

SECTION: **POLICY STATEMENT - GENERAL AND ADMINISTRATIVE**

SUBJECT: **TRAVEL EXPENSE REIMBURSEMENT POLICY**

PURPOSE: To establish the basis on which reimbursement will occur for official business travel expenses.

EFFECTIVE DATE: **June, 1983**

TRAVEL EXPENSE REIMBURSEMENT POLICY

I. BACKGROUND AND PURPOSE

- A.** This policy statement establishes the basis upon which the Cal Poly Corporation ("CPC") officers, directors, employees, agents, or other designated representatives shall be reimbursed for official business travel expenses.

The Board has predicated the provisions of this policy statement upon authority expressed in the CPC's Articles of Incorporation and Sections 42400 *et seq.* of the California Administrative Code. The fundamental criteria upon which the following provisions are based include:

- ~ The "ordinary and necessary business expense" standard of the U.S. Internal Revenue Code and implementing regulations applicable to non-profit entities; and
- ~ The policy and limitations expressed by the State Board of Control. See especially Title 2, Cal. Admin. Code; UCAM Section 2474 and CAM Section 573.1.

"Travel expenses" are those costs incurred for transportation, lodging, subsistence, and related items by CPC officers, directors, employees, or agents who are in travel status on official business for the CPC.

II. POLICY

- A.** Most of the travelers to be reimbursed under this policy statement are involved in activities which are an integral part of the University's academic program. Some of these travelers work on externally funded sponsored projects which require reimbursement at the "institutional rates." Thus, the appropriate travel expense reimbursement rates are most frequently those used by the University - State Board of Control rates and rules. The Board of Directors has determined that the general policy on business travel expense reimbursement shall be in accordance with the rules and rates established by the State Board of Control.

III. PROCESS

- A.** It is necessary and prudent for the Board of Directors to provide for exceptions to the general policy on travel expense reimbursements because:
 - 1. The general policy rules and rates are expressed in rigid terms which, if applied in all circumstances, might not be equitable or cost effective; and
 - 2. State law authorizes the Board of Control to exercise discretion in the waiving of its rules when special circumstances warrant, but there is no mechanism for the CPC to obtain such waivers for non-state transactions.

- B.** The CPC Board of Directors delegates to the Executive Director the authority to develop and allow exceptions to the above general policy on rates and rules in such cases where the Executive Director, under implementing guidelines, determines that circumstances warrant an exception on grounds of either cost effectiveness or equity.

- C.** Such exceptions should relate to the nature of the travel (e.g., University academic program; federal grant/contract; public relations/development, corporate administration unrelated to University functions), may occasionally involve special classifications of allowable costs, but will more likely involve authorizing reimbursements at the rate of actual costs, rather than applying the general rates. This exception principle is recognized by the State Board of Control regulations. See Cal. Admin. Code Sec. 708.

- D.** The Executive Director is authorized to establish, with concurrence of the Board, management guidelines consistent with and in implementation of this policy statement.