Travel and Hospitality Card Program Guide

Revised October 2020
# Iowa State University Travel & Hospitality Card Program

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Iowa State University Travel & Hospitality Card Program

Program Policies and Procedures

I. Introduction

The Iowa State University Travel and Hospitality (T&H) card program has been designed to provide travelers with a mechanism to pay for authorized business-related travel expenditures and for employees hosting visitors to the University to pay for authorized hospitality-related expenditures. The T&H card is a Corporate-liability Visa card which is both billed to, and paid directly by the University. The T&H card option is intended to assist in easing employee financial burdens, and improve efficiency for employees who travel or pay for hospitality-related expenses. T&H card transactions are integrated directly into the Workday system, and are processed by completing an expense report in Workday.

The T&H card may be used for payment of allowable and appropriate business travel and hospitality expenditures.

Each T&H card is issued to the individual named on the card, and Iowa State University is clearly indicated on the card as the corporate buyer of travel and hospitality products and services. **The T&H card is not to be used for personal transactions** (see Section II.9. – Financial Policy).

Charges made with the T&H card may be distributed among multiple funding sources (Worktags) and spend category combinations during the expense reporting process. **Campus Organization Worktags may not be assigned to transactions made with the T&H card.**

Procurement Services, Controller’s Department, and the Internal Audit office will monitor the performance of the T&H card program.

Questions or concerns regarding University travel policies or expense report processing should be directed to:

- Jordan Tietz, Controller’s Department 515-294-5181 jtietz@iastate.edu

Questions or concerns regarding T&H card or procurement policies should be directed to:

- Cory Harms, Chief Procurement Officer 515-294-2591 clharms@iastate.edu

Questions about T&H card usage or procedures should be directed to:

- Card Services Help Desk 515-294-7024 cardservices@iastate.edu
II. Financial Policy

1. The T&H card is available to all Iowa State University faculty, staff and graduate assistants with the approval of the cardholder’s manager and the department’s cost center manager. All cardholders must sign and accept the terms and conditions of the Iowa State University Travel and Hospitality Card Program Cardholder Agreement and the Statement of Travel and Hospitality Card Receipt.

2. Cardholders are expected to use the T&H card for allowable and appropriate business and hospitality expenses only.

3. The T&H card may be used for the following transactions:
   - Airline tickets purchased from sources other than ISU’s contracted agencies or directly from an airline (i.e., no third party vendors such as Priceline, Orbitz, Expedia, etc.)
   - First class or business class airfare
   - Non-U.S. flag air carriers*
   - Airport lounges
   - Extra seating
   - Flight, personal or baggage insurance
   - Frequent flyer credits
   - Frequent flyer loyalty
   - Lost baggage
   - Rewards programs
   - Spousal or family travel
   - Ticket rescheduling fees for personal reasons
   - Alcohol (while in travel status)
   - Car accidents
   - Car maintenance, car repairs, car washes, locksmith charges
   - Child care
   - Commuting (gas)
   - Personal entertainment
   - Personal grooming items
   - Personal purchases
   - Pet boarding
   - Goods & services which should be purchased using a p-card

   *Purchases of airfare on a non-U.S. flag air carrier using Federal funds must include a Fly America Act Waiver Form.

   Summary of Unallowable Travel Expenses may be found at: http://www.controller.iastate.edu/travelinformation/unallowableexpenses.htm

4. All purchase transactions processed against the T&H card must be made by the individual to whom the card is issued, with the exception of airline tickets purchased through Concur by an ISU employee assigned as a travel arranger for a cardholder. The card is to be used only by the named cardholder and is not to be loaned to another ISU employee, or other person. The named cardholder has full liability for any improper charges that result from allowing others to use their card.

5. At times, University purchases may result in cash or cash-like incentives. The cash and/or incentives are the property of the University and may not be used for personal gain. Examples of such incentives include, but are not limited to: rebates, gift cards, two-for-one purchases and spend rewards. The University recommends that cardholders not participate in these promotional offers. It is the responsibility of the cardholder’s department to ensure that any monetary or cash incentive reward received as a result of an Iowa State University purchase becomes the property of the University.

6. The T&H card may be used for conference registration fees. Fees for optional events such as tours, golf outings and other similar events are considered personal and are not to be charged to the T&H card or a procurement card (p-card).

7. HOSPITALITY EXPENSES - The University has authorized use of the T&H card for allowable and appropriate meeting, event, and hospitality expenses not to exceed the cardholder’s authorized single purchase limit. Hospitality expenses are allowed primarily for those functions with an explicit
business purpose which include non-employees. Use of University funds for employee functions is allowale only in accordance with “Expenditures – Allowable, Appropriate, Documented” from the ISU Policy Library: [https://www.policy.iastate.edu/policy/business/expenditures](https://www.policy.iastate.edu/policy/business/expenditures), (See Appendices Section I – Expenditures – Allowable, Appropriate, Documented.)

Acceptable uses include, but are not limited to:

- Annual staff retreats
- Events for student recruitment/retention
- Meals/hospitality for position interviewees/candidates
- Meals/hospitality for visiting speakers
- Meals/hospitality for visitors/meeting attendees
- Educational development seminars and conference expenses hosted by ISU
- Lodging for non-employees visiting ISU
- Meeting room expenses

While the University recommends ISU Catering for catering needs, a list of other authorized caterers for ISU departments and organizations to select from when holding events at ISU may be found at [https://www.riskmanagement.iastate.edu/vendors](https://www.riskmanagement.iastate.edu/vendors).

With regard to purchase of alcoholic beverages, please refer to University policy.

8. **TRAVEL EXPENSES** - The University has authorized the use of the T&H card for allowable and appropriate business travel expenses **not to exceed the cardholder’s authorized single purchase limit** (see Section V - Using the T&H card).

A Summary of Allowable Travel Expenses may be found at [http://www.controller.iastate.edu/travelinformation/allowableexpenses.htm](http://www.controller.iastate.edu/travelinformation/allowableexpenses.htm) (See also Appendices Section I – Summary of Allowable Travel Expenses).

9. Purchases must be for the use and benefit of the University. **NO PERSONAL PURCHASES ARE ALLOWED.** If any portion of a T&H card transaction is determined to be a personal purchase, that amount will be deducted from any reimbursement claimed by the cardholder by using the personal expense checkbox when completing the expense report. If the total reimbursement is a negative total, the amount will be charged to the cardholder’s U-Bill after seven days.

10. It is the cardholder’s responsibility, within thirty days of the transaction posting to Workday, to attach legible, itemized receipts when required (see Section VI – Proof of purchase documentation), and enter the business purpose, Worktag(s) and transaction description information to the expense report in Workday, OR to provide that information to their procurement and expense specialist (PES) at finance_delivery@iastate.edu. Failure to enter or provide this information within thirty days of the post date will be grounds for suspension of card privileges. Incomplete transactions that reach sixty days past the post date to Workday may be moved to the cardholder’s U-Bill. Cardholders who have extenuating circumstances or supplier issues that preclude them from completing the expense report may not be subject to late transaction penalties if they contact Procurement Services (515-294-7024 or cardservices@iastate.edu) for assistance. (see Section VII – Creating an Expense Report.)

11. The cardholder shall provide documentation regarding the business purpose of all T&H card hospitality transactions, including beginning and ending dates, location, event type, and names of participants. This information is required for compliance with IRS regulations and must be provided when completing the expense report.
12. It is the cardholder's responsibility to report a lost or stolen card immediately to:

• The ISU Card Services Team at 515-294-7024 (during business hours) or
• U.S. Bank at 800-344-5696 (outside normal business hours, on weekends or holidays) and
• The ISU Police at 515-294-4428.

13. It is the cardholder's responsibility to request exemption of sales tax through the proper use of the University's sales tax exemption number: 1-85000775M. Although some travel expenses (e.g., airline tickets, hotel rooms) are not exempt from tax, many hospitality expenses (e.g., restaurant meals, refreshments for events), are tax exempt.

14. The cardholder's procurement and expense specialists (PES) are responsible for ensuring that the proper University Worktag and spend category combinations are assigned to T&H card transactions when completing the expense report. Any Worktag may be used when completing the expense report, with the exception of Campus Organization Worktags.

15. It is the cardholder's responsibility to attempt to resolve a discrepancy with a supplier within ten (10) days of receipt of purchase. If a resolution is not possible, the cardholder must contact the card services team (515-294-7024 or cardservices@iastate.edu) with supporting information within thirty (30) days of the transaction post date.

16. Violating any of the T&H card program policies may result in the immediate termination of the privilege to use the T&H card. Non-adherence to any of the procedures enumerated in the Agreement, the Program Guide, or the Statement of Travel & Hospitality Card Receipt will result in revocation of individual cardholder privileges and may result in revocation of all division or departmental T&H cards. An e-mail reminder/warning regarding policy violations will be sent directly the cardholder by Procurement Services and/or Controller's Department. Three violations by a cardholder may result in permanent suspension of card privileges.

17. Fraudulent use of the T&H card will result in disciplinary action in accordance with the policies of Iowa State University Human Resources.

III. Credit limits and restrictions

The T&H card program simplifies the procurement process by facilitating point-of-sale and online procurement. Procurement responsibility is delegated to the cardholder's department, enabling an authorized cardholder to place an order directly with a supplier. The T&H card program provides enhanced control for all transactions by producing immediate decisions on three (3) specific authorization criteria as explained below.

When a purchase authorization is requested by a supplier at the point-of-sale or online, the Visa system validates the transaction against pre-set limits established by Procurement Services in conjunction with the cardholder's department. All transactions are approved or declined based on the following T&H card authorization criteria:

• Single purchase limit, not to exceed $4,900.
• Spending limit per monthly cycle, up to $15,000.
• Approved merchant commodity codes.

The maximum standard limits for the ISU T&H card are shown above. Departments may request lower limits for cardholders, and under special circumstances, departments may request higher limits. Requests for limit changes may be temporary or permanent, and must be requested in writing by the cardholder's cost center manager. Requests for limits exceeding the maximum standard limits require
the approval of the University's Chief Procurement Officer, or designee. Requests for limit changes may be sent to cardservices@iastate.edu. It is recommended that cardholders anticipate spending needs and work with their cost center manager to make limit change requests at least 5 business days prior to the anticipated purchase.

When setting card limits, keep in mind the monthly cycle runs from the 12th of the month to the 11th of the following month. However, if the 11th falls on a weekend or holiday, the cycle will end on the following business day.

### IV. Application process

Cardholders are required to complete the Iowa State University T&H card program online application and attend an orientation session to obtain a T&H card.

T&H card applications may be submitted by the applicant through the Create Request task in Workday (see [https://www.procurement.iastate.edu/card-services/procurement-card/how](https://www.procurement.iastate.edu/card-services/procurement-card/how)).

- Navigate to the task by searching Create Request from the Workday Landing Page.
- Search ‘card’ in the Request Type box, press enter, and select Card Application – Travel and Hospitality Card (T&H).

The T&H card is available to all Iowa State University faculty, staff and graduate assistants with the approval of cardholder’s manager and the department’s cost center manager. Hourly employees are not eligible to have a T&H card.

Each new T&H card ordered will be sent directly to the cardholder at the address requested on the card application. Cardholders will be provided with specific information needed to activate their corporate card during cardholder orientation. Cardholders may enroll in Travel & Hospitality Card Orientation sessions through Learn@ISU.

The cardholder’s personal credit history will in no way be affected by the ISU T&H card.

### V. Using the T&H card

The T&H card program provides another option to the existing procurement procedures regarding transactions for travel and hospitality expenses valued at $4,900 or less. **No single purchase is to exceed the cardholder’s single purchase limit.** Making multiple transactions to the same supplier on the same date to bypass a card’s single purchase limit is a violation of the Cardholder Agreement and Statement of Receipt, signed by the cardholder. Any evidence that a cardholder has used these or other means to avoid the single purchase limit may result in the loss of T&H card privileges.

**Purchases of T&H card restricted commodities, and purchases of more than $4,900 (or the cardholder’s single purchase limit), should continue to be processed in accordance with established procurement/disbursement policies and procedures. Methods of procuring items that cannot be purchased with a T&H card might include creating catalog requisitions (cyBUY) or non-catalog requisitions (resulting in a purchase order). Additional information about procurement procedures may be found at the procurement services web site, [https://www.procurement.iastate.edu/resources/payment-and-procurement-methods](https://www.procurement.iastate.edu/resources/payment-and-procurement-methods).

Please be certain to follow these procedures when using the T&H card:
• Identify if the purchase is appropriate for the T&H card. Check the list of allowable/unallowable expenses at http://www.controller.iastate.edu/travelinformation/allowableexpenses.htm; http://www.controller.iastate.edu/travelinformation/unallowableexpenses.htm; http://www.controller.iastate.edu/accounting/allowability.htm.

• Determine if your transaction total is less than your authorized single purchase limit. If not, the transaction must be processed in accordance with established procurement/disbursement policies and procedures, and the card may not be utilized.

• Determine whether your purchase qualifies as tax exempt. If applicable, contact the supplier and:
  - State that you are from Iowa State University, and you will be making a Visa purchase. **EMPHASIZE THAT THE UNIVERSITY IS SALES TAX EXEMPT!**
  - If the supplier requests the University's sales tax exempt number, please provide the appropriate number: **Sales Tax: 1-85000775M**
  - If the supplier requests a University sales tax exempt certificate, request a form at https://www.procurement.iastate.edu/resources/salestax/tax-exempt-form.
  - Make the purchase.
  - Give supplier the T&H card number and expiration date, and Card Verification Value (CVV), if requested. VISA guidelines prohibit suppliers from requiring cardholders to complete a document that includes the cardholder's name, full card number, expiration date and CVV number.
  - Give supplier your name, the department name, and complete delivery address. (Please provide complete shipping address, including building name, room number, and street address to insure proper delivery.) If the supplier asks for the statement or billing address, it is generally your office address. Contact the card services help desk at 515-294-7024 or cardservices@iastate.edu for specific information.

• Make sure that the appropriate departmental personnel are aware of your purchase, and that you have followed all departmental procedures, including University record retention/documentation requirements found at https://records.policy.iastate.edu/. Federal records disposition schedules will take precedence over the University Records Retention Policy and Schedule.

• A legible, itemized transaction receipt must be retained for the following T&H card charges, as part of the purchase transaction documentation, as noted in Section VI:
  - Hospitality transactions
  - Hotel charges (final hotel folio)
  - Travel expense transactions exceeding $75.

• In case of refunds, the cardholder is responsible for coordinating the refund directly with the supplier and for contacting the card services team with any unresolved issues.

**VI. Proof of purchase documentation**

The T&H card program facilitates point-of-sale purchases, giving authorized cardholders the ability to make specific travel and hospitality purchases directly from a supplier. It is the responsibility of each cardholder and their procurement and expense specialists to attach legible, itemized receipts to T&H card
transactions for hospitality transactions, hotel charges and travel expense transactions exceeding $75, when processing the expense report in Workday. Documentation MUST support an authorized (acceptable) business purpose for all transactions made with the T&H card.

Supporting documentation might include the following:

- Final hotel folio
- Meal receipts (for hospitality meals and travel meals exceeding $75: per diem rates apply to travel meals of $75 or less, so no receipt is required)
- Parking receipts
- Property Receipt Form (RPF) or Research Participant Receipt Form (RPRF) signed by recipients of any property or gift cards purchased (see [http://www.controller.iastate.edu/controller/rprf.htm](http://www.controller.iastate.edu/controller/rprf.htm)).
- Registration form or confirmation
- Certificate of lost receipt ([https://www.procurement.iastate.edu/card-services/procurement-card/forms](https://www.procurement.iastate.edu/card-services/procurement-card/forms)).

**Gifts/Gift Card Documentation** – a Property Receipt Form (RPF) or Research Participant Receipt Form (RPRF) is required as documentation for all gifts/gift cards distributed, regardless of cost, even if under $75.

Documentation should be retained in accordance with the University Records Retention Guidance and Schedule found at [https://records.policy.iastate.edu/](https://records.policy.iastate.edu/). Federal contracts may require the application of federal records disposition schedules. In such cases, the federal records disposition schedules will take precedence over the University Records Retention Policy and Schedule.

Transactions will be subject to audit by Procurement Services, Controller’s Department, Internal Audit and/or State of Iowa Auditors.

**VII. Creating an expense report**

Workday receives daily electronic transmissions from the bank containing posted T&H card transactions. All T&H card transactions transmitted from the bank must be reconciled through an expense report. The cardholder will receive an e-mail and Workday notification every Monday, identifying T&H card transactions that have not been processed on an expense report.

Cardholders may create and route their own expense reports in Workday, or request that a procurement and expense specialist (PES) do so on their behalf by e-mailing finance_delivery@iastate.edu.

1. *If* the cardholder is completing the expense report, the job aid may be found at:

   **Create Expense Report Job Aid:** [https://iastate.app.box.com/v/create-exp-report](https://iastate.app.box.com/v/create-exp-report)

2. *If* the cardholder is requesting a PES complete the expense report on their behalf, the cardholder will need to send the request to finance_delivery@iastate.edu, with the information required to process the expense report. Required information would include a legible, itemized receipt and a business purpose, at a minimum, but may also include funding Worktags.

3. Other than the PES, employees cannot create an expense report in Workday on behalf of another employee.
4. Expense reports may include both reimbursable items (e.g., mileage), as well as T&H card transactions (non-reimbursable).

5. Approval routing for expense reports is as follows:
   - If submitted by the cardholder, routes to the PES for review.
   - If submitted by PES on behalf of cardholder, routes to cardholder for review.
   - After cardholder and PES review, routes to cost center manager(s) associated with the Worktag(s) for approval.
   - If the expense report contains grant Worktags, it also routes to grants finance specialist for review.

Cardholders may review their incomplete T&H card transactions via the report *My Expense Transactions* in Workday. Failure of the cardholder to enter the expense report information, or to provide that information to a PES so that transactions may be completed within thirty days, is grounds for suspension of card privileges. Suspended cards may be reinstated when all outstanding transactions are completed. Cardholders who have had two previous suspensions for incomplete transactions over 30 days old may permanently lose their card privileges.

Incomplete transactions that reach sixty days past the post date to Workday may be moved to the cardholder's U-Bill. Transactions that post to the cardholder's U-Bill may only be reversed with the permission of the Senior Vice President for Operations and Finance, or their designee. Cardholders who have extenuating circumstances or supplier issues that preclude them from completing the expense report may not be subject to late transaction penalties if they contact Procurement Services (515-294-7024 or cardservices@iastate.edu) for assistance.

Keep in mind that the supplier is paid on the transaction post date, and the University's credit card charges are paid by electronic fund transfer regardless of incorrect totals or disputed charges. Do not ignore notifications for T&H card transactions not yet expensed, as disputed transactions or cases of fraudulent activity must be identified to U.S. Bank within 60 days (see Section IX - Transaction discrepancies, disputes, and fraud). Fraudulent charges and their corresponding credits should be processed on the same expense report.

**VIII. Segregation of duties**

An appropriate segregation of duties requires that at least two people are substantially involved in a transaction. Substantial involvement means that a person other than the cardholder is reviewing card transactions for appropriateness, allowability, funding source, and business purpose.

In Workday, segregation of duties is accomplished in the following ways:

- A PES may process an expense report on behalf of the cardholder.
- An expense report processed by the cardholder routes to a PES for review.
- A submitted expense report routes to a cost center manager for review and approval. If the cost center manager is the cardholder, the expense report routes to their manager for review and approval.

**IX. Transaction discrepancies, disputes, and fraud**
Unauthorized transactions to unknown suppliers should be reported to the card services team immediately. If transactions are determined to be fraudulent, the card services team will notify U.S. Bank fraud prevention.

For unrecognized or incorrect transactions, the cardholder should first seek resolution with the supplier. If resolution cannot be achieved with the supplier, the cardholder shall contact the card services team, within 30 days of the post date, with supporting information. The card services team will investigate the transaction, and, if appropriate, initiate a dispute through U.S. Bank. Once the charge is disputed, U.S. Bank will request documentation from the supplier. If the supplier fails to provide suitable documentation supporting the charge, the disputed amount will be credited back to the cardholder’s account.

Transactions sixty (60) days past the cycle date (see Section III) cannot be reported as fraudulent or be disputed with U.S. Bank, and will be the responsibility of the cardholder’s department.

X. Reporting a lost or stolen card

If a T&H card is lost or stolen, the cardholder MUST IMMEDIATELY:

- CONTACT THE CARD SERVICES TEAM at 515-294-7024 during business hours, or
- CONTACT U.S. BANK at 800-344-5696 after business hours, on weekends or holidays and then notify the card services team at cardservices@iastate.edu.
- CONTACT ISU POLICE at 515-294-4428.

The cardholder’s department has full liability for any charges to the card, prior to the time it is reported lost or stolen. Should you need emergency assistance from Visa that U.S. Bank is unable to provide, Visa may be contacted at 1-800-847-2911.

XI. Employee transfer or termination

The employee or employing department must immediately notify the card services team upon learning of cardholder terminations or transfers. The card services team will notify U.S. Bank to terminate card privileges on the cardholder’s last day of employment (or earlier, if requested), thereby protecting the University through Visa’s Liability Waiver Program. Failure to notify U.S. Bank within two (2) days of learning of an employment status change voids this protection. The employing department is responsible for destroying and discarding the T&H card once the cardholder leaves the University/department. **Do NOT send active T&H cards through campus mail.**
Appendices

I. Summary of Allowable Travel Expenses

From ISU Policy Library:  [https://www.policy.iastate.edu/travel/authorization](https://www.policy.iastate.edu/travel/authorization)

**Travel Information**

Summary of Allowable Travel Expenses

Departments have the discretion to refuse to reimburse expenses submitted more than 60 days after the expense was incurred. Travel expenses reimbursed after 120 days will be recorded as taxable to the employee. As a complement to the list below, please review the [Summary of Unallowable Travel Expenses](https://www.policy.iastate.edu/travel/unallowable). Please contact Jordan Tietz at 515-294-5181 if you have questions.

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Reimbursement Policies</th>
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<tbody>
<tr>
<td>Abstracts, Conference Proceedings</td>
<td>Actual expense for copies of conference materials or related abstracts and papers.</td>
</tr>
<tr>
<td>Airfare</td>
<td>Actual cost of the least expensive class available. Business class and first class are not reimbursable. Air tickets must be purchased with an Air Ticket Requisition form through a contracted university travel agency, unless meeting one of the three exceptions below. “Consolidator” tickets for foreign destinations may be paid by voucher, even if not purchased from ISU's contracted travel agency. Travelers can charge tickets to their personal credit cards or American Express Corporate cards in emergencies or other unusual situations. Travelers can charge tickets to their personal credit cards or American Express Corporate cards if using an Internet site to realize significant savings. Please review the Travelers’ Responsibilities, Summary of Unallowable Expenses, and Internet Travel Sites sections before purchasing tickets from a source other than ISU's contracted travel agency. Only the second and third items can be claimed on a travel reimbursement. Acceptable documentation for a travel reimbursement includes the entire airline itinerary showing names, fare class, dates of travel, all legs of the trip, and the amount paid. Please see FAQ - Air Travel and the Package Deals for Airfare and Lodging heading below for additional information.</td>
</tr>
<tr>
<td>Airport Tax</td>
<td>Actual expense may be claimed when not already included in the cost of the ticket. Sometimes charged at foreign airports. Receipts often are not provided.</td>
</tr>
<tr>
<td>ATM Fees</td>
<td>International travelers sometimes need to obtain cash at an ATM. This is reimbursable if documentation (e.g., a copy of the credit card statement or bank statement) is provided.</td>
</tr>
<tr>
<td>Baggage Fees</td>
<td>Actual expense for luggage necessary for business travel. Additional charges to accommodate vacation travel, or for personal items such as golf clubs, are not reimbursable.</td>
</tr>
<tr>
<td>Bike Rentals</td>
<td>Actual expense for business travel. Additional charges to accommodate vacation days are not reimbursable.</td>
</tr>
<tr>
<td>Car Rental</td>
<td>Actual expense. Charges must be prorated if part of the trip was not business-related. Use Procurement Services' links for Enterprise and National to get information on utilizing contracts that include coverages for Collision Damage Waiver (CDW), Loss Damage Waiver (LDW) and liability for no additional cost.</td>
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Please see Risk Management's website for information on renting cars from agencies other than Enterprise or National, including these guidelines:

1. If no liability coverage is provided, the University recommends the University employee buy the minimum amount of liability coverage available. Examples of allowable liability coverages include:
   - Additional Liability Insurance (ALI)
   - Liability Insurance Supplement (LIS)
   - Liability Supplemental Insurance (LSI)
   - Supplemental Liability Insurance (SLI)
   - Supplemental Liability Protection (SLP)

2. Purchase the optional CDW (Collision Damage Waiver) LDW (Loss Damage Waiver) on rental vehicles, per Risk Management. However, when using the university's contracts through Enterprise and National, the CDW and LDW coverages are included at no additional cost. (Collision Damage Waiver insurance sometimes is referred to as Damage Waiver insurance.)

3. Rent the vehicle "to Iowa State University, by ...(your name)."

When using rental agencies other than Enterprise or National, CDW and LDW will be reimbursed. Other types of insurance that are not reimbursable include (but are not limited to):
   - Auto Tow Protection (ATP)
   - Emergency Sickness Protection (ESP)
   - Extended Liability Insurance (ELI)
   - Extended Liability Protection (ELP)
   - Peace of Mind Insurance (POM)
   - Personal Accident Insurance (PAI)
   - Personal Effects Coverage (PEC)
   - Personal Effects Insurance (PEI)
   - Personal Effects Protection (PEP)
   - Rental Liability Insurance (RLI)
   - Super Personal Accident Insurance (SPAI)
   - Uninsured/Underinsured Motorist Protection (UMP)

Roadside Assistance Protection is reimbursable.
For additional information see the Policy Library or Risk Management's website.

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<thead>
<tr>
<th>Expense Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Currency Conversion Fees</td>
<td>Actual amount necessary for university travel.</td>
</tr>
<tr>
<td>Exit Fees</td>
<td>Actual expense may be claimed when not already included in the cost of the ticket. Sometimes charged at foreign airports. Receipts often are not provided.</td>
</tr>
<tr>
<td>Expenses Paid on Behalf of Another Traveler</td>
<td>This practice is strongly discouraged, as it makes duplicate reimbursement more likely. Nearly all travelers have credit cards, and it is preferable to have each individual pay for and claim his/her own expenses separately. When this is not possible, the paying traveler's own expenses should be claimed in the specific fields (e.g., Lodging) on the Enter Expenses screens, and the non-paying traveler's expenses should be claimed in the Other field, with an explanation in the Other Comments text box. If the text box does not provide sufficient room, attach a document explaining the expenditures as part of the PDF file of receipts. The explanation should include the traveler's name, relationship to ISU, and a breakdown of expenses (lodging, meals, etc.) per day. Paying for another traveler's meal is considered a Group Meal (see below). Paying for a taxi or cab shared with other passengers does not require additional documentation or explanation, as the fare does not vary significantly for the addition of other passengers. Please see Taxis, Cabs, Buses, Shuttles, Subways below. However, when there is a separate fare for each person, as with buses, airport shuttles, or subways, individuals should each claim their own expenses.</td>
</tr>
<tr>
<td>Faxes</td>
<td>Actual expense necessary for university business. (See Telephone below.)</td>
</tr>
<tr>
<td>Film Developing / Photo Processing</td>
<td>Actual cost of business-related film developing or photo processing. The business purpose should be explained on the reimbursement.</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Foreign Exchange Fees</td>
<td>Credit card issuers often charge an additional fee when the expense was incurred in a foreign currency. This is reimbursable if documentation (e.g., a copy of the credit card statement) is provided. (Also see ATM Fees above.)</td>
</tr>
<tr>
<td>Gasoline</td>
<td>Actual expense. May not be claimed in addition to a mileage claim. Usually only claimed for rental vehicles.</td>
</tr>
<tr>
<td>Gifts (Representation Allowances)</td>
<td>Actual expense of a gift when it is considered customary to present a gift to a host, especially in international travel.</td>
</tr>
<tr>
<td>Global Online Enrollment System</td>
<td>The U.S. Customs and Border Protection allows expedited clearance for pre-approved, low-risk travelers upon arrival in the U.S. Please see their website for more details. Federal funds cannot be used for this expenditure.</td>
</tr>
<tr>
<td>Gratuities (Tips)</td>
<td>Actual amounts paid for cabs, skycaps, bellmen, etc. will be reimbursed. Meal gratuities (tips to waiters) cannot be claimed separately as a means of exceeding meal maximums.</td>
</tr>
<tr>
<td></td>
<td>When claiming per diems for domestic and international travel, tips are one of the listed incidental expenses, and therefore cannot be claimed separately.</td>
</tr>
<tr>
<td></td>
<td>Tips of $100.00 or more require a signature, printed name, address, and Social Security Number for tax reporting. This is consistent with our treatment of other taxable cash disbursements of $100.00 or above. (Exceptions to the Social Security Number requirement can be granted for international travel, as the recipients are unlikely to be subject to U.S. taxation.)</td>
</tr>
<tr>
<td></td>
<td>Excessive generosity when tipping is a personal expense and therefore is not reimbursable.</td>
</tr>
<tr>
<td>Group Meals</td>
<td>Actual expense of the meal, which may include a gratuity.</td>
</tr>
<tr>
<td></td>
<td>Please attach both the itemized receipt and the customer copy. A customer copy of the credit card slip showing only the meal total and tip is not sufficient. The itemized receipt is required to provide the detail of what was purchased, and the customer copy is required to document the amount paid for the tip. If an itemized receipt is no longer available, the payee must complete a Certificate of Missing Receipt form. The names of the other attendees and the business purpose of the meal must be stated.</td>
</tr>
<tr>
<td></td>
<td>Alcohol must be deducted, unless charged to a 206 or unrestricted 497 fund. When alcohol must be deducted, you also should deduct a pro-rated amount for the sales tax and tip associated with the alcohol. You may use this attachment as a model for the deduction.</td>
</tr>
<tr>
<td></td>
<td>Meal expenses for an employee's spouse (or significant other) usually are not allowable. Some possible exceptions include:</td>
</tr>
<tr>
<td></td>
<td>1. When the interviewee's spouse (or significant other) also is attending the interview meal.</td>
</tr>
<tr>
<td></td>
<td>2. When the employee is being recognized at a staff recognition function, attendance of a spouse (or significant other) is generally permitted.</td>
</tr>
<tr>
<td></td>
<td>3. When meeting with a donor couple, the ISU employee may bring a spouse (or significant other).</td>
</tr>
<tr>
<td></td>
<td>4. When attending a fundraising event, sometimes it is expected that employees' spouses (or significant others) attend.</td>
</tr>
<tr>
<td></td>
<td>These exceptions are not allowed for sponsored programs funding.</td>
</tr>
<tr>
<td></td>
<td>In any situation involving spouses (or significant others) an explanation is required to justify the business purpose.</td>
</tr>
<tr>
<td>Laundry, Dry Cleaning</td>
<td>Laundry and dry cleaning are factored into all incidentals as part of per diems, therefore cannot be claimed separately.</td>
</tr>
<tr>
<td>Lodging – Domestic</td>
<td>Reimbursement must be for the single rate up to per diem set by GSA for Contiguous US, or Department of Defense for Alaska, Hawaii, and US Territories. An itemized hotel receipt is required regardless of amount.</td>
</tr>
<tr>
<td></td>
<td>Use of Airbnb, VRBO, or similar booking websites is not allowed on a T&amp;H Card.</td>
</tr>
<tr>
<td><strong>Charges for staying with friends or relatives are not reimbursable. In-room movies are not reimbursable. Charges for parking and business-related long-distance calls and charges for Internet service must be listed as Miscellaneous Expenses.</strong></td>
<td></td>
</tr>
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<td>---</td>
<td></td>
</tr>
<tr>
<td>Please see FAQ - Lodging and the <strong>Package Deals for Airfare and Lodging</strong> heading below for additional information.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Lodging – Foreign</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement must be for the single rate up to U.S. State Department per diem. (Per diem rates are available at <a href="https://aoprals.state.gov/web920/per_diem.asp">https://aoprals.state.gov/web920/per_diem.asp</a>) An itemized hotel receipt is required regardless of amount.</td>
</tr>
<tr>
<td>Charges for staying with friends or relatives are not reimbursable. Use of Airbnb, VRBO, or similar booking websites is not allowed on a T&amp;H Card.</td>
</tr>
<tr>
<td>Please see FAQ - Lodging for additional information.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Meals – In-State</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective August 1, 2020, ISU is switching to a per diem rate of $35 per day determined by limits set by the Board of Regents (B = $7, L = $10.50, D = $17.50).</td>
</tr>
<tr>
<td>When a meal already is covered by a conference registration fee, it should not be claimed by the traveler.</td>
</tr>
<tr>
<td>Gratuities may be included if they do not result in exceeding the per diem. Alcohol must be excluded, unless charged to a 206 or unrestricted 497 account.</td>
</tr>
<tr>
<td>Must be in travel status from 7:30 a.m. through 8:00 a.m. to claim breakfast, noon through 1:00 p.m. to claim lunch, and 5:30 p.m. through 6:30 p.m. to claim dinner.</td>
</tr>
<tr>
<td>Meals not requiring overnight travel must be reported as taxable, unless the primary purpose of the meal was to discuss business. The Expenses Module requires an indication for taxable meals with no overnight stay. It is a duty of the Procurement and Expense Specialist to verify taxability of meals with no overnight stay. Also see the <strong>Group Meals</strong> heading above.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Meals – Out-of-State</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective August 1, 2020, ISU is switching to a meal per diem, with rates set by GSA for the Contiguous United States (except in-state) and the Department of Defense (DoD) for Alaska, Hawaii and US Territories. Rates can be checked by using these links:</td>
</tr>
<tr>
<td>- DoD: <a href="https://www.defensetravel.dod.mil/site/perdiemCalc.cfm">https://www.defensetravel.dod.mil/site/perdiemCalc.cfm</a></td>
</tr>
<tr>
<td>When a meal already is covered by a conference, it should not be claimed by the traveler.</td>
</tr>
<tr>
<td>Gratuities may be included if they do not result in exceeding the maximum per diem. Alcohol must be excluded, unless charged to an unrestricted fund. If alcohol is charged on a T&amp;H Card, the amount must be itemized to a personal charge.</td>
</tr>
<tr>
<td>Must be in travel status from 7:30 a.m. through 8:00 a.m. to claim breakfast, noon through 1:00 p.m. to claim lunch, and 5:30 p.m. through 6:30 p.m. to claim dinner.</td>
</tr>
<tr>
<td>Also see the <strong>Group Meals</strong> heading above.</td>
</tr>
<tr>
<td>Charges to the T&amp;H Card in excess of the daily limit will need to be itemized and charged back to the Ubill if the total reimbursement is negative.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Meals – Foreign</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective August 1, 2020, ISU is switching to a meal per diem, with rates set by U.S. Department of State. Rates can be checked using this link: <a href="https://aoprals.state.gov/web920/per_diem.asp">https://aoprals.state.gov/web920/per_diem.asp</a></td>
</tr>
<tr>
<td>Gratuities may be included, but not in addition to the per diem amount if the per diem method is being used. Alcohol must be excluded, unless charged to a 206 account. An unrestricted 497 account can only be used for alcohol if non-ISU employees also are in attendance.</td>
</tr>
<tr>
<td>The incidental expenses portion of the meal and incidental expenses per diem rate includes “fees and tips given to porters, baggage carriers, hotel staff and staff on ships,” as well as “laundry and dry cleaning.” Therefore, these expenses may not be claimed separately.</td>
</tr>
<tr>
<td>Charges to the T&amp;H Card in excess of the daily limit will need to be itemized and charged back to the Ubill using a personal expense checkbox.</td>
</tr>
<tr>
<td>Please see FAQ - Meals for additional information.</td>
</tr>
</tbody>
</table>
**Mileage – Personal Vehicle**

The maximum mileage rate is linked to the maximum allowed by the Internal Revenue Service and to the General Services Administration when a government-owned vehicle is not available. The default mileage rate is linked to the amount allowed by the General Services Administration when a government-owned vehicle is available.

For travel taking place **on or after January 1, 2019**:
- The default mileage rate was **increased** from $.2725 to $.29.
- The higher mileage rate increased from $.545 to $.58 per mile. The traveler can qualify for the rate higher than the default rate of $.29 if: 1.) the round-trip is less than 100 miles #, 2.) the traveler is permanently based off-campus ##, 3.) the traveler was unable to reserve a vehicle from Transportation Services, 4.) if the traveler is not an ISU employee or student, or 5.) the trip is to or from a designated airport (Omaha, Kansas City, or Minneapolis) 100 or more miles away from Ames for the purpose of obtaining a lower-cost flight.

For travel taking place **on or after January 1, 2018**:
- The default mileage rate was **increased** from $.2675 to $.2725.
- The higher mileage rate increased from $.535 to $.545 per mile. The traveler can qualify for the rate higher than the default rate of $.2725 if: 1.) the round-trip is less than 100 miles #, 2.) the traveler is permanently based off-campus ##, 3.) the traveler was unable to reserve a vehicle from Transportation Services, 4.) if the traveler is not an ISU employee or student, or 5.) the trip is to or from a designated airport (Omaha, Kansas City, or Minneapolis) 100 or more miles away from Ames for the purpose of obtaining a lower-cost flight.

# “Round-trip” includes the entire trip departing from and returning to Ames (or the official station of the employee, if based outside of Ames). For example, if an employee working in Ames drives to Cedar Rapids for a meeting, then continues on a separate trip to Mt. Vernon for a different meeting, the Cedar Rapids to Mt. Vernon portion of the trip does not qualify for the higher rate, even though this portion of the trip was less than 100 miles.

## In this context, “off-campus” means outside the city of Ames, and therefore unable to conveniently use vehicles from Transportation Services. For example, the ISU Research Park is off the main campus, but within the city of Ames, and able to conveniently use Transportation Services. Therefore, employees located at the ISU Research Park, or other locations within the city of Ames, would not automatically qualify for the higher rate.

If you did not record an odometer reading, you can refer to the Mileage Guide - Iowa or the Mileage Guide - Out-of-State. An online source or road atlas also may be consulted for the reasonableness of mileage claims to out-of-state destinations. The official station (starting point) will be the location of the traveler’s permanent office or home, whichever is less. Whenever an employee travels other than by the shortest route, an explanation must be indicated on the Reimbursement.

Tolls may be claimed separately. Gasoline usually is reimbursed only for rental cars, as it is less than the allowable mileage rate. Also see the Summary of Unallowable Travel Expenses for other non-reimbursable charges.

Please see FAQ - Mileage for additional information.

<table>
<thead>
<tr>
<th>Newspapers</th>
<th>Actual expense. Business purpose of newspapers should be stated on the reimbursement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package Deals for Airfare and Hotel</td>
<td>When the airfare and hotel are lumped together as one price as part of a package deal through Travelocity, Orbitz, etc., enter the full amount under Miscellaneous Expenses - Other. Include an explanation in the Other Comments field that the package deal included both airfare and hotel, and state the hotel nights covered by the package.</td>
</tr>
<tr>
<td></td>
<td>When the package deal splits the amounts between airfare and hotel, list the airfare amount in the Airfare Paid by Traveler field and pro-rate the hotel charge in the Lodging field for each of the nights covered.</td>
</tr>
<tr>
<td>Parking</td>
<td>Actual expense.</td>
</tr>
<tr>
<td>Passports, Visas</td>
<td>Actual expense, if necessary for university travel. If a photo is taken as part of the passport application process, it can be reimbursed. Since passport applications now require a birth certificate with a raised seal, we can reimburse for a copy of the birth certificate as well.</td>
</tr>
<tr>
<td>Photocopying</td>
<td>Actual expense, if necessary for university business while in travel status.</td>
</tr>
<tr>
<td></td>
<td>When not in travel status, on-campus sources must be utilized, and intramural billing should be used instead of a personal reimbursement.</td>
</tr>
<tr>
<td><strong>Preferred Seating / Seat Selection Fees</strong></td>
<td>Some airlines charge extra for choosing a seat on the plane, which is allowable. Documentation usually is part of the itinerary detailing the other charges. Federal funds cannot be used for this expenditure.</td>
</tr>
<tr>
<td><strong>Premium Economy Fares</strong></td>
<td>Some airlines offer additional leg room and seat width for an economy fare. The name varies by airline (e.g., American Airlines Main Cabin Extra, Delta Airlines Comfort+, United Airlines Economy Plus). Documentation usually is part of the itinerary detailing the other charges. Federal funds cannot be used for the incremental increase over the regular economy fare. <a href="https://www.seatguru.com/charts/premium_economy.php">https://www.seatguru.com/charts/premium_economy.php</a> and <a href="http://www.independenttraveler.com/travel-tips/travelers-ed/is-premium-economy-worth-the-extra-cost">http://www.independenttraveler.com/travel-tips/travelers-ed/is-premium-economy-worth-the-extra-cost</a> provide comparisons of what different airlines offer.</td>
</tr>
<tr>
<td><strong>Private Airplane Miles</strong></td>
<td>Private airplane miles can be reimbursed at the rate provided by the General Services Administration. Airplane nautical miles (NMs) should be converted into statute miles (SMs) or regular miles when submitting a reimbursement using the formula (1 NM equals 1.15077945 SMs).</td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td>Actual expense, excluding extra costs for spousal attendance or events that are purely for entertainment purposes. Prepayment of registration by an ISU Purchasing Card or Disbursement Voucher is encouraged.</td>
</tr>
<tr>
<td><strong>Safe Deposit Boxes</strong></td>
<td>Actual cost of rental of a hotel safe deposit box required for business use. Storage of personal items is not reimbursable. If the safe deposit box was not an optional charge, please explain and it will be reimbursed.</td>
</tr>
<tr>
<td><strong>Shipping</strong></td>
<td>Actual expenses for materials that must be shipped while in travel status.</td>
</tr>
<tr>
<td><strong>Snacks</strong></td>
<td>Should be claimed in the &quot;Meals&quot; column and should not be used as a means of exceeding the meal maximums.</td>
</tr>
<tr>
<td><strong>Taxis, Cabs, Buses, Airport Shuttles, Subways</strong></td>
<td>Actual expense including tip. Using a taxi to travel to the Des Moines airport or solely for going to dinner is discouraged.</td>
</tr>
<tr>
<td><strong>Telephone Charges</strong></td>
<td>Actual expense of business-related calls. If not detailed on the hotel receipt, a copy of the traveler’s phone bill must be attached. (As of July 1, 2009, the Communication Technology Allowance policy limits reimbursement to roaming charges, minutes above the monthly contract, or international calls, or temporary access to services while on assignment.) Phone cards used for international travel also are reimbursable.</td>
</tr>
<tr>
<td><strong>Tolls</strong></td>
<td>Actual expense. Receipts often are not given.</td>
</tr>
<tr>
<td><strong>Tours, Cruises</strong></td>
<td>Actual expense of business-related tour or mandatory conference events is reimbursable. Optional or pleasure tours are not reimbursable.</td>
</tr>
<tr>
<td><strong>Traveler’s Checks Fee</strong></td>
<td>Actual expense if required for university travel.</td>
</tr>
<tr>
<td><strong>TSA Pre-Check Program</strong></td>
<td>In December 2013, the Transportation Security Administration began a program that allows low-risk travelers to experience faster, more efficient screening at participating U.S. airports, for both domestic and international travel. (The Des Moines International Airport is one of the participating airports.) Participants in the program also will not have to remove belts, shoes, jackets, or laptops. Please see their website for more information on the program. The $85.00 application fee is non-refundable, even if the application is denied. Federal funds cannot be used for this expenditure.</td>
</tr>
<tr>
<td><strong>Trip Insurance</strong></td>
<td>Unlike <a href="#">Flight Insurance</a>, Trip Insurance has a potential benefit to ISU (e.g., the refund of the air ticket price) if the trip is cancelled. This can be reimbursed at the discretion of the department after reviewing what is covered by the fee. If it is primarily for a personal coverage, such as lost luggage, it benefits the employee and is not reimbursable. Also see Flight Insurance, which is unallowable.</td>
</tr>
<tr>
<td><strong>Vaccinations, Malaria Pills, etc.</strong></td>
<td>Actual expense, if necessary for university travel. Must claim only the amount not covered by insurance.</td>
</tr>
</tbody>
</table>

This page was last updated on August 17, 2020.
II. Expenditures – Allowable, Appropriate, Documented

From ISU Policy Library: https://www.policy.iastate.edu/policy/business/expenditures

The following are excerpts from the Controller’s Department, Allowability & Appropriateness: How to Know if Expenses Are Allowable manual.

ADEQUATE DOCUMENTATION – It is not possible to determine the allowability and appropriateness of an expense unless adequate documentation exists. Adequate documentation includes an invoice or receipt that identifies WHAT was purchased, WHERE it was purchased, WHO purchased it, and WHEN it was purchased. If all of this information is not contained on the receipt or invoice itself, it needs to be added to the explanation on the electronic document or voucher, or written on the receipt/invoice/intramural. The fifth “W,” or WHY it was purchased, must be added to the appropriate section electronic document.

The department and/or college are ultimately responsible for determining and documenting the allowability and appropriateness of expenditures. The department and/or college are in the position to determine the best way to use their funds. Judgment on reasonableness of all expenditures, and especially in the case of hospitality, is the responsibility of the college and/or department.

When cash or other property is given out to research participants, a Research Participant Receipt Form (RPRF) should be attached in lieu of an invoice. When cash or other property is given out as part of a drawing, door prize, or some other purpose other than research, a Property Receipt Form should be attached in lieu of an invoice. A Property Receipt Form is not required for:

- flowers (or memorial/gift in lieu of flowers) given in connection with an illness, hospitalization, or death of an employee or their immediate family members; or
- gifts to donors or international visitors; or
- milestone recognition, retirement or going-away gifts; or
- token non-cash items or token research incentives (having a value of $20.00 or less).

UNALLOWABLE EXPENDITURES - Certain types of expenditures are not allowable from any funding source. Examples of unallowable expenditures include:

- **Artwork for individual offices** is considered a personal expense and is not allowable from any funding source. However, artwork in public areas is allowable.
- **Flowers for birthdays, holidays, weddings, wedding anniversaries, or baby showers** are not allowable from any funding source. See the section below for conditionally allowable purchases of flowers.
- **Gifts in lieu of payment for services** are not allowable from any funding source. See the section below for conditionally allowable token non-cash items.
- **Gifts to employees for birthdays, holidays, weddings, wedding anniversaries, or baby showers** are not allowable from any funding source.
- **Home internet** reimbursement is not allowable from any funding source. In addition, cell modems procured from an ISU contracted cellular provider should not be used for personal use in place of home internet access.
- **Home office** expenses (including computer towers, monitors, and printers) are unallowable from any funding source if ISU provides office space in another location. However, if an appropriate business justification is provided for a unique situation, the final decision of allowability and appropriateness of home office expenses can be determined by the department. If an exception is granted, use of ISU-provided resources is to be used strictly for ISU business purposes only.
- **Parking fines, parking permits, library fines, late fees, bus passes for commuting, and finance**
charges are the personal responsibility of the person who incurs them. They are not allowable from any funding source.

CONDITIONALLY ALLOWABLE EXPENDITURES - Some types of expenditures are only allowable from certain funding sources, or when the expenditures meet other conditions:

• **Alcoholic beverages** usually are only allowable from agency (206) funds, or from general support Foundation (497) funds in appropriate hosting situations. If only ISU employees are attending, only 206 funds may be used. Other funding sources might be allowable if the use is for cooking, research, course study, or catering provided by an ISU department that routinely provides catering services. Approvals and use of alcohol for events in University buildings and on University grounds must comply with the University Policy Library - Alcohol, Drugs, and Intoxicants.

If an ISU department puts on a conference, and the fees paid by the conference participants include an event that serves alcohol, the non-sponsored fund account that received the registration fees may also be used to purchase the alcohol for the conference. It should be noted that conferences funded with sponsored funds do not allow the purchase of alcohol, even when funded from participant fees.

• **Clothing Suitable for Street Wear** generally is not allowable. However, shirts that contain the department’s logo worn as a uniform, for a specific event, or for program identity purposes would be allowable from sources other than sponsored programs funding.

Protective clothing (e.g., hard hats, work gloves, hip waders, or steel-toed boots) may be allowable if required for the performance of an employee’s job from sources other than sponsored programs funding.

ISU licensed apparel purchased for employees and event volunteers will be considered allowable from appropriate funding sources when the funding department documents the ISU business purpose. Valid business purposes could include event/public recognition, marketing, and employee morale. ISU licensed apparel purchased for non-employees with a valid ISU business purpose would also be considered allowable.

• **Coffee, coffee pots, refrigerators, microwave ovens**, etc. purchased exclusively for employee use are allowable when charged to agency (206) funds or Foundation (497) funds. This does not preclude a unit from initially charging coffee to University funds, except sponsored programs funding sources, and then collecting employee funds to reimburse the University account. Employees should not contribute to a Foundation (497) for the purchase of coffee, as this would be taking a tax deduction for a personal expenditure.

• **Conflict of Interest** payments must be pre-approved by Purchasing.

• **Door prizes**, other than token non-cash items to employees and described below, that are given out during an employee morale event are allowable only from agency (206) funds. Door prizes or raffle prizes given to students or non-employees at ISU events are allowable on all funds except sponsored program funds. If the value of the prize is more than $20.00, a Property Receipt Form must be signed by the recipient and kept with the expenditure documentation.

• **Flowers** used for public functions, such as retirement parties and convocations, are allowable from sources other than sponsored programs funding. Flowers purchased in connection with the illness or hospitalization (including maternity) of employees are allowable only from agency (206) funds or general support Foundation (497) funds. Flowers purchased in connection with the death of employees, their immediate family members, or key constituents (e.g., donors) are allowable only from agency (206) funds or general support Foundation (497) funds. A memorial or cash gift may be made in lieu of flowers, as long as the amount does not exceed what typically would have been spent for flowers.

• **Gifts** for recognition of employee achievements (such as those presented through formal awards programs), retirements, or going-away functions are allowable, except on sponsored programs funding. However, the cost of the gift must be reasonable. Reasonableness of costs would vary depending on such issues as position level, how many people the employee interacted with, as well as the length of service to the institution. Gifts to international visitors, especially those from certain cultures, are frequently an expected courtesy and are considered an appropriate expenditure, except on sponsored programs funding.

• **Lost keys** will be charged to the employee’s department, and it is up to the department to decide whether to recover funds from the employee through Accounts Receivable.

• **Personal use** items are not reimbursable except when allowed from agency (206) funds. Examples of personal use items include parking permits, and bus passes for commuting.
Insect repellant or sunscreen are not reimbursable for an individual, although a department that requires its employees to do fieldwork could purchase these items for distribution by the department.

- **Printing and photocopying done off-campus** are only allowable while in travel status, for after-hours emergencies, or for printing that cannot be performed by on-campus sources.
- **Token non-cash items** having a value of $20.00 or less given to employees or students, such as during an employee morale or appreciation event, are allowable except on sponsored programs funding.

**UNALLOWABLE PROCUREMENT METHODS** – Please see Purchasing’s website for Restrictions on Delegated Authority. While the expenditure and the funding source may be allowable, for most purchases you must either submit a Web Requisition or use the P-card of cyBuy, as employee reimbursements and payments without a purchase order are not allowed.

- **Cell phones, cordless phones, IP phones, and telephones** must comply with university standards. Cellular devices may only be purchased if the service is provided through a University-owned contract plan. Cellular devices associated with a personally-owned service plan cannot be purchased or reimbursed with any funding source. However, the employee may be eligible for reimbursement of use of the cellular device through the Communication Technology Allowance program (see below).
- **Chemicals, controlled substances, hazardous materials, and radioactive materials** require a Web Requisition to allow tracking of materials.
- **Computers and laptops** must meet compatibility standards. Please contact Purchasing for information about using cyBUY or TechCyte.
- **Furniture and Furnishings** must meet standardized product specifications. Please contact Purchasing about their competitively-bid contracts.
- **Leases, rental agreements, or any other signed agreements** must be pre-approved by Purchasing.
- **Materials** costing $500.00 or more cannot be processed as non-travel employee reimbursements, and materials costing $100.00 or more cannot be processed on a KFS DV or Simple DV (non-PO). Procurement alternatives include payments to vendors using a P-card, Web Requisition, or using a university service center.
- **Professional services** expected to be $2,000.00 or more (including expenses) for the year require both a Professional Services Contractual Agreement and a Web Requisition.
- **Routine services** costing $100.00 or more cannot be processed on a KFS DV or Simple DV (non-PO), and require using either a P-card or a Web Requisition instead.

**SELECT EXPENDITURE CATEGORIES** - The following expenditures categories have inherently been subject to more scrutiny, both internally and with the public.

- **Cell Phones**
The University issued a Communication Technology Allowance Policy and Reimbursement Procedures, effective July 1, 2009 – http://www.controller.iastate.edu/controller/cta.htm. The policy and procedures offer two allowable methods for providing cellular phone services to eligible employees:
  - Through ISU contracted cellular providers – This method is for employees that use their cellular devices for primarily University business and who carry a personal cellular device for personal calls or do not necessitate the use of a cellular device for personal calls.
  - Through the use of a Communication Technology Allowance (CTA) - This method is used primarily by employees who do not want to carry two cellular devices and require the use of a cellular device for personal calls. This method does not allow for reimbursement of the employee’s personally-owned cellular devices. The CTA is paid to the employee as a non-travel reimbursement through the Employee Reimbursement System. A copy of the approved CTA form should be imported as a receipt when submitting the non-travel reimbursement. A copy of the cell phone bill is not required to be attached to the reimbursement request.

For employees who do not meet Communication Technology Allowance Policy eligibility requirements,
reimbursements may be made for infrequent necessary business calls where the calls are identifiable and justified in writing AND the calls result in additional costs to the employee’s personal plan, such as roaming charges, minute overage charges or temporary international access. Neither CTAs nor university-owned communication technology plans may be charged to federally sponsored projects, except where the costs meet the definition of “unlike circumstances” and are allowable in accordance with OMB Circular A-21 and the university’s Sponsored Programs Costing Policy. There may be specific restrictions on the use of other non-federal sponsored funds to pay for technology costs.

• **Contributions and Donations**
  Donations and contributions are allowable from agency (206) funds. However, a donation or contribution may be allowable from other non-sponsored funding sources if it covers a specific identifiable cost. If ISU is sponsoring a conference where they will be listed in the conference literature as a sponsor of the event, the charge should be described as advertising.

• **Employee business functions**
  The greatest uncertainty regarding allowability often occurs for events in which only ISU employees are present. The associated costs must represent a legitimate business expense with a work-related purpose. The following provide examples of meetings attended only by ISU employees. Food and beverages for recurring functions where participants are all from the same department should be kept to a minimum.
  • A meal may be served when the function is pre-planned and a number of people are involved. Having food served on campus vs. dining out is generally viewed as more businesslike and less social. Examples:
    • If the most convenient time a group of people can schedule a work-related meeting is over the noon hour, providing lunch on campus is generally appropriate. Recurring committee meetings involving employees from many departments would fall into this category. All funding sources, except sponsored programs accounts, would be allowable for this type of expenditure.
    • If two employees meet at a restaurant downtown, even if business is discussed, this is generally not appropriate, since the individuals would normally have lunch. Under some circumstances where it is the only convenient time, agency (206) funds or general support Foundation (497) funds may be used. For Foundation (497) funds, the business purpose of the meeting must be documented, and no alcohol is permitted.
  • The restaurant used must be commensurate with the business purpose of the meeting and expenses must be reasonable. Upscale restaurants are normally only appropriate when outsiders are in attendance and making a positive impression on the guest is part of the business purpose.

• **Employee parties/picnics**
  Other gatherings, such as holiday parties or employee picnics, should only be expensed from agency (206) or general support Foundation (497) funds, and the business purpose must be properly documented. The business purpose for these types of events generally is employee morale or appreciation which is not the same thing as milestone recognition, which spotlights a specific achievement of an individual or unit. For example, an annual employee picnic would be employee appreciation, but a picnic to commemorate the 25th anniversary of the department would be considered milestone recognition.

• **Fundraising**
  Since building relationships with alumni and fundraising are integral parts of University administration, costs for these types of events can frequently be paid from any source except sponsored programs funding. However, any event where tickets are sold and the proceeds used as fundraising should be coordinated with the Foundation so that appropriate tax reporting to the donors can occur. Without the proper gift receipt, no portion of the payment could be considered tax deductible by the donor.

• **Hospitality documentation**
  Hospitality expenses will be processed provided the documentation includes the WHO (specify names and
business relationship if not clear), WHAT, WHEN, WHERE and WHY of the event. It is the responsibility of the
college and/or department to explicitly state the business purpose on all expenditure transactions
authorizing payment of costs, especially for employee-related events.

- **Memberships**
  Institutional memberships that are of university-wide nature, such as the American Council on Education, the
  National Association of State University Land Grant Colleges, and the North Central Accrediting Association,
  may be funded centrally. Decisions and funding of other association memberships should be made at the
  college and departmental level. At the discretion of the department, personal memberships in professional
  organizations may be paid if journals or other professional materials relating to the unit’s business purpose
  are included in the cost of membership. Memberships of a purely social nature are not allowable.

It is the responsibility of the college and/or department to assure that the authorization or expense conforms
to university policy as well as with any other sponsoring agency policies.

- **Milestone recognition**
  Retirement, going away or other milestone recognition functions are generally considered to be appropriate
  from sources other than sponsored programs funding as long as the costs are reasonable. Alcohol is allowable
  from 206 accounts. If non-ISU employees also are attending, general support 497 accounts can be used. These
  events can be distinguished from a purely social function since the primary purpose of the event is to
  recognize an employee(s) for extended service to ISU or for specific achievement such as receiving an award.

Reasonableness of costs would vary depending on issues such as how many people the honoree interacted
with as well as their length of service to the institution. In addition, the nature of the expense should be
considered. Cake at a reception would be an appropriate cost, but greens fees for a golf outing honoring a
retiree would not. Recognition of personal events, such as employee birthdays, weddings, wedding
anniversaries, or baby showers, is not an appropriate expense from any funding source. If a unit feels this is
an important event, the group or administrator involved should pay the expenses personally, without
expectation of reimbursement from ISU. Recognition of personal events for donors or other external
constituents may, in unique situations, such as the birthday of a major donor, be an appropriate expense from
agency (206) or general support Foundation (497) funds.

- **Spousal/Significant Other attendance**
  Meal expenses for an employee’s spouse or significant other usually are not allowable. See exceptions below.
  Expenses of this nature should not be charged to sponsored programs funding.

  1. When the interviewee’s spouse (or significant other) also is attending the interview meal.
  2. When the employee is being recognized at a staff recognition function, attendance of a spouse (or
     significant other) is generally permitted.
  3. When meeting with a donor couple, the ISU employee may bring a spouse (or significant other).
  4. When attending a fundraising event, sometimes it is expected that employees’ spouses (or
     significant others) attend.

The travel and associated meal expenses of spouses/significant others/other family members would not be
an allowable expense unless a business purpose exists and/or specific administrative approval has been
received to include those individuals.
III. Contracts and Grants Expenditures – Allowability & Appropriateness

From ISU Policy Library: https://www.policy.iastate.edu/policy/contractsgrants/expenditures

Effective: Moved to Policy Library from UPM 9.6(2)
Reviewed and Updated: August 16, 2016
Contact: Sponsored Programs Accounting

Introduction
Principal investigators (PIs) and administering departments are responsible for ensuring that all expenditures using sponsored funds are allowable and appropriate.

Policy Statement
In order for costs to be charged to a sponsored project, they must be allowable, reasonable and allocable.

**Allowable expenses** are those costs permitted under applicable university policies and terms imposed by the funding source, as governed by written policies, laws, and contractual documents.

The tests of allowability of costs are:

- They must be necessary and reasonable for the performance of the federal award;
- They must be allocable to sponsored agreement to which they are charged;
- They must be treated consistently with generally accepted accounting principles. All costs must be treated as either a direct cost only or as an indirect cost (F&A) only as described in the applicable ISU costing policy;
- They must conform to any limitations or exclusions as stated in the sponsored agreement as to types or amounts of cost items;
- They must not be used to meet cost sharing or matching requirements of any other federally-financed program; and
- They must be adequately documented.

Allowability is the joint responsibility of those who initiate the transaction and those who review and approve it.

**Reasonable expenses** are those expenses that a prudent person would find fitting and necessary to accomplish the goals of the project.

Major considerations involved in the determination of the reasonableness of a cost are:

- Whether the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement;
- The restraints or requirements imposed by such factors as arm’s-length bargaining, federal and Iowa laws and regulations, and sponsored agreement terms and conditions;
- Market prices for comparable goods or services for the geographic area.
- Whether the individual concerned acted with due prudence given the circumstances and their responsibilities to the institution; and
• The costs are consistent with established institutional policies and procedures applicable to the work of the institution generally, including sponsored agreements.

Reasonableness is the joint responsibility of those who initiate the transaction and those who review and approve it.

**Allocatable expenses** are those costs that are chargeable or assignable to the sponsored project in accordance with the relative benefit received.

A cost is allocable to a sponsored agreement if:

• It is incurred solely to advance the work under the sponsored agreement;
• It benefits both the sponsored agreement and other work of the institution in proportions that can be approximated through use of reasonable methods; or
• It is necessary to the overall operation of the institution and is deemed to be assignable in part to the sponsored project.

Allocability involves judgment and detailed knowledge of programmatic objectives and is primarily the responsibility of the principal investigator and administering department.

**Federal Cost Principles**

For federally sponsored projects, OMB Circular A-21 (Cost Principles for Educational Institutions) or 2 CFR Part 200, Subpart E (Cost Principles) as applicable, federal agency guidelines, and award-specific terms and conditions must be used to determine allowability.
IV. Expenditures Involving Foundation Funds

From ISU Policy Library: https://www.policy.iastate.edu/policy/foundation

Effective: Moved to Policy Library from UPM 10.2(3)
Reviewed and Updated: March 2016
Contact: Controller’s Department

Introduction

The ISU Foundation is a non-profit organization established solely to benefit Iowa State University. Gifts to the Foundation are to be used to support the mission of the university. The Appropriate, Allowable and Documented Expenditures policy, university procurement policies, and donor memorandum of agreement apply to funds provided to Iowa State University via the ISU Foundation.

Policy Statement

Expenditures from ISU Foundation accounts must relate to a university activity or function, must support the university’s advancement, and are expected to be commensurate with the probable benefit to the university. Foundation funds are not to be used for the personal benefit of university employees and must be used prudently.

The determination of legitimate business purpose, or appropriateness, is the responsibility of the relevant department chair, director, or dean. Adequate documentation must be provided indicating appropriateness, reasonableness, and the business purpose of expenditures.

If permitted per the donor’s memorandum of agreement, hospitality expenses related to employee, alumni, and student events, employee recruitment, and other employee or external relations events or activities may be paid from Foundation funds. Within the constraints of the ISU alcohol policies, allowable hospitality expenditures from ISU Foundation accounts may include alcohol that is served, unless prohibited by the donor’s memorandum of agreement.
V. Gifts

From ISU Policy Library—Gifts: [https://www.policy.iastate.edu/policy/gifts](https://www.policy.iastate.edu/policy/gifts)

Effective: Moved to Policy Library from UPM 2.5(4)
Contact: Office of University Counsel

**Introduction**

This policy is in accordance with conflict interest of public officers and employees from Chapter 68B, Code of Iowa.

**Policy Statement**

Employees of the University and the immediate family members shall not, directly or indirectly, solicit, accept, or receive from any one donor in any one-calendar day, a gift as defined below.

Employees of the University and immediate family members of each shall not, directly or indirectly, offer or make a gift as defined below to an official, employee, local official, local employee, member of the General Assembly, candidate, or legislative employee in any one calendar day.

**Gifts Defined**

A gift is a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, or anything else of value in return for which legal consideration of equal or greater value is not given and received, if the donor is in any of the following categories:

- Donor is doing or seeking to do business of any kind with the Board of Regents, State of Iowa or an institution it governs.
- Donor is engaged in activities that are regulated or controlled by the Board of Regents, State of Iowa or an institution it governs.
- Donor has interest that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duty of the Board or any of the Board's employees.
- Donor is a lobbyist with respect to matters within the jurisdiction of the State Board of Regents.

The definition of "gift" in Chapter 68B of the Iowa Code is written in terms of the government official or employees as the recipient of a gift. The statute also prohibits government officials or employees from making gift to officials or employees of other state agencies, in the circumstances described above. In such cases, the employee is the donor and the other state official or employee is the donee.

Gifts are not:

- Campaign contributions.
- Information material relevant to a public servant's official functions as an employee of the University. Examples of such material are books, pamphlets, reports, documents, or periodicals.
- Registration fees or tuition not including travel, at which the employee receives information relevant to the employees' official function.
- Anything received form a person related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.
• An inheritance.

• Anything available to or distributed to the public generally without regard to official status of the recipient.

• Actual expenses for food, beverages, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.

• Plaques or items of negligible resale value given as recognition of public service.

• Non-monetary items with a value of less than three dollars that are received from any one donor during one calendar day.

• Items or services solicited or given to a state, national, or regional organization in which the University is a member.

• Items or services that are part of a conference or similar meeting and sponsored by a state, regional, or national organization of which the University is a member.
VI. Communication Technology Allowance

From ISU Policy Library - Communication Technology
https://www.policy.iastate.edu/policy/communicationtech

Introduction
The university recognizes that the performance of certain job responsibilities may require the provision of additional communication technology devices or services as determined by the head of the employing unit and in accordance with university eligibility requirements. The purpose of this policy is to establish limitations and parameters for funding communication technology devices and services. This policy is also intended to preserve university resources and prevent misuse of funds.

Communication technology services shall be defined as:
- cellular phone voice/text messaging service,
- cellular phone ISP (Internet Service Provider) data service associated with devices such as smart phones and PDAs, and
- cellular wireless modems associated with devices such as laptop computers

Policy Statement
For eligible and authorized individuals, the university may provide:
- Communication devices and services through one of the university's purchasing contracts, or
- A taxable payroll allowance to the employee, hereinafter referred to as a Communication Technology Allowance (CTA). A monthly payroll allowance is provided to help cover the monthly cost for business use of an employee's personal cellular voice or cellular data service. The monthly payroll allowance amount will be determined per established allowance and reimbursement procedures. In conformance with U.S. tax regulations, all CTAs are considered taxable, without exception. The university assumes no liability for any employee-owned personal devices or service plans.

Eligibility for CTA
Communication technology services may be funded if business justification can be made by the employing unit and funding is available. In order to be eligible for a CTA, the employee's employment classification must be Faculty, Professional & Scientific or exempt merit. Employees must meet at least one of the following eligibility criteria for an allowance.
- The employee's job requires him/her to spend a considerable amount of time outside of his/her assigned office or work area during assigned working hours, requiring regular access to communication technologies.
- The employee's job requires him/her to be reached either as a responder to emergencies on campus or to carry out their assigned responsibilities outside of normal working hours.
- The CTA is not intended for occasional, incidental use, purely voluntary/convenient access, or where needs can be met by a departmental pool of cellular devices available through university contracts.

Funding Limitations of CTA
Units have authority to establish more restrictive policies and to review, question, limit, and refuse, due to funding limitations, requests for CTAs that otherwise meet eligibility requirements.

Neither CTAs nor university-owned communication technology plans may be charged to federally sponsored projects, except where costs meet the definition of "unlike circumstances" and are allowable in accordance with OMB Circular A-21, Exhibit C, and the university's Sponsored Programs Costing Policy. There may be specific restrictions on the use of other non-federal sponsored funds to pay for technology costs. The university establishes CTA limits which are reviewed and adjusted periodically.
VII. Sales Tax Exemption

Iowa State University (ISU), as a state educational institution, is exempt from paying state sales tax or local option sales tax on goods, services and supplies purchased in or shipped to the state of Iowa. The states listed in the following table also grant tax exempt status to Iowa State University for goods or services purchased while in their state. As indicated in the table, a form or copy of a letter is usually required.

To request an Iowa sales tax exempt certificate complete the form located at: https://www.procurement.iastate.edu/resources/salestax/tax-exempt-form.

Iowa State University is tax exempt in many states, forms for states other than Iowa are available at: https://www.procurement.iastate.edu/resources/salestax.

VIII. Additional resources

Procurement Services
“How Do I Buy...” —https://www.procurement.iastate.edu/resources/commodities
Staff List /Commodity Assignments—https://www.procurement.iastate.edu/about/staff

University Policy Manual
Records Retention— https://www.policy.iastate.edu/policy/records

Controller’s Department
Gift Certificates—http://www.controller.iastate.edu/accounting/giftcertificates.htm

Trademark Licensing Office
Trademark Management— https://www.policy.iastate.edu/policy/trademark