INTRODUCTION

A. Travel Status/Employee Base/Work Location

When traveling at the University of Alabama’s expense, travelers should, in all cases, seek to obtain the lowest possible fares and rates by scheduling their travel in the manner that will be the most economical to the University. Expenses related to personal travel for side trips are not reimbursed. It is the traveler’s responsibility to obtain documentation of the travel costs. It is the traveler’s responsibility to verify flight and hotel arrangements and ensure the schedule and booking is correct. Charges associated with scheduling errors are also not allowable.

In-State travel is reimbursed in accordance with the per diem regulations in the Code of Alabama 1975, 36-7-20 through 36-7-23, as amended. In-State travel expenses covered by per diem cannot be charged to the UA Purchasing Card; however conference registration fees should be paid for on the Purchasing Card. Refer to the sections on In-State and Out-of-State travel for in depth information. In state travel for non-employees is reimbursed as actual cost pursuant to out of state travel limits and guidelines.

Employees are in travel status when they leave their base. Base is defined as the employees’ primary residence or work location whichever is closest to the travel destination. Work location is defined as the institution or office location to which an employee is assigned. For those employees on the University campus, the work location includes the cities of Tuscaloosa and Northport and any other areas of Tuscaloosa County enclosed by the cities of Tuscaloosa and/or Northport. For employees at Moundville, the base is the Moundville city limits. For employees in Montgomery, the base is the Montgomery city limits. For employees stationed elsewhere, the base is the city limits of the location.
If not within a city, the base is a radius of 10 miles from the site.

B. Travel Vouchers

Travel vouchers are the forms used to record all reimbursable travel costs. There are three kinds of travel vouchers: In-State, Out-of-State, and International. These forms are located at http://accountspayable.ua.edu/pages/forms.html. The total request for reimbursement must be submitted after completion of the trip. Original receipts and other documentation of the total costs of the trip (including any prepaid expenses) must be submitted along with the travel voucher. The department submitting the travel voucher should keep copies of all documentation, as well as a copy of the voucher, until payment is made in case questions arise.

In cases where the department does not wish to cover the entire cost of travel at the time of the initial request for reimbursement, the entire travel package, with all supporting documentation, must still be submitted to Accounts Payable with the initial request for partial reimbursement. If funds become available at a later date, the department may submit a request for additional reimbursement. A copy of the supporting documentation to the original package should, also, be attached to subsequent requests for partial reimbursement.

If the travel voucher is submitted more than 60 days after the traveler's return, the reimbursement will be taxable income to the employee. Tax withholding will be made from the subsequent salary check. (Federal tax regulations require that substantiation of the reimbursed expenses be made within a reasonable period. Under the IRS safe-harbor rule, that period is 60 days.)

The travel voucher must be signed on the line marked “Signature of Claimant” by the traveler. This signature acknowledges acceptance of the terms and conditions of reimbursement. If a traveler pays reimbursable travel expenses for a fellow traveler, both must sign the travel voucher, certifying the payment arrangements.

Any expenses covered by a third party should be noted on the travel voucher.

C. Documentation of Costs/Approval of Travel Reimbursement

After returning from official travel, original receipts must be presented for all travel expenses.

When original receipts are unavailable, the University may consider accepting the following documentation of incurred expenses:

- Canceled check or imaged check copy from bank or online banking system
- Copy of bank statement plus original carbon of check from checkbook
- Original customer copy credit card slip
- Original credit card statement reflecting travel charges
- Original bank statement which lists payee and amount

The University Purchasing Card should be used to pay for conference registration fees, airfare, allowable ground transportation (see Transportation section below), parking, and lodging.

Expenses paid by a traveler are reimbursable following the trip. To claim reimbursement, any conference brochures or other literature documenting the expense, a receipt, including dollar amount and method of payment, or other proof of payment (see the list above) must be submitted along with the travel voucher.
D. Approval of Travel Reimbursement by Supervisor, Dean, Director or Department Head

For UA employee travel, the University requires that travel vouchers be signed by the supervisor (not a designee or stamp) of the employee who is requesting reimbursement for official travel. By signing the expense report the supervisor is certifying the expenses have been used in accordance with the University of Alabama’s Travel Policies. Even if the traveler is the principal investigator or project director for the account making the reimbursement, the voucher must be signed by his/her supervisor.

Deans and department heads may establish additional reimbursement approval policies and procedures for accounts for which they are responsible, but may not delegate approval authority.

E. Contract and Grant Travel Reimbursement

Travel reimbursement from contract and grant funds requires a travel voucher signed by the principal investigator or project director officially responsible for the contract or grant account; this person may not defer this responsibility to anyone else. In addition, the travel voucher must be signed by the principal investigator’s or project director’s supervisor.

If a University employee's travel is funded by a contract or grant, that employee should obtain guidance from the University's Contract and Grant Accounting office. Reimbursement will be subject to the University's travel policies.

The University’s federal contract and grant funds may not, by federal law, be used to make reimbursements for business entertainment expenses incurred during official travel.

F. Travel Reimbursement for Executive Officers

The University President's and Vice Presidents' requests for travel reimbursement must be reviewed and approved by the Vice President for Financial Affairs. Reimbursement requests from the Vice President for Financial Affairs must be reviewed and approved by the President.

G. Travel During Sabbatical Leave

With prior approval from the Provost, travel expenses incurred during a sabbatical leave period may be paid if they are connected to official travel in the performance of University duties.

H. Travel Advances

The University of Alabama does not advance funds for travel expenses to its employees.

I. Out-Of-Pocket Expenses

Telephone Calls

Business-related calls made during travel are allowable, but personal calls are limited to one call per week for every seven days that the traveler is in travel status. The only exception is that the University will pay for traveler to make one call home upon arrival at his or her destination, not to exceed $5.00.

Personal calls made from a hotel and itemized on the hotel receipt should not be included on the travel voucher or charged to the P-Card, unless the paragraph above applies.
Business-related calls should indicate person and purpose for call.

**Laundry Services**

A traveler may be reimbursed up to $25.00 per week for laundry and dry-cleaning expenses for every seven days in continuous travel status if the University is paying the traveler's day-to-day expenses. Only actual laundry and dry-cleaning expenses are reimbursable and receipts are required. Laundry services while in travel status are not allowable on the P-Card.

**Multiple Reimbursements/Third Party/Other Organizations**

No traveler may be reimbursed by both the University and another organization for the same travel expenses. Furthermore, no traveler may ask the University to prepay or use the P-Card to pay any expenses that will, in the traveler's expectation, be reimbursed by a third party.

**Prohibited Expenses**

The University does not reimburse or allow the P-Card to be used for the following:

- Purchases of alcoholic beverages.
- Travel expenses incurred by their spouses or other family members except as stated in Spouse/Family Travel section.
- Medical expenses. However, if during official travel an employee becomes incapacitated by an illness or injury covered by the University sick leave policy, that employee's travel status may be continued.
- Cost of passports, safe charges, mini bars, in-room movies, laundry (except as allowed in item 8 in this section), valet services, recreational activities (even when such activities are part of a business meeting or conference) and excursions.
- Charges of traffic or parking violations, or other expenses incurred such as lost keys, or keys locked in vehicles.

**Special Travel Requirements**

For special travel requirements that are not covered by the above policies, contact the University's Accounts Payable office prior to travel for approval.

**Early Arrival/Early Departure**

If a traveler chooses to arrive early to take advantage of reduced airfare, the traveler must reconcile the standard economy airfare with the reduced airfare, the additional hotel and meal expenses, and any other expenses that were incurred because of early arrival. This reconciliation should be submitted with the travel voucher.

**Trip Cancellation**

If conflicting University business or a compelling personal reason (illness, death in the family) requires cancellation of an official trip, credits and refunds should be applied back to the UA Procurement card. The University procurement card should be used to purchase airfare, registration fees and room & tax charges. Reimbursement may be requested for non-refundable out of pocket travel expenses incurred before the cancellation.

To prevent potential reimbursement problems, the department should contact Accounts Payable.
Customer Service at 348-7377 or via e-mail at acctspay@bama.ua.edu.

Interrupted Travel

If official travel is interrupted or deviates from the most direct travel routes for reasons of personal convenience, the University will not be responsible for any costs associated with the change.

If a traveler chooses to leave early from a trip for personal reasons, the University will not be responsible for any costs associated with the change.

TRANSPORTATION

A. Travel Route

For official University travel the most economical route available should be used.

B. Modes of Travel

Taxis

During official University travel, taxis may be hired when no other, more economical public transportation is readily available. A written explanation is required for each taxi trip except the trip from and to the airport or rail station at the destination. Submit explanations for all other taxi trips with the travel voucher or P-Card documentation.

Air Travel

When traveling by commercial airline on official University business, travelers should plan well in advance and obtain the most economical fare available. Only coach/economy fares are allowable. Airfare should be purchased using the University Procurement Card. In circumstances where UA Procurement card could not be used, an original receipt, including method of payment, must be submitted with the travel voucher for reimbursement.

The costs of early boarding fees, seat upgrades, seat selection fees, ticket life insurance and ticket cancellation insurance are not reimbursable.

If the traveler chooses to leave early from a trip for personal reasons the flight change fee is not allowable.

Rail Travel

Original receipts, including method of payment, must be submitted with the travel voucher. If the rail fare exceeds the cost of the 14-day coach/economy airfare the University will only reimburse up to the airfare amount. Rail fare may be paid with the P-Card provided that is it the most economical means of transportation.

University Owned Automobile Transportation

The University maintains a fleet of sedans and vans that employees and students may use for official University travel. University-owned vehicles are available on a first-come, first-serve basis to properly licensed adults who are employed by or enrolled in the University. A valid driver's license and current MVR (Motor Vehicle Record) are required. The MVR form is available at http://riskmanagement.ua.edu/. In addition, all drivers under the age of 25 are required to complete
the "Alive at 25" program, a 4 hour course emphasizing responsible behavior and defensive driving techniques. Contact Fleet Services, phone 348-4800, fax 348-4810, or email Fleet@bama.ua.edu to reserve a vehicle or to register for the free "Alive at 25" course. Vehicle reservation forms are available at: http://financialaffairs.ua.edu/aux_svs/transportation/fleet/. Authorized travelers may use a University gasoline credit card to buy fuel for University vehicles only when on official business.

Privately Owned Automobile Transportation

Private automobiles may also be used for official University travel. Official travel will be reimbursed at the current federal mileage rate beginning October 1, 1999. The University makes reimbursement for the round-trip mileage between travelers’ base (see "Travel Status") and destination, or for the actual miles traveled from origin to destination and back, whichever is less. The mileage between a residence and official travel station is not reimbursable. Please click here for the current mileage rate.

When two or more passengers travel in one private automobile on official University business, only one may claim reimbursement for mileage.

When University-owned or private automobiles are used for official travel, any parking and/or toll charges incurred are allowable. Valet parking is not allowed unless no other option is available. An explanation for valet parking will be required with the Travel Voucher or P-Card documentation.

Reimbursement for round trip mileage cannot exceed the cost of a roundtrip flight. Reimbursement will be made at whichever is lowest, the current mileage rate or the lowest discounted airfare. This is called airfare-in-lieu of mileage.

If a personal vehicle is used to drive to the Birmingham airport for a flight or to pick up an official University guest, reimbursement will be at the authorized per mile rate. The number of miles allowed to the Birmingham airport from Tuscaloosa is 60 miles one way.

Travel within Tuscaloosa city limits should be submitted on a travel voucher to claim reimbursement. Travel to/from a work location may not be reimbursed. The voucher must include the date, destination, and reason for the trip, along with the recorded mileage.

For frequent local travel, claims should not be submitted on a per-trip basis. Rather, a mileage log should be kept and claims submitted at appropriate intervals. The mileage log must be submitted with the travel voucher.

Under normal circumstances, intra-campus travel will not be reimbursed. However, if extenuating circumstances exist, documentation of these circumstances must be submitted with the travel voucher.

NOTE: The interval of claims must be less than 60 days. Any expense turned in for reimbursement more than 60 days after the expense was incurred is treated as taxable income subject to withholding per IRS regulations.

Rental Vehicles

The University does not accept transportation to and from the airport, to and from meals, or sight-seeing as justification for renting a vehicle.

Rental vehicles should be secured through the current approved contract. Renting a vehicle through this contract not only assures a contracted price but also provides for liability coverage. A written
explanation is required as to why it was necessary to rent a vehicle. The University will not pay for luxury or specialty vehicles.

If a vehicle is being used for both personal and University travel, note the proportion of personal use on the voucher. The University will only pay for official business.

Anytime a vehicle is rented, The University of Alabama should appear somewhere on the rental agreement so both the driver and vehicle are covered by the University’s liability insurance. If the rental agent cannot or is unwilling to add The University of Alabama on the rental agreement, as requested by the University’s insurer, please write “Rented on behalf of The University of Alabama for Reimbursable Business Travel” and ask the rental agent to initial the agreement. The University’s insurance program includes comprehensive and collision coverage for damage to vehicles rented at destination only. Consequently, the traveler should NOT purchase insurance from rental car agencies. The University’s coverage has a deductible of $500 on collision.

Should the rental car agency request insurance verification, please click here for current insurance identification card.

The only exceptions where the purchase of the insurance is allowed would be for non-employees that engaged as a volunteer or contracted party to provide a service to the University and the rental car expense is reimbursed by the University and when an automobile is rented outside the United States.

The original receipt and rental agreement as well as any gasoline receipts must accompany the travel voucher or the P-Card Documentation.

Prior to leaving the rental car location, the vehicle must be inspected and any damage is to be noted on the rental agreement and acknowledged in writing by a representative of the rental car company. When returning the vehicle, the vehicle should be inspected and if any damage was sustained while in the possession of the renter, an accident report should be filed with the rental car company and a copy provided to Risk Management.

**IN-STATE TRAVEL**

**A. Reimbursement for Travel**

The guidelines for in-state travel reimbursements paid to employees are governed by the Code of Alabama 1975, 36-7-20 through 36-7-23, as amended. In state travel for *non-employees* is reimbursed as actual cost pursuant to out of state travel limits and guidelines.

Employees within reasonable travel distance from their base are expected to return to base. Individual circumstance will determine what is reasonable but generally a trip of 100 miles or less one-way may not require an overnight stay. If an overnight stay is necessary for travel less than 100 miles, a business purpose statement is required on the travel expense voucher detailing how the overnight stay meets the goals and mission of the department.

When a University employee travels within the state of Alabama on official University business, that employee is reimbursed on a per diem basis for expenses other than transportation. Receipts for items covered by per diem do not need to be submitted with the travel voucher. Overnight per diem allowance covers lodging, meals and gratuities. Partial day per diem allowance covers meals and gratuities.
When an employee's official travel requires an overnight stay, the per diem reimbursement for each day or portion of a day will be at the current per diem rate. See link to per diem rates.

Under no circumstances will an employee be paid an overnight travel allowance at the official station, base or primary residence. If state business requires the traveler to be away from the base or official station on weekends or holidays, the traveler will be entitled to reimbursement for travel those days.

When an employee's official travel does not require an overnight stay, the University will reimburse that employee for meals depending upon the length of the employee’s travel as established by Code of Alabama 1975, 36-7-20. See link to per diem rates.

No travel allowance shall be paid for a trip of less than six hours duration. For travel that does not require an overnight stay, the traveler shall be paid a meal allowance. No meal allowance will be paid if the traveler remains in the city where his/her home or base is located.

An employee who does not wish to be reimbursed for meal expenses incurred while traveling should attach to his or her travel voucher a signed statement waiving the meal allowance.

Only an employee can decide to waive per diem. A University department cannot force an employee to waive per diem.

When an employee's travel expenses are less than the per diem allowance, the employee may choose to be reimbursed for the actual cost of travel. In this case, a signed statement waiving the per diem allowance should be included with the travel voucher.

When an employee's lodging is paid for by a third party, the amount paid should be deducted from the amount of per diem due to the employee.

B. Travel Vouchers

Requests for reimbursement for employee travel must be submitted on a travel voucher. Travel vouchers must be filed within 60 days of travel. Travel reimbursements submitted subsequent to 60 days after the completion date of the trip will be treated as income subject to withholding according to federal tax regulations. Withholding will be taken from the last paycheck in the month following the quarter in which the reimbursement was made. For example, if a trip concludes February 19, and reimbursement is submitted May 19, the reimbursement will be treated as income and taxes will be withheld from the employee's payroll check paid closest to July 31. The Travel Voucher forms may be found at http://accountspayable.ua.edu/pages/forms.html

OUT-OF-STATE TRAVEL

A. Lodging

Accommodations should be prudently planned, so that the best interests of The University of Alabama are served at the most reasonable cost. The University Procurement Card should be used to pay for room & tax charges. Departments should ensure that the lowest possible rates are obtained. Any lodging rate over $250 a night before tax requires written explanation from traveler and approval from Dean, Department Head or Budget Manager (unless the folio or other documentation indicates the rate was a conference rate).

If using a personal credit card as method of payment supporting documentation is required to verify a personal card was used and not the University P-Card.
An itemized folio is required to substantiate the expense. Credit card receipts are unacceptable. The dates of occupancy, the number of nights, and the total amount charged for lodging must be indicated on the folio.

**B. Meals**

Meals for travel out-of-state on official University business are reimbursed at the actual cost of the meals, including tips up to $45.00 a day without receipts or up to $75.00 a day with itemized receipts for the entire $75. The amount per day is not a per diem or a given reimbursed amount. Actual cost must be submitted on the travel voucher even if the cost went over the per day maximum.

Meals while in travel status that have no other documented business purpose are not allowable on the P-Card.

In accordance with federal tax regulations, meal expenses incurred during Out-of-State travel not requiring an overnight stay are treated as income subject to tax withholding as described below.

**C. Gratuities**

Tips to food servers, taxi drivers, room cleaning staff, etc. deemed by administration to be reasonable and necessary are allowable. A tip of 20% is the generally accepted amount, but there may be cases in which 20% is exceeded. Gratuities exceeding 25% will require the next level of approval acknowledgement.

**D. Baggage Handling**

Baggage handling expenses will be reimbursed if they are incurred when traveling to or from the place of lodging or when traveling to or from the airport or train station.

**E. Travel Vouchers**

Requests for reimbursement for out-of-state travel must be submitted on an out-of-state travel voucher.

When an employee’s official University travel consists of both in-state and out-of-state business, and the length of business conducted is longer than 6 hours, an in-state travel voucher should be submitted along with an out-of-state travel voucher. When the business requires less than 6 hours to conduct, all expenses will be reimbursed as out-of-state travel and should be submitted on an out-of-state travel voucher.

When business requires 6 hours or more to conduct, the University reimburses the portion of travel expenses.

Out-of-state travel expenses will be reimbursed beginning at the last point of official business within the state.

Original receipts and other documentation of the total costs of the trip must be submitted along with the travel voucher. Any expenses paid by a third party should be noted on the travel voucher.

Travel vouchers must be filed within 60 days of travel. Travel reimbursements submitted subsequent to 60 days after the completion of the trip will be treated as income subject to withholding according
to federal tax regulations. The Out-of-State Travel Voucher form may be found at http://accountspayable.ua.edu/pages/forms.html

INTERNATIONAL TRAVEL

A. Introduction

Travel is considered international when it occurs anywhere outside the United States of America, the District of Columbia or Canada.

Purchasing Card transactions processed through another country will be subject to an international transaction fee imposed by the bank. No documentation will be required for these fees.

B. Travel Vouchers

Requests for reimbursement for international travel should be submitted on an international travel voucher. All costs listed on the travel voucher must be recorded in U.S. Currency and the exchange rate stated on the voucher.

Currency exchange fees may be claimed only when you are required to convert to/from U.S. currency. You may not claim reimbursement for losses due to currency conversion.

Note: American Express Corporate Card charges are converted by American Express to U.S. dollars and cents and the exchange rate noted. Other major credit card companies convert foreign currency charges to dollars and cents but don’t always show the exchange rate.

Travel vouchers must be filed within 60 days of travel. Receipts and other documentation of the total costs of the trip (including any prepaid expenses) must be submitted along with the travel voucher. Any expenses paid by a third party should be noted on the travel voucher.

C. Travel Approval

Before using federal contract or grant funds to travel internationally, employees must review the terms and conditions of the grant to make sure what is required by the sponsor in regard to international travel. A few federal agencies, in addition to requiring the use of American carriers and economy class tickets, require prior approval for each foreign trip—even if it was included in the approved budget.

D. International Travel

The U.S. Department of State Foreign Per Diem rates are used as the maximum amount allowed for actual costs of meals and lodging while traveling internationally. These rates apply both expenses paid by P-Card and those paid out of pocket and submitted for reimbursement. Because taxes and incidentals are included in the lodging and meal prices used to determine the foreign per diem rates, tax and incidental expenses may not be reimbursed separately.

Rates are revised monthly and payment will be made at the rates effective during the actual days of travel.

Current rates can be obtained at http://aoprals.state.gov/web920/per_diem.asp.
Travelers may be reimbursed for actual costs of meals (including tips) up to Federal M&IE rates, with itemized receipts.

An itemized folio is required to substantiate loading in expenses.

All other guidelines governing Out-of-State travel also govern international travel.

Travel is only chargeable to a grant or contract at the lower of the amount allowed by the University or the amount allowed by the funding agency. The employee's department may agree to be charged for the difference if the amount allowed by the funding agency is lower.

**FACULTY AND STAFF RETREATS**

**A. Introduction**

Departments planning retreats should contact Accounts Payable for detailed instructions regarding retreat planning and expenditure approval.

**B. Agenda and Participant List**

A retreat agenda, along with a list of all retreat participants and speakers/trainers, must be included with the reimbursement form(s) or P-Card documentation. This information serves as documentation of group expenditures.

**C. Reimbursement for Retreats**

Travel expenses, including the actual cost of transportation, lodging, meals, and miscellaneous expenses, incurred by employees while participating in a University of Alabama retreat are considered reimbursable employee travel expenses.

**In-State Retreats**

Travel expenses for in-state retreats will be reimbursed in the same manner as other in-state travel expenses if participants incur out-of-pocket expenses for food, lodging, and gratuities. If the University pays for some but not all retreat expenses, the employee is entitled to per diem less amounts paid by the University.

Reimbursement for lodging, meals, and other services will not be made to retreat participants when all expenses and gratuities are paid directly by the retreat organizer to the vendors furnishing the accommodations, meals, and services. In such cases, participants are not eligible for per diem reimbursement.

**Out-of-State Retreats**

Travel expenses for out-of-state retreats will be paid in the same manner as other out-of-state travel expenses if participants incur out-of-pocket expenses.

**Non-Travel Expenses**

Non-travel expenses, such as class materials or conference room fees, are not subject to state per diem restrictions and may be claimed for reimbursement or paid by P-Card.
NON-EMPLOYEE

A. Independent Contractor

Those individuals and companies that have contracted with the University to provide professional services as defined by IRS regulations are independent contractors (IC). Requests for IC Approval must be submitted to the UA Tax Manager for approval prior to making an agreement with the IC. If the professional service agreement with the IC provides for a fee plus travel expenses, reimbursement is made according to the agreement signed by the parties but may not exceed the limits stated in the out-of-state travel policies. Professional service agreements containing provisions contrary to policies and procedures are invalid and will not be honored. Once professional service agreements are signed by both parties, they cannot be altered. For IC's that require a formal contract, the contract must be reviewed and signed by the Contract Administrator in the Purchasing Dept. UA departments are not authorized to sign formal agreements.

See Spending Policies for additional information.

B. Volunteers

Individuals who perform services for the University of Alabama without receiving compensation for those services are considered volunteers.

Eligibility Requirements

Volunteers are eligible for actual travel expense payments pursuant to out of state travel limit and guidelines when they meet all of the following three conditions:

- They are traveling at the specific request of the University on official University business.
- They do not receive compensation from any source for performing this service for the University.
- They are not employees of The University of Alabama or of any other state entity that would subject them to state per diem regulations

Reimbursement for Volunteer Travel

Requests for travel expense reimbursement for volunteers should be made on miscellaneous disbursement vouchers by the department for which the service was performed.

The service performed by the volunteer should be described in detail and the volunteer's eligibility for reimbursement established on the miscellaneous disbursement voucher. It should be clearly stated on the voucher that no fee for services is being paid.

An itemized record and all original receipts for the actual transportation, lodging, meals, and miscellaneous expenses incurred by the volunteer should be submitted with the miscellaneous disbursement voucher.

C. Prospective Employees

It is the policy of the University to invite prospective faculty or staff, both husband and wife, to visit the campus. Travel for prospective employees is paid as actual cost pursuant to out of state travel limit and guidelines.

General Guidelines
Payment of the relocation/moving expenses of new faculty and administrators is at the option of the appropriate dean, director, or department head. Consult with Accounts Payable prior to making agreements for miscellaneous items or other items not covered in the list below.

When a University department agrees to pay the moving expenses for a new employee, the department should call the Purchasing Department to obtain the name of the moving company under contract. Interstate moves require the use of the moving company with which the University has a contract.

Any other moving expense reimbursements should be submitted on a MDV with original receipts attached.

**Classifications of Payments**

Refer to the chart below for account codes when categorizing payments made for new employee moving expenses.

**Account Code/Category of Expense**

- 781411 Household moving (Including up to 30 consecutive days of storage)
- 781412 Travel and lodging during the move
- 781413 Meals during the move
- 781418 Pre-Moving travel and lodging (example: House-hunting trip after the candidate has accepted the job offer)
- 781419 Pre-moving meals
- 781416 Temporary quarters (after moving to the Tuscaloosa area)
- 781417 Temporary quarters/meals
- 781414 Miscellaneous (Including mileage in excess of current mileage rate and storage in excess of 30 days)
- 781415 Office/Laboratory

**Tax Treatment**

Reimbursements for moving expenses are classified as “qualified” and “non-qualified” according to federal tax law.

“Qualified” moving expense reimbursements include household moving (including up to 30 days of storage) and travel and lodging during the move. If travel includes mileage, such items paid directly to the employee are treated as nontaxable fringe benefits, which are reported as an information item in Box 13 of the employee’s W-2 Form at the end of the year. If such payments are made to a third party, such as a moving company, the payments are not required to be reported.

All other moving expense reimbursements are classified as “non-qualified” and are considered taxable income to the employee. This includes storage costs in excess of 30 days and mileage reimbursed in excess current mileage rate. All non-qualified payments will be included in the “Wages” amount reported in Box 1 of employee’s W-2 Form at the end of the year and are subject to tax withholding on a periodic basis throughout the year. Generally, withholding will be taken from the employee’s next paycheck after the moving expense is paid. Non-qualified payments made to third parties, such as a hotel, will be classified and treated as if the payment had been made directly to the employee.
D. Spouse/Family Travel

Approval for Payment

The University is not responsible for travel expenses incurred by spouses or other family members. However, in some cases approval may be granted to pay these expenses from a foundation account.

Taxation

Per IRS regulations, the value of the travel provided for an employee's spouse is taxable income to an employee unless there is a valid business purpose for the spouse's travel.

In order to document a business purpose, the following information must be provided:

- What business function did the spouse serve? (Agenda of activities, functions attended, duties performed, etc.)
- How did the University benefit by the spouse's presence on the trip?

The above information must be provided as part of the paperwork submitted for payment of the spouse's expenses. The value of the spouse's travel is taxable income to the employee, subject to tax withholding if no business purpose is documented. Withholding will be taken from the last paycheck in the month following the quarter in which the reimbursement was made.

The above guidelines for taxation apply not only to spouses, but also to any family member traveling with an employee.

E. Stay with Family

The University does not reimburse for stays with family. However, the traveler can take the host and/or hostess out for a dinner not to exceed $25 per person in lieu of lodging expense. Original itemized receipt must accompany expense report regardless of amount.