs are deemed to be ordinary and necessary under the circumstances.

#### 9. Tax Treatment of Travel Expenses

##### Outstanding Cash Advances:

An employee may have only one cash advance outstanding at any given time. Failure to account for a cash advance within 30 days will result in:

- Suspending of cash advance privileges.
- Reporting the advance to the IRS on the traveler's W-2.
- Withholding of taxes on the advance from the traveler's paycheck.

Once an unsettled advance has been added to the traveler's W-2, it cannot be reversed even if settled.

### Club Memberships:

Individual dues for memberships in any club organized for business, pleasure, recreation, or any other purpose are not reimbursable. If an exception is approved, the reimbursement must be treated as taxable income to the employee and reported to the IRS.

Note: Memberships in professional societies, organizations, or institutions that are a requirement of the employee's job and approved by their department are reimbursable and not taxable.

### Gifts and Awards to Employees:

Gifts and awards given by the University to employees may be considered taxable income to the recipients. Questions regarding the taxability and processing of gifts and awards should be directed to Financial Services (x 2141).

The Chaplains' Office sends flowers or memorial donations for bereavement or illness as appropriate to Furman faculty, staff and their immediate families. Additionally, the Human Resources Office issues bereavement notices via e-mail and provides food trays which may be delivered by the department. Therefore, individual academic or administrative departments are not allowed to expend departmental or university funds for these purposes.

Note: Employees are not authorized to purchase gift certificates for any occasion or in any denomination. Further, employees are not authorized to purchase gifts with University funds to recognize birthdays, anniversaries, weddings, births, or any holiday.

### Spousal Travel:

The travel expenses of an employee's spouse, family or companion are not reimbursable unless pre-approved by the President's Council member to whom the traveler reports.

In those situations when a spouse's attendance at a professional function or involvement in fund-raising activities serves a legitimate business purpose, payment of the spouse's travel expenses does not need to be reported to the IRS.

Departments that choose to pay for spousal or companion travel without legitimate business purpose should inform the traveler that the payment will be taxable income to the employee and will be reported to the IRS. Taxes on the value of the spousal travel will be withheld from the traveler's paycheck.

In the event a spouse, companion, child, etc. accompanies an employee, any increased costs must be paid by the employee (i.e. double vs. single occupancy, meals, etc.) Certain expenses may require allocation between personal and business purpose. In this case, the employee should use a systematic and rational allocation method that fairly states the business portion of the expense.