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Attachment I: Procurement Card Based Rental Vehicle Insurance Summary

Note: Links to forms mentioned throughout this APL are found under related documents on page 13.
I. GENERAL

University employees, job applicants, student recruits and students are, from time to time, required to travel on university business. Reimbursement for such official travel will be based on actual expenses and/or per diem, as authorized. It is the traveler's responsibility to document expenditures in accordance with the following procedures. Travelers are expected to minimize travel related expenses by making selections that result in the least expense to the University, providing this does not result in ineffective use of the individual's time or excessive inconvenience. By minimizing travel costs for the University, travelers can help to ensure that university funds are used effectively, and provide additional travel funds for others.

These procedures apply to employees and qualified individuals when they incur travel related expenses while conducting authorized university business. Travelers should take advantage of any significant savings opportunities that may not be explicitly spelled out by these procedures.

If federal funds are used for travel and federal requirements are more restrictive than the University's, the federal requirements will control. Universities may also use their own forms rather than the ones provided as attachments to this APL. Travelers should consult their university Business or Travel Office with questions about their particular university's procedures or requirements.

II. APPROVAL OF TRAVEL

A supervisor's/approving authority’s knowledge that an employee is traveling on business is essential for insurance purposes, as well as to assure proper financial control. An individual must have the approval of their supervisor or other appropriate approving authority (e.g., project director on a grant) for all travel prior to the travel dates. This approval must be written and it must be prepared for each trip. Approval may be by means of the Travel Request/Advance Form or some other written appropriate mechanism.

The above written authorization process is not necessary for travelers who travel frequently and the travel is of a routine nature.
III. GUIDELINES

A. TRAVEL SERVICES
   Travelers are urged to use university designated travel programs, when available, for all air, lodging, rental car and limousine services. Use of such programs ensures that the traveler receives appropriate service levels and rates, and provides management information to manage and ensure contract performance of vendors.

B. USE OF PURCHASING CARDS
   C. Purchasing Cards can be used for various types of purchases. The Chief Financial Officer (CFO) at each university will ultimately determine which employees will be provided with a Purchasing Card as specified in the APL VII-C: Purchasing Cards. At the discretion of the CFO at each university, charges may include travel.

   The Purchasing Card is to be used for business purposes only. Charges to Purchasing Cards are a corporate liability whereby statements for the Purchasing Cards come to the University and are paid by the University. Use of Purchasing Cards is also subject to the requirements of Administrative Practice Letter Section VII-C Purchasing Cards.

   The Purchasing Card provides auto rental insurance for damage to a rental car due to collision or other-than-collision (e.g., theft, vandalism, etc.). There is no cost for this coverage.

C. ADMINISTRATION/COMPLIANCE
   These procedures shall be administered and enforced uniformly for all travelers. Each level of approving authority/employee’s supervisor is responsible for making the policies readily available to subordinates and monitoring compliance when authorizing travel or approving vouchers. Travelers should exercise sound business judgment in implementing these procedures and in responding to conditions that warrant exceptions. Exceptions will be monitored and inappropriate claims will not be reimbursed. In addition, the University could impose disciplinary action on individuals who fail to follow these procedures.

IV. SPECIFIC PROCEDURES

A. TRAVEL REIMBURSEMENT
   Individuals who travel on behalf of the University shall normally be reimbursed for such travel based on the actual expenses incurred. Such actual expenses, shall include, but not be limited to, both meals and lodging. Travelers may, prior to the start of travel, request to be reimbursed for expenses incurred on a per diem basis for meals. Such requests shall, except in extraordinary circumstances, be approved by the administration.
B. MEALS

1. MEALS AT ACTUAL
a. Meal expenses should be reasonable. To ensure amounts are kept at a reasonable level, the University will reimburse travelers up to a limit of $48 per day per person (effective 07/24/13) for meals. With approval of the Chief Financial Officer or designee, an exception to this daily limit may be made for travel in high cost localities (i.e., Manhattan, New York City, Washington D.C.). Directly billed, including procurement card, expenses must also comply with the above daily limit.

b. Travelers must submit an original receipt for all meal expenses. In the rare instance that a receipt is not available, a Missing Receipt Form must accompany the Travel Expense Voucher. The University expects that a good faith effort will be made by travelers to collect and retain all receipts.

c. The University requires an itemized receipt when one is available. Receipts should either show, or the traveler should document, the name and location of the restaurant, the number of people served and the date and amount of expense. Travelers should not support expenses with restaurant tear slips. When a personal credit card is used to pay for meals, the cardholder’s copy of the credit card slip should also be attached.

d. When authorized employees purchase meals with a university purchasing card, the original receipts should be filed with the purchasing card file. No copies of purchasing card receipts need to be submitted with the Travel Expense Voucher. Such expenses should be documented under the section of the Travel Expense Voucher reserved for expenses charged directly to a university account.

e. Tips are reimbursable up to 15% of the cost of any meal. There are two exceptions to this requirement:

   i. Travelers may round tips up to the next dollar, and

   ii. In the rare instance where a restaurant requires a tip greater than 15%, the traveler may pay the required amount. Restaurants typically only require a certain percentage for tip when a group is served.

   Travelers are responsible for ensuring that tips submitted for reimbursement on the Travel Expense Voucher comply with the above requirements.

f. The University, as a rule, does not reimburse travelers for alcohol. Any exceptions must be approved by the applicable university’s Chief Financial Officer or designee, and must be funded appropriately from non E&G (educational and general) sources. See APL IV-I, *Use of University Funds*. 
2. MEALS AT PER DIEM
Per diem rates allow travelers to request reimbursement at set amounts. Receipts are not required for the applicable meal expenses. However, travelers must document date, location, and business purpose of the travel on the Travel Expense Voucher.

a. There are two types of per diem allowances:
   i. Meals continental United States, and
   ii. Meals – for outside continental United States, including foreign travel

Once approved, the per diem method must be used for the particular type of expense for the entire travel period (i.e., a traveler may not use the per diem method one day and the actual expense method another day). The University will consider all per diem rates to include all related tip and tax expenses.

b. Reimbursement using per diems varies depending on the locality of travel:
   i. Continental United States (CONUS)
   ii. Outside Continental United States (OCONUS) – used for non-foreign localities outside of the continental United States. These areas include Alaska, Hawaii, Puerto Rico, and possessions of the United States.
   iii. Foreign OCONUS – used for foreign travel.

c. CONUS
   In those instances where travelers are reimbursed on a per diem basis, there will be one rate for meals. This rate will be the same as the Federal General Services Administration’s standard per diem meal and incidental rate of $46 (effective 07/24/13) and applies for the entire continental United States at the time of travel (CONUS Rate) unless the University, at its discretion, approves a higher per diem rate.

d. OCONUS and foreign OCONUS
   The University will reimburse for meals for travel outside of the continental United States using the maximum Federal Per Diem Rate allowed for that location. Any incidental charges are to be submitted at actual. As rates may change monthly, travelers should complete their Travel Expense Vouchers timely to ensure that the applied rate is appropriate to the actual dates of travel. These rates may be obtained by selecting the location of travel at the U.S. Department of Defense website: http://www.defensetravel.dod.mil/site/perdiemCalc.cfm
   or by contacting the applicable Business or Travel Office. The amount indicated in the local meals rate column is the allowable per diem rate.
e. Deduction for Partial Days Travel or Meals Provided by Others
Travelers shall request reimbursement at a reduced daily per diem rate to account for a partial day’s travel or to account for meals furnished at no cost to the traveler (e.g., conference provided meals or meals paid for by others):

<table>
<thead>
<tr>
<th>Meal</th>
<th>% of Rate Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>20%</td>
</tr>
<tr>
<td>Lunch</td>
<td>25%</td>
</tr>
<tr>
<td>Dinner</td>
<td>55%</td>
</tr>
</tbody>
</table>

3. CRITERIA FOR ALLOWABLE MEALS
Meal expenditures are allowable when they are ordinary and necessary for carrying out the mission of the University. The guidelines in this section of the APL govern whether these expenditures are allowed. Meals provided to UMS travelers, that meet one of the following four criteria, are allowable and nontaxable to employees:

a. Overnight travel status: Meals are allowable when travelers are on business and away from home overnight.

b. Entertainment: Meals are allowable when employees are entertaining bona fide business associates provided the expenses are reasonable, properly substantiated and are directly-related or associated with the active conduct of university business. Such expenses will be reimbursed at actual. Proper substantiation includes documentation of amount, time and place, and business purpose. See APL IV-I, *Use of University Funds*.

i. Meal expenses are considered to be directly-related when:
   - The entertainment takes place in a clear business setting, or
   - The main purpose of the entertainment is the active conduct of business, and business does occur during the entertainment, and there is more than a general expectation of getting income or some other specific business benefit.

ii. Meal expenses are considered to be associated if:
   - Such entertainment is typically associated with university business, and
   - The entertainment directly precedes or follows a substantial business discussion.

Examples of entertainment meals that are allowable include meals incurred when a search committee member(s) hosts a candidate for a position, and meals incurred when hosting a visiting lecturer, potential donor or other official guest of the University.

c. Extended Days: One meal will be reimbursable when an employee begins travel two or more hours before their normal starting time and/or one meal
will be reimbursable when an employee returns from travel two or more hours after their normal ending time.

d. Other: Meals are allowable when they are:

i. Directly related to bona fide business meetings of University employees, Board members, or agents.

ii. Directly related and necessary to attendance at business meetings or conventions of certain exempt organizations such as business leagues, trade associations, and professional associations.

iii. Furnished at a university location on behalf of the University for the convenience of the University. Examples include providing meals to food service employees or to an employee to ensure the employee is available for emergencies. In the latter case, to be exempt, the department must be able to show a history of emergencies in the employee’s position as well as demonstrate that providing meals to the employee promotes readiness in dealing with emergencies. The individual authorizing the meals for an employee is responsible for ensuring the justification is documented and communicated to the business or travel office.

C. LODGING

1. LOWEST COST
University travelers will be expected to use the lowest cost lodging appropriate to their travel.

2. LODGING AT ACTUAL
The University reimburses lodging at actual. The University requires the itemized lodging receipt to support actual expenses. Such receipts typically show the name and location of the lodging, the dates, and separate amounts for other charges such as meals and telephone calls.

3. MULTIPLE OCCUPANCY
a. When paying for and requesting reimbursement for other university travelers’ lodging costs, travelers must list those names on the Travel Expense Voucher with the total amount paid.

b. Travelers should request and receive reimbursement equal to the single room rate when staying in a room costing more than the single room rate and the other person(s) in the room is not on official university business.

D. AIR TRAVEL

1. USE UNIVERSITY DESIGNATED AGENCY OR PROGRAM
Travelers are urged to make all air travel arrangements through a university designated travel agency or a university designated travel program, if available. Payment for such air travel will ordinarily be made with the traveler's personal
credit card or a University Purchasing Card. University Business or Travel Offices, as appropriate, may in other cases authorize travel agencies to bill air travel directly to the University

2. AIRLINES
Regularly scheduled airlines should be selected as carriers whenever possible.

3. USE ECONOMY COACH FARES
The University will only reimburse travelers for economy coach fares unless the applicable Chief Financial Officer approves the higher fares. Such costs would be unallowable for federal sponsored activity except under specific circumstances as described in OMB Circular A-21 § 53.c.
http://www.whitehouse.gov/omb/circulars_default/

4. USE U.S. FLAG CARRIER SERVICE
Travelers must use U.S. flag air carrier service for all air travel funded by the U.S. Government, except as provided in the Fly America Act. Further details:

5. TRAVEL INSURANCE NOT REIMBURSABLE
The University will not reimburse travelers for the purchase of travel, life or accident insurance.

E. GROUND TRANSPORTATION

1. GENERAL
   a. Administrative Practice Letter II-B, Motor Vehicle Administration & Guidelines, should be reviewed prior to operating a vehicle for university business.

   b. Travelers are liable for fines they incur when using rental, personal or university cars. Fines and citations become part of the driver’s record and are not the responsibility of the University. The University is, however, liable for any fines incurred for university vehicles that are not inspected or registered.

   c. Fees for bridges, highway tolls, ferries, parking, etc., incurred when conducting university business are reimbursable with a receipt. In the rare event that a receipt is not available, the traveler is certifying by signing the Travel Expense Voucher that the expenses were incurred by the traveler for university business.

   d. For frequent in-state travel, travelers are encouraged to use E-Z Pass for toll expenses. Travelers should provide a copy of their E-Z pass statement with university expenses highlighted as the receipt for reimbursement. When submitting E-Z Pass statements, employees can redact the statement to omit non-business related charges. E-Z Pass statement information is available online:
http://ezpassmaineturnpike.com
2. USE OF TAXI SERVICES  
   a. If used, sharing of taxi services is encouraged when possible. Taxi charges 
      when traveling on university business are reimbursable with a receipt and may 
      include a tip of up to 15%.

3. USE OF UNIVERSITY CARS  
   a. Whenever possible or practical, university pool cars should be used when 
      traveling on university business.

   b. Liability insurance coverage is provided on all university owned and leased 
      vehicles.

   c. Each University has a designated Vehicle Administrator who should be 
      consulted to determine specific vehicle use guidelines.

4. CAR RENTALS  
   a. Cars should be rented based upon a demonstrated need (i.e., no University 
      pool car is available or appropriate, no public transportation is available, 
      several locations will be visited).

   b. Travelers should strive to get the lowest possible rates. Purchasing 
      Departments, Business Offices, or Travel Offices may have current 
      information on rates available to university travelers.

   c. Travelers should refuel rental cars just prior to return to the vendor, whenever 
      possible and practical, to avoid the large surcharge on fuel. The cost of 
      refueling will be reimbursed on the Travel Expense Voucher.

   d. Physical Damage insurance coverage on the rental car should be obtained 
      using the least expensive option. If Physical Damage coverage is not 
      obtained, all losses to the rental car are the responsibility of the university 
      department renting the car.

      Physical Damage insurance coverage on the rental car is provided when a 
      University Purchasing Card is used to pay for the car rental. When using a 
      purchasing card for travel, employees should decline additional coverage 
      (e.g., CDW - collision damage waiver and LDW - loss damage waiver). (See 
      Attachment I for further details).

   e. Liability insurance coverage is provided by the System for rental cars rented 
      and used for university business. However, for international travel, liability 
      insurance coverage should be purchased from the rental car agency for the 
      country of travel in an amount of not less than $25,000.

      If required by the rental agency, proof of liability insurance can be provided 
      through the Risk Manager in the System Office.
5. OTHER MODES OF TRANSPORTATION
Hotel courtesy cars and airport buses to central cities should be used, if they are available, and meet the traveler's need. Sharing of transportation is encouraged when possible.

6. USE OF PERSONAL CAR
a. When university cars are not available or practical for use, travelers may use their personal car.

b. Reimbursement of mileage shall be limited to the lesser of the actual distance traveled on official business or the distance that the university vehicle would have traveled if used.

c. Personally owned vehicles used for university related business should be properly registered and inspected and appropriate for the intended use, as determined by the driver of the car.

d. The University provides no physical damage insurance coverage and no liability insurance coverage for personal cars. If a traveler uses his/her personal car for university related business, that person’s own insurance on the vehicle is responsible for any insurance claims and deductibles. However, if an employee uses their car, and the liability insurance has been exhausted, then the System’s excess liability coverage will apply when the driver is an authorized university employee on university business at the time of the loss. The University will not reimburse a traveler or their insurance company for any deductible, liability claim, or damage to the vehicle.

7. ACCIDENT REPORTING
a. Travelers involved in an accident while on university business, regardless of the vehicle being used, must report the accident to the applicable Vehicle Administrator (see APL II-B) as soon as possible and in all cases within 72 hours of the time of the accident. Under Maine law, all accidents involving personal injury or death to a person or apparent property damage of $1,000 or more must be reported to the police or sheriff’s office and within 48 hours on forms provided by local police, State police or the Secretary of State.

b. Each University owned or leased vehicle should contain within it an Accident Report form and an insurance card summarizing the university's liability insurance.

c. If a rental car is involved in an accident and a credit card was used for the rental, the traveler must ensure the time requirements presented by the card issuer are met. Failure to meet these requirements could void the insurance coverage at which point the department authorizing the travel would become liable for all costs. Travelers must notify the Business or Travel Office, as appropriate, of any accidents involving rental cars for which a University Purchasing Card was used to secure the rental.
F. PHONE USE

University travelers are encouraged to use the lowest cost practical for making business related toll calls. At some universities, a university calling card may be available for such purpose.

G. TRAVEL ADVANCES

1. Employees may request a travel advance using a Travel Request/Advance form.

2. Employees are allowed travel advances of $500 maximum for any domestic trip and $1000 for international trips. Exceptions must be specifically authorized by the appropriate Vice President or Chief Financial Officer.

3. One travel advance is permitted per trip and will be issued no sooner than 5 business days prior to the trip. An exception to this requirement is that a traveler may request reimbursement by way of an advance for the exact amount incurred to purchase an airline ticket prior to a trip. At the completion of the trip, the traveler must include this advance and expense on the Travel Expense Voucher, attaching the portion of the ticket supporting the expense. This exception is made to encourage and assist travelers with obtaining the best airfares.

4. Except as noted in #3 above, normally only one travel advance per employee should be outstanding at any time. Chief Financial Officers may approve exceptions to this requirement on an individual basis.

5. Travel advances must be accounted for on Travel Expense Vouchers.

6. Any unspent travel advance funds, along with a completed Travel Expense Voucher, must be returned to the University within 5 business days of returning from a trip. Checks should be made payable to the appropriate university. Repayments to the Business or Travel Office, as appropriate, will be evidenced by a receipt, which must be attached to the Travel Expense Voucher.

7. The University may deduct, from the employee’s paycheck, amounts not substantiated or deemed substantiated within 60 calendar days after the end of the trip. The University should only withhold amounts when the employee has signed an acknowledgement such as the one on the Travel Request/Advance form.

8. No advances will be issued for expenses that are the responsibility of a third party organization rather than the University.
H. EXPENSE ACCOUNTING

1. The traveler must detail all expenses of a trip, including expenses paid for by the University, on a Travel Expense Voucher to ensure trip integrity, and enable the approving authority/employee’s supervisor to properly evaluate reasonableness. The traveler is to complete the voucher and submit it to their supervisor or his/her designee, or other appropriate approving authority, within 5 business days upon returning from a trip if a travel advance was issued to the traveler. If there was no travel advance, a traveler is expected to submit reimbursement requests within 30 days. So that accounting for expenses is not unreasonably burdensome, an exception to the 30 day requirement may be made when total expenses have not exceeded $125. Such expenses should still, however, be submitted for reimbursement within 90 days. For account management purposes, travelers should make every effort to submit all expense vouchers during the fiscal year in which expenses are incurred.

2. Travel expenses paid directly by the University via check, University Purchasing Card, or some other method, should be detailed under the designated section of a Travel Expense Voucher. However, a Travel Expense Voucher need not be submitted if the traveler only incurred expenses directly paid by the university, no travel advance was issued, and the travel was in-state.

3. Travelers must support expense reimbursement requests, other than per diems, with original receipts. The University prefers that travelers substantiate expenses with itemized receipts, along with the cardholder copy of credit card receipts, when applicable. If travel receipts are not obtainable or are lost, travelers must submit a certification that the expenses were incurred by the traveler for university business using either the Missing Receipt form or one provided by the applicable university. The University expects that a good faith effort will be made by travelers to collect and retain all receipts. Use of a Missing Receipt Form should be minimal.

4. When travelers request reimbursement for expenses incurred on behalf of others, the travelers shall list all names on the Travel Expense Voucher. Other information required for expenses incurred on behalf of non-employees shall include affiliation, business purpose, etc.

5. Non-lodging expenses such as meals, parking, and local telephone calls charged on the lodging bill must be separately reported on the Travel Expense Voucher - itemized by day.

6. Those who travel internationally must provide supporting documentation for exchange rate conversion with the Travel Expense Voucher. When the rate is unknown, the traveler could calculate the amount using the tables found at: http://www.oanda.com/convert/classic.
7. The traveler is responsible for ensuring that only appropriate business related expenses, within the limits established by this administrative practice letter, are submitted for reimbursement and that amounts are properly substantiated, including amount, date, and business purpose. The appropriate approving authorities are the primary control for determining the accuracy, adequacy of supporting documentation, and reasonableness of all expenditures approved for reimbursement.

8. All Travel Expense Vouchers are subject to audit by internal and external auditors.

APPROVED:

Vice Chancellor for Finance and Administration

Note: Official copy on file in the Office of Finance and Administration at the University of Maine System office.

Related Documents and Forms:

- APL Section I-E; Petty Cash
- APL Section II-B; Motor Vehicle Administration and Guidelines
- APL Section IV-I; Use of University Funds
- APL Section VII-C; Purchasing Cards
- Missing Receipt Form
- Travel Expense Voucher
- Travel Request/Advance Form
- Travel Justification Form
### ATTACHMENT I

**University Purchasing Card**  
**Rental Vehicle Insurance Summary from the Purchasing Card provider**  
**As of August 2013**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description of Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No charge.</td>
</tr>
<tr>
<td>Period of Coverage</td>
<td>Rental periods that are 31 consecutive days or less.</td>
</tr>
<tr>
<td>Area of Coverage</td>
<td>All except Israel, Jamaica, or the Republic of Ireland or Northern Ireland.</td>
</tr>
<tr>
<td>Vehicles Covered</td>
<td>Most passenger vehicles, minivans, and sport utility vehicles. Expensive, exotic, and antique automobiles, certain vans, vehicles that have an open cargo bed, trucks, motorcycles, mopeds, and motorbikes, limousines, and recreational vehicles are excluded.</td>
</tr>
<tr>
<td>Coverage</td>
<td>Will cover damage due to collision or theft up to the actual cash value as it was originally manufactured.</td>
</tr>
<tr>
<td>Liability insurance</td>
<td>Liability coverage is not provided by Purchasing Card provider, but is provided by University (see Section IV.E.4.e).</td>
</tr>
<tr>
<td>Claims notification</td>
<td>Immediately following the loss, but in no event later than <strong>45 days</strong> following the loss. (Losses reported more than 45 days from the date of the loss or for which a claim form has not been received within 90 days from the date of loss will not be covered.)</td>
</tr>
<tr>
<td>Claims Notification</td>
<td>Call the Benefit Administrator at 1-800-VISA-911.</td>
</tr>
<tr>
<td>Address/Telephone Number</td>
<td>Outside the US call collect 0-410-581-9994.</td>
</tr>
<tr>
<td>Coverage Activated</td>
<td>When a cardmember initiates and completes the entire rental transaction with the University Visa Purchasing card and the cardmember declines the car rental CDW/LDW option.</td>
</tr>
<tr>
<td>Who is Covered</td>
<td>You are eligible only if your name is embossed on the University Visa Purchasing Card.</td>
</tr>
</tbody>
</table>