

KU Endowment Association Travel Reimbursement Requirements

Allowable Expenses

When an employee is traveling away from his/her home campus on University business, the KU Endowment Association can pay for costs associated with *subsistence* (e.g. meals, lodging, and local transportation expenses) and *transportation* to and from the destination. Any other expense (e.g. seminar fees, photocopying of business related materials, etc.) must have a documented business purpose in order to be reimbursed from KU Endowment accounts. For individuals on sabbatical leave, the KU Endowment Association will reimburse only the agreed expenses in the contractual arrangement between the traveler and the University. The KU Endowment Association will not pay for lavish or extravagant expenses, first-class travel, or trips or conferences aboard luxury cruise ships.

A KU Endowment Weekly Travel Expense Report is available in envelope form to easily organize receipts and report travel expenses. Please contact KU Endowment's Account Services staff whenever additional supplies are needed.

Mileage Reimbursements

Transportation costs include mileage reimbursements. When a University employee uses his/her own car for traveling on University business, the IRS regulations allow reimbursement to be based upon a standard mileage rate. Effective for travel on or after January 1, 2007, IRS has established this rate as \$.485 per *allowable mile*. If the employee drives from his/her primary place of business (i.e. university office) to another business location, then the *allowable miles* are the actual miles driven. If the employee drives from his/her home directly to a business location which is not the employee's primary place of business, then the *allowable miles* are equal to the total actual miles driven minus the distance between the employee's residence and the employee's primary place of business (i.e. university office). Every mileage reimbursement request must be accompanied with a *Weekly Travel Expense Report* form as a mileage log which shows: the date, point of origin and destination, miles driven and business purpose for trip. This form will help you to provide information required by IRS.

Allowable Travelers for Reimbursement

The KU Endowment Association can only pay the expenses for those individuals who have a valid business relationship for traveling. Costs for persons with no valid business relationship for traveling will not be reimbursed from Endowment funds. The KU Endowment Association will only pay for spousal travel when a bona fide business reason for the spouse to accompany the employee on the trip has been thoroughly documented. Since the IRS rules on spousal travel are very restrictive, the amount of documentation required to support the business purpose for the spouse will be substantially more than that required for just the employee. If a spouse accompanies an employee on a business trip, any incremental cost for the spouse will not be reimbursable unless there is a valid business purpose for the spouse's travel. To qualify as a valid business purpose, the spouse's business involvement must meet the tests in the Internal Revenue Code and regulations with respect to spousal travel. (See for example IRS Publication 463 {not a part of this *Handbook*}.)

Business Purpose

The KU Endowment Association can only pay for trips which have a documented valid business purpose. Before any expenses can be reimbursed from KU Endowment funds, a complete description of the business purpose of the trip must be provided. When an individual is attending a conference, a copy of the conference brochure along with a statement by the traveler that s/he has attended the event must be submitted. For research

trips, the traveler must submit documentation to validate the research nature of the trip. Examples of acceptable documentation for a research trip include correspondence with colleagues, a copy of a published article or a summary of a formal research proposal.

In some situations, the appropriate documentation validating the business relationship of the trip may be difficult to obtain. When confronted with such circumstances, please contact us before the trip so that we can work with you to secure the needed documentation. In some cases, inquiry of the traveler's supervisor may be needed to document the authenticity of the business nature of the trip in compliance with IRS guidelines. As such, the KU Endowment Association must in some circumstances request that the traveler's supervisor confirm the business purpose of a trip. The intent of such an inquiry is limited solely to confirming the business requirement of the travel.

Personal vs. Business Days

Personal days within a business trip will not necessarily defeat the business nature of the trip, provided that the overall purpose of the trip is business related. To ascertain the nature of a trip, each day must be classified as either business or personal. Days spent traveling to and from the destination where University business will be conducted are business days. As a general rule, any non-travel day where at least four hours is spent on University business is considered a business day. All other days are considered personal.

If the overall cost of a trip would be less if the traveler were to stay a day or two longer and travel on a cheaper flight (often the case on domestic travel with a Saturday night included), then the KU Endowment Association can pay for the additional day's subsistence expenses (i.e. lodging, meals, rental car). The additional days' reimbursement cannot exceed the savings on the airfare. For this exception to apply, the traveler must provide the KU Endowment Association with documentation from a travel agency, obtained at the time the travel is ticketed, to verify that the savings from the reduced cost of airfare when including the extended day (as compared to traveling immediately before and after the business activity) exceeds the subsistence expenses incurred for the additional days. If this exception applies, then these additional days will be considered business days for both the calculation as to the length of the trip and the percentage of personal days to total days.

Seminars/Conferences Which Do Not Meet at Least Four Hours per Day

The IRS has questioned the appropriateness of certain expenditures for out of town seminars which continue for more than one day but do not include full day meetings. This would not include meetings which, for instance, meet for less than a full day on the first and/or last day but otherwise meet full days. When a program does not meet for full days throughout its duration, there may be an appearance of significant personal time in connection with the trip. The reporting requirements for programs which do not meet for at least four hours each day will include, in addition to normal documentation, additional more detailed documentation to support the business purpose of the trip. For these days to be classified as business days, the additional documentation should include a narrative during the time outside of the seminar and its relationship to furthering the purpose of the University.

Determination of Reimbursable Expenses

In determining which travel expenses can be paid by the KU Endowment Association, trips are categorized into two types (foreign and domestic) and two time frames (seven days or less, eight days or more). Foreign travel constitutes international trips outside of the United States while domestic travel constitutes trips within the

United States. The United States includes all fifty states and excludes U.S. Territories. If a trip is part domestic and part foreign, then the entire trip will be considered a foreign trip in applying the travel expense rules.

Trip Duration of Seven Days or Less

IRS regulations state that traveling expenses when part of the trip includes personal days are deductible by the taxpayer as business expenses when the trip is primarily business in nature. Further, if the trip is primarily personal in nature, the traveling expenses are not deductible. Because of the strict rules concerning IRC Sec. 501(c)(3) tax exempt status, the KU Endowment Association will interpret these regulations as follows: For both domestic and foreign travel where the trip lasts seven days or less, if the percentage of personal days to total days is less than 50%, all of the transportation cost to and from the destination can be paid by KU Endowment. If the percentage of personal days to total days is equal to or greater than 50%, then none of the transportation cost can be paid by KU Endowment.

Regardless of the 50% rule for transportation expenses, KU Endowment can pay the subsistence cost (i.e. lodging, meals, local transportation cost while at location) only for those days classified as business.

Trip Duration of Eight Days or More

When a trip lasts for eight or more days, a detailed itinerary of activities for each day must be submitted to properly substantiate the business nature of the trip. On a daily basis, the traveler should maintain a chronological listing of significant business related activities during each day and provide a description of the business reason and its relationship to the University. Any day which is not sufficiently documented with such an itinerary will be considered a personal day. The daily itinerary is required in addition to the standard business purpose description required for all trips.

If the percentage of personal days to total days is 25% or less, then for both foreign and domestic travel, 100% of both the transportation and subsistence cost are reimbursable for the entire trip.

If the percentage of personal days to total days is between 25% and 50%, then for both foreign and domestic travel the subsistence expense reimbursement is limited to days classified as business while transportation expense reimbursement depends upon whether the trip is foreign or domestic. Transportation expense reimbursement for foreign travel is limited to a percentage based on business days to total days of the trip, and transportation expense reimbursement for domestic travel is 100% reimbursable. If the percentage of personal days to total days is 50% or more, then for both foreign and domestic travel subsistence expense reimbursement is limited to those days classified as business, and none of the transportation cost will be reimbursed.

Travel As A Form Of Education

The IRS regulations do not allow a business deduction for travel expenses where the travel itself is the education. Since these expenses are not deductible by the employee, these expenses can not be paid from KU Endowment Association accounts. The Commerce Clearing House, Inc. Federal Tax Guide-1997 tax literature pertaining to this subject states the following:

"Travel can itself be a *form of education* (e.g. a tour of Greek archeological ruins) or it can be undertaken *primarily to obtain education* (e.g. journeying to a distant university to attend a series of lectures). Deductions may not be claimed for travel that is a form of education. Deductions for travel expenses that pertain to obtaining an education may be claimed. For example, travel deductions may not be claimed by a French teacher who travels to France in order to maintain a general familiarity with the French language and culture. However,

if a scholar of French literature travels to Paris in order to do specific research, the travel expenses may be claimed as educational expenses, provided that the general requirements for deductibility are satisfied."

Travel Advances

University employees can obtain travel advances from KU Endowment accounts. Before a travel advance can be processed, the requester must provide to the KU Endowment Association the dates and business purpose of the trip. If the trip will include personal days, then the requester must disclose to the KU Endowment Association which days are anticipated to be personal. In general, only employees of the University of Kansas (not including employees of related entities in this case) can obtain travel advances. The employee should obtain a travel loan when the ultimate funding source is the State of Kansas, [see section 5.12](#). Special rules apply to travel advances made to students. See discussion for student travel at [Payments to or for the Benefit of Student, section 5.8](#).

According to IRS regulations, all expense reimbursements and advances made to employees must be included in an employee's W-2 wages unless such payments: (1) have a business purpose; (2) are properly substantiated; and (3) are accounted for on a timely basis. Similar rules apply for non-employees, but the income is reported on a form 1099 or other similar tax form.

To be considered a timely accounting, as required in #3 above, receipts and refunds of unused or unsubstantiated advances must be submitted to the KU Endowment Association within 90 days from the day the expense was incurred. As such, advances not properly accounted for within 90 days after a trip will be included in the traveler's W-2 wages. For those additional amounts included in the employee's wages, the employee's next payroll check will reflect any additional withholding required and the fund from which the travel advance was procured will be charged for any additional employment costs (i.e. employer's portion of FICA tax) accrued by the University.

If a travel advance is given to an employee for a trip which lasts eight days or more, and subsequent to the trip the employee refuses to provide the daily itinerary needed for business purpose verification, then the entire trip will be considered personal and the employee will be expected to reimburse the KU Endowment Association for the funds advanced. Amounts not returned to KU Endowment will be added to the traveler's W-2. Additionally, failure to reimburse the KU Endowment Association for said funds could be interpreted by the IRS as excess compensation. IRS regulations provide the potential that the person who certified the payment (i.e. Fund Account Representative) could be penalized for payments which are later deemed to provide excess compensation ([see section 3.0](#)).

University-Required Documentation

It is the University's policy that any person who plans to travel outside the United States on University-related business obtain emergency evacuation and repatriation insurance, even if the funding for such travel is provided through a KU Endowment account. Please contact the KU Office of Study Abroad for more details about this important coverage.

The University further expects employees traveling on University business to file out-of-state travel requests, as appropriate, regardless of whether the source of funding for the travel is through a KU Endowment account. Please see the Graduate School's or Comptroller's websites for more.

Travel Examples

Example 1:

Situation

On June 6, a professor drives from his University office to Topeka (25 miles one-way) for a business meeting. The meeting continues through the lunch hour. The professor spends \$47 for lunch for himself and three other people. University business is discussed during lunch and all four individuals participated in the business luncheon. The professor documented: (1) the amount; (2) the date of the meal; (3) the place of the meal; (4) the business purpose of the meal and; (5) the business relationship of the persons attending the meal. The professor returns to Lawrence on June 6.

Reimbursable Expenses

Transportation cost reimbursement will be \$24.25 (25 miles x 2 (2 way trip) x \$.485). Since the professor left from his office, the allowable miles are the actual miles driven. The business lunch of \$47 can be reimbursed since the business purpose was sufficiently documented. His total expense reimbursement is \$71.25 (\$24.25 (mileage) + \$47 (business meal)).

Example 2:

Situation

Dr. Jones leaves on Wednesday, May 8 for a research trip to Miami, FL. Dr. Jones returns home to Kansas City on Wednesday, May 15. Since the duration of the trip (day of departure to day of return) is eight days, Dr. Jones provides a detailed daily itinerary. Below is the daily itinerary. The primary purpose of the trip is to work with Dr. Smith from the University of Miami on a research project. To substantiate the research nature of the trip, Dr. Jones submits to KU Endowment copies of correspondence between herself and Dr. Smith describing the nature of the research project.

Wednesday May 8: (Day 1)

9:00 a.m.-2:45 p.m.: drove from home to airport;
air flight to Miami; taxi to hotel;
2:45 p.m. - 5:00 p.m.: personal time
meal cost: lunch \$10.00, dinner \$20.00

Thursday May 9: (Day 2)

8:00 a.m. - 5:00 p.m.:
worked in lab with one hour off for lunch
meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Friday May 10: (Day 3)

8:00 a.m. - 12:00 p.m.: worked in library
12:00 p.m.. - 4:00 p.m.: personal time
4:00 p.m. - 8:00 p.m.: worked in lab
meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Saturday May 11: (Day 4)

Spent entire day on personal activities
meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Sunday May 12: (Day 5)

Spent entire day on personal activities

meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Monday May 13: (Day 6)

6:00 a.m. - 3:00 p.m.:

worked in lab with one hour off for lunch

meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Tuesday May 14: (Day 7)

9:00 a.m. - 6:00 p.m.:

worked in lab with one hour off for lunch

meal cost: breakfast \$5.00, lunch \$10.00, dinner \$20.00

Wednesday May 15: (Day 8)

10:00 a.m. - 3:00 p.m.:

travel time back to Kansas City

meal cost: breakfast \$5.00, lunch \$10.00

Additional costs beyond meal expenses are as follows:

Allowable mileage is 15 miles for one way trip to airport; round trip airfare \$330; lodging \$80 per day; taxi cab between airport and hotel \$25 for one way trip; local transportation cost \$10 per day; \$15 for an alarm clock; \$75 for entertainment activities (i.e. movies, sight seeing, etc.) during the weekend; and \$65 for entertainment activities during the work week.

Reimbursable Expenses

Business Days vs. Personal Days

The first step in calculating any travel expense reimbursement is to separate the business days from the personal days. Since days of travel are considered business days and Dr. Jones worked at least 8 hours every day except the weekend days of May 11 and May 12, then every day except May 11 and May 12 are considered business days.

Determining the Percentage of Reimbursable Transportation and Subsistence Costs

As noted before, the entire trip lasted eight days. Since two of the days (May 11 and May 12) are considered personal, the percentage of personal days to total trip days is 25% (2 days / 8 days). Refer to the Reimbursable Travel Costs matrix with the following parameters: trip duration of eight days or more, percentage of personal days to total trip days is 25% or less, and domestic travel. According to the matrix, 100% of the transportation and subsistence costs can be reimbursed.

Determine Which Expenses Can be Reimbursed

The following transportation costs are reimbursable: \$14.55 round-trip mileage between airport and home (15 allowable one-way miles x 2 trips x \$.485 IRS mileage rate); \$330 for airfare; and \$50 for taxi service between the airport and the hotel (\$25 per trip for 2 trips). Total reimbursable transportation costs are \$394.55 (\$14.55 mileage + \$330 airfare + \$50 taxi).

The following subsistence costs are reimbursable: \$560 lodging (\$80 x 7 days (assuming Dr. Jones checks out of the hotel on the morning of the 8th day)); meal expense of \$255; and local transportation cost of \$70 (\$10 x 7 (assuming Dr. Jones incurs no local transportation cost on the 8th day)) for a total of \$885.

Only those expenses supported with original receipts will be reimbursed. The total expense reimbursement for Dr. Jones is \$1,278.35 (\$393.35 transportation cost plus \$885 subsistence cost). The alarm clock and the entertainment expenses are not reimbursable since they are considered to be personal expenses. Also note that the subsistence cost (lodging and meals) for the personal days are reimbursable since the percentage of personal days to total days for a trip which last eight days or more is 25% or less.

Example 3:

Assume the same facts as detailed in Example 2 except Dr. Jones's husband accompanies her on her trip. All of the expenses detailed above are the same except, the cost of lodging has increased from the single rate of \$80 to a double rate of \$100. Assume further that there is no valid business reason for her husband to accompany her. Under this scenario, KU Endowment can only pay for those expenses applicable to the University employee's travel. Therefore, the same expenses detailed in Example 2 are reimbursable. Specifically, Dr. Jones will be reimbursed for lodging at \$80 per night, even though she actually spent \$100 per night to include her husband.

Example 4:

Assume the same facts as Example 2 except the trip does not start until May 9. Under this revised scenario, the total days for the trip is seven. Assume that the weekend days (May 11 and May 12) were spent on personal activities as detailed in Example 2. This would mean that the percentage of personal days to total trip days is 29% (2 personal days to 7 total trip days). With these parameters applied to the Reimbursable Travel Costs matrix, then 100% of the transportation cost is reimbursable and subsistence costs are reimbursable only for those days spent on business. Therefore, the travel costs reimbursed in Example 2 are also reimbursable in this situation, however the subsistence costs for the weekend days are not reimbursable.

Example 5:

Situation

Professor Brown traveled to Europe for a research trip to Germany and Spain. He left his home on May 31 and returned July 21. The business nature of the research trip was sufficiently documented prior to his travel. Professor Brown's wife and son accompanied him on his trip. There was no valid business reason for his wife and son to accompany him on the trip. Since the trip lasted longer than eight days, he provided a detailed daily itinerary of his travels. Except where otherwise noted, assume the following cost summary pertains to expenses for the professor and not his wife and son. Further assume that the subsistence costs for each day was \$50 for the professor's meals, \$15 for the professor's local transportation costs and \$120 per night lodging expense for the whole family when a single rate was \$90.

May 31: (1 day)

Professor and family flew to Rome via Atlanta. Airport shuttle from Lawrence to Kansas City for whole family was \$75 when the fare for one person was \$50. Airfare from Kansas City to Rome via Atlanta for professor was \$1,500.

June 1 through June 13: (13 days)

Professor spends time touring Italy with family and no University business was conducted.

June 14: (1 day)

Professor and family flew to London. Professor's airfare from Rome to London was \$600.

June 15 through June 20: (6 days)

Professor spends time with family touring England. No University business was conducted.

June 21: (1 day)

Professor and family flew to Berlin. Professor's airfare from London to Berlin was \$350.

June 22 through June 30: (9 days)

Professor spent 8 hours each day on university research and sufficiently documented his work in a daily journal.

July 1 through July 5: (5 days)

Professor and family tour Germany and no University business was conducted.

July 6: (1 day)

Professor and family flew to Madrid. Professor's airfare from Berlin to Madrid was \$650.

July 7 through July 17: (11 days)

Professor spent 8 hours each day on university research and sufficiently documented his work in a daily journal.

July 18 through July 20: (3 days)

Professor and family tour Spain and no University business was conducted.

July 21: (1 day)

Professor and family return home. Professor's airfare from Madrid to Kansas City via Atlanta was \$1,200. The professor's meals for the day were \$50 and the airport shuttle fare for the family from the Kansas City airport back to Lawrence was \$75 when the fare for one person was \$50. No lodging or local transportation expenses were incurred on this last day of the trip.

Reimbursable Expenses

Business Days vs. Personal Days

The first step in determining the appropriate expense reimbursement is to separate the business days from the personal days. In general, travel days to and from a location where business will be conducted are considered business days. In this example, however, no business reason exists for the trips to Rome or London. As such, May 31 and June 14 would be considered personal days since there is no valid business purpose for the professor to travel to Rome or London. In contrast, June 21, July 6 and July 21 would be considered business days, since they represent days when the professor traveled to or from locations where research was conducted. The days June 22 through June 30 and July 7 through July 17 are also business days, as these days are those when the professor was working on research. All other days would be considered personal.

Determining the Percentage of Reimbursable Transportation and Subsistence Costs

The trip consisted of 29 personal days and 23 business days for a total of 52 days for the entire trip. The percentage of personal days to total days is 56% (29 personal days / 52 total days). According to the following parameters in the Reimbursable Travel Costs matrix for trip duration of eight days or more, percentage of personal days to total trip days is 50% or greater, and foreign travel--none of the transportation costs are reimbursable and subsistence costs can be reimbursed only for those days classified as business.

Determine Which Expenses Can Be Reimbursed

As noted above, since the personal element of the trip was greater than 50%, none of the transportation expenses can be reimbursed. The professor spent \$185 (\$50 for meals, \$120 for lodging and \$15 for local transportation) a day for subsistence cost. However, since the hotel expenses included additional cost for the professor's wife and son, only the daily charge for a single rate can be reimbursed -- \$90 in this example. Therefore, the professor's total reimbursement for the trip would be \$3,460 (22 business days x \$155 per day (comprised of daily subsistence cost of \$50 for meals, \$90 for lodging, and \$15 for local transportation cost) + \$50 for meals on last day).

Example 6:

Assume the same situation facts as those outlined in Example 5 except with the following changes:

June 21: (1 day)

Trip began when professor and family flew to Berlin via Atlanta. Airport shuttle from Lawrence to Kansas City for whole family was \$75 when the fare for one person was \$50. Airfare from Kansas City to Berlin via Atlanta for professor was \$1,500. Professor's meals for the day were \$50.

June 22 through June 30: (9 days)

Professor spent 8 hours each day on university research and sufficiently documented his work in a daily journal.

July 1 through July 5: (5 days)

Professor and family tour Germany and no University business was conducted.

July 6: (1 day)

Professor and family flew to Madrid. Professor's airfare from Berlin to Madrid was \$650.

July 7 through July 18: (12 days)

Professor spent 8 hours each day on university research and sufficiently documented his work in a daily journal.

July 19 through July 20: (2 days)

Professor and family tour Spain and no University business was conducted.

July 21: (1 day)

Professor and family return home. Professor's airfare from Madrid to Kansas City via Atlanta was \$1,200. The professor's meals for the day were \$50 and the airport shuttle fare for the family from the Kansas City airport back to Lawrence was \$75 when the fare for one person was \$50. No lodging or local transportation expenses were incurred on this last day of the trip.

Reimbursable Expenses

Business Days vs. Personal Days

Again, the first step in determining reimbursable expenses is to separate the business days from the personal days. The days of June 21, July 6 and July 21 are considered business days since they represent days when the professor traveled to or from locations where research was conducted. The days June 22 through June 30 and July 7 through July 17 are also business days as these days are those when the professor was working on research. All other days would be considered personal.

Determining the Percentage of Reimbursable Transportation and Subsistence Costs

The trip consisted of 7 personal days and 24 business days for a total of 31 days for the entire trip. The percentage of personal days to total days is 23% (7 personal days / 31 total days). According to the parameters of the Reimbursable Travel Costs matrix--trip duration of eight days or more, percentage of personal days to total trip days is 25% or less, and foreign travel--100% of the transportation costs and 100% of the subsistence costs are reimbursable.

Determine Which Expenses Can Be Reimbursed

100% of the expenses associated with the professor's travel and subsistence can be reimbursed. Any costs associated with his family cannot be reimbursed by the Endowment Association. As such, only the airport shuttle fare of \$50 each way and the daily single lodging rate of \$90 can be reimbursed.

Under this scenario, the professor's total reimbursement would be \$8,150 (\$3,450 for transportation cost and \$4,700 for subsistence cost). Transportation cost reimbursement is computed as follows: \$100 (\$50 airport shuttle x 2 trips) + \$1,500 (airfare for KCI to Berlin) + \$650 (airfare for Berlin to Madrid) + \$1,200 (airfare for Madrid to KCI). Subsistence cost is computed as follows: (30 days (June 21 through July 20) x \$155 per day (comprised of \$50 for meals, \$90 lodging at the single rate, and \$15 local transportation cost)) + \$50 for the professor's meals on the last day.

Example 7:

Assume the same situation facts as those outlined in Example 5 except with the following changes:

June 21: (1 day)

Trip began when professor and family flew to Berlin via Atlanta. Airport shuttle from Lawrence to Kansas City for whole family was \$75. Airfare from Kansas City to Berlin via Atlanta for professor was \$1,500. Professor's meals for the day were \$50.

June 22 through June 30: (9 days)

Professor spent 8 hours each day on university research and sufficiently documented his work in a daily journal.

July 1 through July 5: (5 days)

Professor and family tour Germany and no University business was conducted.

July 6: (1 day)

Professor and family return home. Professor's airfare from Berlin to Kansas City via Atlanta was \$1,200. The professor's meals for the day were \$50 and the airport shuttle fare for the family from the Kansas City airport back to Lawrence was \$75 when the single person fare was \$50. No lodging or local transportation expenses were incurred on this last day of the trip.

Reimbursable Expenses

Business Days vs. Personal Days

Again, the first step in determining reimbursable expenses is to separate the business days from the personal days. The days of June 21 and July 6 are considered business days since they represent days when the professor traveled to or from locations where research was conducted. The days June 22 through June 30 are also business days as these days were when the professor was working on research. All other days would be considered personal.

What Percentage of Transportation and Subsistence Cost Are Reimbursable

The trip consisted of 5 personal days and 11 business days for a total of 16 days for the entire trip. The percentage of personal days to total days is 31% (5 personal days / 16 total days). Plug the following parameters into the Reimbursable Travel Costs matrix at the end of section 5.7: trip duration of eight days or more; percentage of personal days to total trip days is greater than 25% but less than 50%; foreign travel. According to the matrix, reimbursement for transportation cost is limited to the business percentage of the trip, 69% (11 business days / 16 total trip days), and subsistence costs can be reimbursed only for those days considered business days.

Determine Which Expenses Can Be Reimbursed

Since the personal element of the trip was between 25% and 50% of the total trip, only 69% of the transportation expenses associated with the professor's travel can be reimbursed. In addition, subsistence cost reimbursement is limited to those days considered business. Any incremental costs associated with his family cannot be reimbursed by the Endowment Association. As such, only the single rate of \$50 of each airport shuttle expense and \$90 of the daily hotel lodging expenses can be reimbursed.

Under this scenario, the professor's total reimbursement would be \$3,532, which is comprised of \$1,932 for transportation costs and \$1,600 for subsistence costs. Transportation cost reimbursement is computed as follows: (\$100 (for \$50 airport shuttle x 2 trips) + \$1,500 (airfare for KCI to Berlin) + \$1,200 (airfare for Berlin to KCI)) x 69%. Subsistence costs are computed as follows: (10 days (June 21 through June 30) x \$155 per day (comprised of \$50 for meals, \$90 for lodging at the single rate, and \$15 local transportation cost)) + \$50 for the professor's meals on the last day