

VANDERBILT  UNIVERSITY
MEDICAL CENTER

Policy Description: Finance Policy - Travel and Employee Reimbursement

Policy Number FIN 4.7

Effective Date June 2021

Applicability: VUMC Employees

Approval Date June 2021

Approved By: Finance and Revenue Cycle Policy Committee

Purpose:

Vanderbilt University Medical Center's travel policy is designed to support the following aims:

- Support the efficiency and safety of those traveling on Vanderbilt University Medical Center (VUMC) business;
- Comply with external funding requirements; and
- Manage Medical Center resources prudently.

Scope:

This policy adheres to the common element Scope statement presented in the [Finance & Revenue Cycle Policy on Policies](#)

Definitions:

Appropriate: Suitable or fitting – in the eyes of an objective third party - for a valid business purpose.

Allowable expense: A necessary, reasonable, and appropriate expense incurred for the primary benefit of VUMC business and therefore permitted to be reimbursed or directly charged based on the permission of the VUMC or by the terms of a sponsored agreement.

Business meal: Meals with a clearly substantiated business purpose that are directly associated with the active conduct of VUMC business.

Business purpose: A purpose that confirms a good, service, or activity is necessary to fulfill the mission of the VUMC and is of primary benefit to the VUMC rather than the individual; a purpose that can be well defended under public scrutiny or audit.

Business travel: Travel for conducting business for the primary benefit of the VUMC's mission.

De minimis fringe benefit: Per Internal Revenue Service guidelines, is one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical. De minimis benefits are excluded under Internal Revenue Code section 132(a)(4).

Entertainment: Expenses that are social and/or celebratory in nature. Entertainment expenses may include food and beverages, alcohol, catering services, banquet facilities, decorations, and musical groups.

Necessary: Required to achieve a business objective.

Reasonable expense: An expense that is ordinary - not extreme or excessive - and reflects a prudent decision to incur the expense on behalf of VUMC business.

Receipt: A legible, electronic image of the original merchant receipt or invoice issued by the supplier or service provider to document and substantiates the business transaction.

Vanderbilt University Medical Center (VUMC) or Vanderbilt Health: See definition in [Finance & Revenue Cycle Policy on Policies](#)

Policy:

VUMC reimburses reasonable and necessary business-related travel expenses in as expeditious a manner as is practicable. Travelers should neither gain nor lose personal funds because of

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business- related expenses incurred on behalf of VUMC.

All employee reimbursements should be submitted via the Concur expense tool. Guests and students traveling on behalf of VUMC should be reimbursed via check request.

VUMC’s travel tool supports the VUMC travel policy. If departments, centers, etc. choose to have more restrictive policies, these policies will be supported at the local level. Center, department, and divisional business officers are responsible and held accountable for the implementation of and adherence to this policy. Approval of travel plans, and other business-related expenses happens at the department level through effective planning, communication, and management.

Exceptions to this policy require approval of the Chief Operating Officer and the Chief Financial Officer.

1. AIR TRAVEL

1.1. Air Reservations

Air reservations should be made through the online booking tool or, in the case of complex itineraries, directly with the designated travel agency. All international air reservations must be made through the online booking tool or directly with the designated travel agency, except in documented extreme cases necessitated by business needs and/or to preserve personal safety*. All airfare must be purchased with either a personal credit card or VUMC issued Travel & Entertainment Card at the time of ticketing.

Reimbursement of expenses related to international travel will be contingent upon 1) booking through the online booking tool or directly with the designated agency, as stated above; and 2) submission of an approval of traveler’s International Travel Questionnaire from VUMC Export Compliance (<https://www.vumc.org/globalsupport/50091>). Submission of approval of the Questionnaire is required with the filing of the traveler’s expense report in Concur.

*Cost is not defined as a business need. For examples of defined business and/or personal safety needs, please contact the travel office.

1.2. Fares/Ticket Types/Class of Service

Travelers should purchase the lowest available economy class airfare that meets the business needs of the travel, except as outlined below. Travelers may upgrade the level of service at personal expense or by using their personal airline rewards points/miles/credits.

Reasonable fees associated with priority boarding and economy class upgrades (e.g., Economy Plus, exit row, aisle seat, etc.) are reimbursable.

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Business class or first-class seating may be used only if the traveler’s applicable officer approves it in writing in advance. One of the following conditions should be met:

- Any flight segment has a scheduled in-air flying time more than four hours; or
- The total scheduled in-air flight time for all flight segments is more than seven hours; or
- A medical justification has been documented and approved by the Equal Opportunity, Affirmative Action, and Disability Services Department (EAD).

1.3. Changes, Cancelations, and Unused Tickets

When travel plans must be changed due to business reasons, the traveler is responsible for notifying the travel agency, so the unused ticket can be applied to the next business trip. Penalties for changes to an airline ticket for business reasons or circumstances beyond the traveler’s control are reimbursable from VUMC funds. For affected tickets paid from federally sponsored funds, contact VUMC Finance Grant Accounting to determine if the penalty may be charged to the grant.

Unused tickets may not be used for personal travel.

1.4. Pre-Travel Reimbursement

For out-of-pocket airfare incurred by the traveler in advance of travel, the traveler may seek reimbursement in accordance with the guidelines of the funding source. If the funding source is restricted, please coordinate with your business administrator to ensure compliance with external restrictions. Should the trip be cancelled the reimbursement should be returned to VUMC. Airline tickets may be held for future use.

1.5. Baggage Fees

Baggage fees that are reasonable and appropriate for the purpose and length of the trip are reimbursable. Fees for baggage that is personal in nature (e.g., golf clubs) or that are not reasonable and appropriate for the purpose and length of the trip will not be reimbursed.

1.6. Private Aircraft

In general, VUMC faculty and staff members are prohibited from using non-commercial (private/corporate/state owned, rented, or borrowed) aircraft (fixed-wing or rotary) for VUMC business travel. Exceptions to this prohibition require written approval in advance of committing to the travel from both the Office of Risk and Insurance Management (<https://www.vumc.org/risk-management/management>) and the Chief Financial Officer.

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1.7. Airline Requirements for Federally Funded Sponsored Research Projects

- Fly America Act

The Fly America Act (FAA) requires the use of a U.S. air carrier for federally funded foreign travel. In some instances, a non-U.S. air carrier may be used if it meets one or more of the exception criteria listed in the Federal Travel Regulation (FTR) guidelines section 301-10.135-138, available online: <http://vu.edu/fly-america-act>.

- Code Share Agreement

The Code Share Agreement provides for compliance with the Fly America Act if the U.S. air carrier is the ticketing agent and issues a flight on a non-U.S. air carrier. The payment for the airfare must be made to the U.S. air carrier.

- Open Skies Agreement

The Open Skies Agreement provides that qualifying travelers, whose travel is supported by federal funds, may travel on airlines headquartered outside of the United States in countries where bilateral/multilateral agreements exist. For a listing of Open Skies Partners, visit

<http://www.state.gov/e/eb/rls/othr/ata/114805.htm>. For the Open Skies Agreement exception to be allowed and selected in the Fly America Waiver Checklist, two criteria must be met:

- Travel is not being reimbursed by the Department of State or the Department of Defense; and
- The traveler ensures the air courier is Open Skies Compliant. More information about the agreement is available at <http://www.gsa.gov/portal/content/103191>.

2. HOTELS

2.1. Hotel Reservations

VUMC travelers should use the online booking tool or the VUMC travel agency to book hotel rooms (available at

https://sso.vanderbilt.edu/idp/startSSO.ping?PartnerSpId=concur_vumc).

If lower rates for accommodations are available through a conference room block rate or a fraternal/professional society these may be booked directly by the traveler.

2.2. Hotel Class and Rooms

The class of hotel should be reasonable and appropriate for the business purpose and location. Travelers should stay in standard or equivalent rooms.

3. AUTOMOBILE RENTAL

3.1. Rental Car Reservations

VUMC travelers should use the online booking tool or the VUMC travel agency to book rental cars (available at

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https://sso.vanderbilt.edu/idp/startSSO.ping?PartnerSpld=concur_vumc).

3.2. When to Use

Rental cars should be used when they are less expensive than alternative means of transportation (e.g., taxi, car service, or train) or where there are convenience or safety issues that justify the additional cost.

3.3. Car Class and Features

Rental of up to a mid-sized (intermediate) car is reimbursable. If there are three or more individuals traveling together, if the traveler is transporting sizeable equipment, or if there are other valid business needs, larger vehicles may be rented. The cost of a GPS will be reimbursed if deemed necessary for safety reasons; however, this cost may not be charged to federal funds. The cost of other upgrades or accessories, such as a satellite radio, will not be reimbursed.

3.4. Fuel for Rented Automobiles

Travelers should refuel the rental car prior to returning to the rental agency and to decline the pre and post-paid fuel options. The cost of fuel will be reimbursed.

3.5. Incidental Rental Car Expenses

All business-related tolls and parking charges will be reimbursed. Tickets or fines associated with parking or travel violations, and charges for vehicle lockouts will not be reimbursed.

4. LOCAL TRANSPORTATION

Reasonable and necessary costs of public transportation, airport shuttles, taxis, and car services (e.g., Uber, Lyft) are acceptable for service to and from airports, between appointments, and between hotels and meeting locations.

5. BUS OR RAIL

Travel by bus or rail is allowed when it is less expensive than alternative means of transportation or when there are conveniences or safety issues.

6. TRAVEL VIA PERSONAL AUTOMOBILE

6.1. Acceptable Use

Use of personal automobiles for business travel is allowed when it is less expensive than alternative means of transportation or when there are convenience or safety issues that justify the additional cost. Use of personal automobiles for normal commuting will not be reimbursed.

6.2. Mileage Reimbursement

Business mileage is the travel an employee incurs beyond normal commute mileage (from

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home to the office and home again on a normal workday). Exceptions can be granted based on the employees work requirements with approval of the department. When a personal automobile is used for business travel, the traveler will be reimbursed up to the current IRS authorized mileage rate for miles incurred. The mileage reimbursement covers all costs related to the operation of the vehicle, including service, maintenance, insurance, depreciation, and fuel. For additional guidance or questions regarding mileage reimbursement, please email concur@vumc.org

6.3. Parking and Tolls

Reasonable parking charges and tolls associated with business travel will be reimbursed.

7. MEAL AND ENTERTAINMENT EXPENSES

7.1. Meal and Entertainment Expense Reimbursement Guidelines

Expenses for meals are reimbursable on the basis of actual, reasonable expenses incurred. VUMC does not utilize per diem rates. In situations where an individual is conducting business with one or more non-VUMC guests, reasonable meal and entertainment expenses are allowable except as noted below. Business meals and entertainment must be directly related to VUMC business, and the business purpose must be documented in writing. See 10.2 for spouse or domestic partner meals and entertainment expenses.

Meal expenses exceeding a reasonable amount should be recorded as entertainment expenses. All entertainment expenses must be isolated from direct or indirect charges to sponsored funds. Entertainment, including alumni and development expenses, cannot be charged to sponsored restricted centers.

7.2. Alcoholic Beverages

Alcoholic beverage costs generally are considered personal expenses. However, if appropriate and necessary to support the business purpose, the charges must be classified as entertainment expenses, regardless of the funding source. In cases where a meal includes alcohol, and when that meal is going to be charged to a sponsored grant or contract, the traveler must clearly identify and segregate the alcohol expense during the reimbursement request process. Alcohol expenses must be charged to a non-sponsored funding source.

7.3. Meal and Entertainment Documentation

The Internal Revenue Service requires all business meals and entertainment expenses to be properly documented. This includes a list of attendees with titles and affiliation, or identification of a discernible group, the number of attendees, the geographic location in which the expense was incurred, the date of the expense and its business purpose.

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8. COMMUNICATIONS EXPENSES

8.1. Telephone Usage While Traveling

Long distance phone and fax expenses that are reasonable and necessary for conducting business are reimbursable. When necessitated by business need, temporary international charge plan additions to personal cell phones will be reimbursed.

8.2. Internet Access

Internet access (e.g., hotel, airport, airline, etc.) during travel for business purposes is reimbursable.

9. INSURANCE AND RISK MANAGEMENT

9.1. Business Travel Accident Insurance

While traveling on VUMC business, faculty and staff are covered by the VUMC's business accident insurance policies. Commuting to and from work is not covered. VUMC's travel accident policy provides \$100,000 for accidental loss of life and up to \$100,000 for accidental dismemberment. If a claim is incurred while traveling on VUMC business, all necessary documentation must be provided to the Office of Risk and Insurance Management (<https://www.vumc.org/risk-management/>) after the incident.

9.2. Car Rental Insurance

Automatic liability coverage for bodily injury, property damage and physical damage to a rental car is provided by VUMC. When traveling on domestic VUMC business, decline Collision Damage Waiver (CDW) and personal liability insurance offered through the rental company. When traveling on foreign VUMC business, purchase additional rental car insurance if offered.

9.3. Personal Automobile Insurance

Faculty or staff members, and students who use their own automobiles or other individually- owned, non-rented vehicles to conduct VUMC business are responsible for the automobile liability and physical damage associated with the operation of that automobile. VUMC's insurance coverage provides secondary coverage. The traveler's personal insurance is primary in the event of an accident.

9.4. International Travel Emergency Assistance

International SOS ("ISOS") provides worldwide access to emergency medical, security and travel assistance and evacuation services for VUMC faculty, staff, students and employees while traveling outside the United States on VUMC business. ISOS services assist the traveler with access to medical, personal, travel, security and legal services when away from home. Reservations made through VUMC's online booking tool or through VUMC's travel agency are registered automatically with ISOS. Additional information on ISOS services is available from the VUMC International Office ([VUMC](#)

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[Global Services](#)

9.5. Accidents, Injuries, Thefts, and Other Safety Issues

Accidents, thefts, and other crimes while traveling on VUMC business must be reported immediately to the proper authorities, consistent with local/state laws. If a traveler is injured or develops a work-related illness while traveling, the traveler should consult with Risk Management ((VUMC Risk [Management](#)) or call 615-936-0660) to determine whether he/she may be entitled to workers' compensation benefits. Alternatively, affected employees may electronically report a First Report of Work Injury through the Risk Management website.

10. SPOUSE AND DOMESTIC PARTNER ("COMPANION") EXPENSES

10.1. Companion Travel

No travel expenses, including but not limited to, transportation, lodging, or registration fees for any persons accompanying travelers on VUMC travel will be reimbursed.

10.2. Companion Meals and Entertainment

In general, no meals or entertainment will be reimbursed for any companions accompanying VUMC employees.

If an exception is made and approved by the Department Head or the Department Head's immediate supervisor, expenses for meals and entertainment for companions are reimbursable based on actual, reasonable expenses. The approval authorization should be included as documentation with the submitted Concur expense report. The companion expenses should be charged to general ledger account number 62119 (Entertainment Spouse/Domestic Partner) on the expense report.

Any example of when an exception is appropriate would be if it is impractical to entertain without the companion (i.e., external companions are present) and there is a clear business purpose, rather than a personal or social purpose.

When considering the possibility of an exemption, all the facts must be considered, including the nature of the business transacted and the reasons for conducting business during the entertainment. Business meals and entertainment must be directly related to VUMC business, including alumni, development or fundraising, and the business purpose must be documented in writing.

11. OTHER TRAVEL CONSIDERATIONS

11.1. Approval to Travel

Travelers are responsible for ensuring that they have the necessary approval from their supervisor to take a trip prior to committing VUMC funds or incurring expenses.

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Additionally, travelers are responsible coordinating with the appropriate department to ensure that funds are available to pay for the travel.

VUMC travelers are responsible for understanding and adhering to specific restrictions that may be required by the applicable funding agency, sponsor or other outside group paying for the travel. These restrictions, to the extent that they are more restrictive than VUMC’s travel policy, supersede any restrictions outlined in this policy. Travel supported by sponsored program contracts and grants may require prior written agency and/or internal approval. Travelers should refer to applicable grant or contract requirements and regulations to determine whether prior agency approval is required and if other restrictions apply.

Community Partners for Sponsored Projects

Cash advances for community partners, can be granted upon authorized approval by the department responsible for the management of the Federal Grant. The department will be required to document procedures for the management of the advance and distribution of funds to the grant. This will also include reconciliation of all funds associated with the project according to the documented departmental process agreed with the Office of Finance-Grants.

11.2. Receipt Requirements

For a business expense to be approved and reimbursed, it must be properly substantiated. Itemized receipts for all expenditures greater than or equal to \$75 are required. Appropriate receipts should include transaction amount, itemization of goods or services purchased, method of payment (receipt showing last 4 digits of card number), date and merchant name. If sponsor or departmental requirements are more restrictive, this will take precedence. When the original receipt is not available or does not contain adequate information, a copy of cancelled check, credit card statement or paid invoice may be substituted. Expenses \$75 and over without receipts will not be reimbursed.

11.3. IRS Accountable Plan

In accordance with IRS regulations, travel expense reports submitted more than 60 days after trip completion will be treated as taxable wages. Non-travel expense reports not submitted within 60 days of incurrence, will be treated as taxable wages.

11.4. Taxes

VUMC is a non-profit institution, and as such is exempt from tax on most domestic purchases when the VUMC tax exempt certificate is presented, and the expense is paid with a VUMC issued credit card. However, tax exemptions vary by state and by type of good or service purchased. VUMC business travelers must make every reasonable effort to ensure that tax is not paid when appropriate. A list of states in which VUMC

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is exempt from sales tax is available from the VUMC tax department.

Foreign Value Added Taxes (VAT) and Goods and Services Taxes (GST) incurred for VUMC business are reimbursable.

11.5. International Travel / Passports and Visas

Expenses related to visas and passports required for business travel are reimbursable.

11.6. Vaccinations

Expenses for vaccinations required for business travel are reimbursable. VUMC travelers are strongly encouraged to obtain vaccinations through the Occupational Health Clinic (occupationalhealth.vanderbilt.edu) and/or the VUMC Travel Clinic (vanderbilttravelclinic.com).

11.7. Combined Personal and Business Travel

If personal travel is combined with VUMC business travel, only the business portion of the trip is reimbursable. VUMC's travel tool should not be used to make personal travel arrangements. You may use the travel agency to make personal travel arrangements; however, it is not reimbursable. "In lieu of" and "tradeoff" expense reimbursement is not permitted (e.g., although incurring a Saturday stay might reduce the cost of a flight, the traveler may not use the difference to offset all or part of his or her personal expenses).

11.8. Laundry Expenses for Extended Trips

Reasonable and necessary laundry and/or dry-cleaning charges will be reimbursed when travel exceeds four or more consecutive nights. The charge must be incurred while traveling (not before or after the trip is complete).

11.9. Tips and Incidental Expenses

VUMC will reimburse reasonable tips. Tips greater than 25% will not be reimbursed.

11.10. Frequent Flyer/Guest/Reward Points

Travelers may utilize travel-provider rewards related to travel (e.g., Delta Sky Miles, Marriot Rewards, etc.). In no case shall VUMC business travelers incur additional expense on behalf of the VUMC with the sole purpose of obtaining more rewards (e.g., purchasing more expensive tickets in exchange for higher reward points). Enrollment fees for these programs are a personal expense and are not reimbursable.

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12. UNALLOWABLE EXPENSES

All expenses incurred on VUMC business should be reasonable and necessary. Examples of non-reimbursable expenses include but are not limited to the following:

Annual fees for personal credit card	Hotel or car “no-show” charges without a business	Personal entertainment (e.g., sporting events)
Babysitting	In-room entertainment (e.g., movies, games, etc.)	Personal property insurance
Barbers/hairdressers	Membership (including airport clubs) and reward fees	Pet care
Car service for normal commute	Meals for social occasions or local meals with VUMC employees	Prescription medication
Car washes and detailing	Non-business postage	Shoeshine
Clothing, luggage and toiletries	Optional baggage insurance	Souvenirs and personal gifts
Personal mobile phones and data devices	Parking and/or speeding tickets	Vacation and personal expenses when on business trips
Delinquency and late fees	Personal accident insurance	

Expense reports should be held until they total at least \$50 before submission. No reports under \$50 will be approved unless they are approaching the 60-day reimbursement limit.

Any traveler who receives reimbursement for business travel expenses through the on-line travel tool, or otherwise, is responsible for reimbursing VUMC for any expenses deemed disallowed (unallowable, unnecessary, unreasonable, or inappropriate) under this Travel Policy and waives any applicable rights related to recovery of these expenses under federal and state law.

If a traveler disagrees with a decision that an expense is disallowed, he or she may contest the decision through the VUMC Travel & Payment Card Office. If the traveler does not fully reimburse VUMC for any disallowed expenses, and the review process (if used) upholds the determination that the expenses are unallowable, then VUMC may utilize other means to collect any amounts owed, including but not limited to a civil suit or criminal prosecution as appropriate under the circumstances. If deducting available amounts by payroll deduction does not result in full repayment, VUMC is not waiving its right to collect the remaining funds by other means necessary.

In addition, if appropriate under the circumstances, disciplinary action may be taken under

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Human Resources policies or other appropriate internal policies.

13. DUTY OF CARE

Vanderbilt University Medical center has a responsibility to protect its employees as they travel for business. As such, our responsibility covers the following areas; International Travel Advisories, Illness during Business Travel, and Emergency Assistance.

International Travel Advisories

Safety and security are of primary importance when employees are traveling on company business. Travel advisories that restrict travel for safety or health purposes are issued regularly by local government agencies. More information can be found on the VUMC Global Support website: <https://www.vumc.org/globalsupport/50281>

Illness During Business Travel

If an employee becomes ill while on business travel and is unable to perform the duties of his/her job, they must report the illness or injury to their manager as soon as possible.

Emergencies

In the event of an emergency abroad that requires assistance beyond or in addition to what the local authorities can provide, please contact **ISOS** at +1-215-942-8226 (call collect). VUMC's membership number is **11BTA1676447**.

International SOS (ISOS)

ISOS provides **emergency** travel assistance and **evacuation** services for all faculty, staff, and residents traveling internationally on VUMC-related business.

- o Click here to access the **ISOS portal**.
- o Review health, safety and security information specific to your international destination AND print your ISOS membership card by accessing the link above.
- o Register your travel on the "**My Trips**" **login** option from within the portal.
- o Download the **ISOS Assistance App** for your smartphone.

14. GUIDANCE FOR REIMBURSEMENT OF HOME OFFICE EXPENSES

The purpose of this section is to outline guidelines for payment and/or reimbursement of various expenses incurred by employees who work from a location (defined as the employee's "Home Office") other than VUMC administrative offices and main campus locations and will:

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- Identify which expenses are the responsibility of VUMC to pay for and provide guidelines on what is considered a “reasonable cost” for these items
- Identify which expenses are the responsibility of the employee to pay for

Guidance for Reimbursement of Home Office Expenses

The following guidance describes the types of expenses that VUMC will pay for and those that are the responsibility of the employee to purchase when setting up a Home Office environment. It also provides a dollar limit for many purchases, to ensure funds are used judiciously by the department and equitably across the Medical Center.

The items listed below include the most commonly needed items to establish a Home Office environment. Other items may be necessary for the employee to effectively work from home, given the requirements of their position. The need for these additional items should be vetted by the Department Head or CBO and if they determine VUMC is to pay for an item, ensure the cost for the item is reasonable. Departments should critically evaluate the need for any item being paid for by VUMC before procuring the item. Our preferred sourcing partners should be used for all purchases.

Internet Service

Employees who work remotely are required to have internet service based on their job duties. If so, costs associated with installation of this service and the monthly service fee are the responsibility of the employee. For employees residing outside of Tennessee, expenses associated with internet installation and/or monthly service will only be reimbursed as dictated by state and federal law.

For employees hired before March 1, 2020, if internet service is not immediately available for use at their Home Office, Departments may provide a “hot spot” for staff to use for a period of time (not to exceed 60-days) until permanent internet services are installed. If internet connectivity is not an option for someone to use in their Home Office, the staff member should return to work at their Finance campus location.

All staff who work remotely as part of their normal work requirement are expected to have internet service available for use as a condition of employment.

Office Supplies

Normal office supplies are the responsibility of each Department to provide to their employees. Employees should obtain these items directly from their Department, when needed. These items should not be purchased by the employee and reimbursement requested thru Concur. The need for larger items, such as printers and related print supplies (i.e., toner) will be the Department’s

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responsibility to approved and provide to employee. Our preferred sourcing partners should be used for all purchases.

Cell Phone

Personal cell phone expenses are not reimbursed, unless directed by state or federal law.

Travel Expenses

Travel time or mileage expenses incurred when flexing work locations between your Home Office and the main campus is not a reimbursable item. Departments should encourage use of virtually-supported events as much as possible.

Extraordinary Items

Employees which experience out-of-pocket expenses which are deemed “extraordinary” should discuss the cost of the item and obtain department head/CBO approval prior to incurring the expense. Our preferred sourcing partners should be used for all purchases.

Work from Home Resources

VUMC provides several tools to support working from home. See VUMC IT website on available resources to use.

Questions regarding the interpretation of this policy should be directed

to: Email: financepolicy@vumc.org

REFERENCES:

None

EXHIBITS:

Appendix A: Employee Expense Taxability Matrix

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APPROVAL:

Committee/Title	Chairperson/Designee	Date
VUMC Finance and Revenue Cycle Policy Committee	Cecelia Moore, Chief Financial Officer & Treasurer, VUMC Dr. David Raiford, Chief of Clinical Staff, VUMC	June 2021

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Appendix A: Employee Expense Taxability Matrix

Meal and entertainment expenses incurred by VUMC for employees, and in some cases their companion, for eligible business expenses will not be reportable to the employee as taxable income. Further, expenses for employees and their companion that qualify as a nontaxable de minimis fringe benefit will also not be reportable to the employee as taxable income (e.g., awards banquets, receptions, achievement awards, etc.). Expenses incurred on behalf of employees and their companion that do NOT qualify as eligible business expenses will be not be reimbursed.

Following is a high-level matrix that lists the various expense components and the potential taxable income reporting treatment for each item/activity. This matrix is meant to be a guide and to include most of the expenses you may incur but is not an exhaustive list. These reporting treatments are based on current tax law and regulations. An indicator of “nontaxable” indicates the amount may qualify as a nontaxable business expense or de minimis fringe benefit and will not be reported as income to the employee. An indicator of “taxable” indicates the amount does not qualify as a nontaxable business expense or de minimis fringe benefit and will not be reimbursed Because business purpose is dependent on facts and circumstances, if there is a question about whether meals or entertainment serves a business purpose, please contact VUMC Tax.

Recent tax law has changed the rules around entertainment expenses. In general, entertainment activities that directly precede or follow business meetings or activities are no longer nontaxable fringe benefits and are taxable income to the employees., The cost of these events for employees and their companions will not be reimbursed. Note, some entertainment expenses for employees only, stockholders or directors may still qualify. VUMC Tax will make that determination and inform you of the tax treatment.

The following matrix is meant to address those expenses for events where it is customary for companions to accompany the employee not to employee-only meetings and events. If there is a question about whether an expense would or would not qualify as a nontaxable business expenses, please contact VUMC Tax.

VANDERBILT  UNIVERSITY

MEDICAL CENTER

Policy Description: Finance Policy - Travel and Employee Reimbursement

Applicability: VUMC Employees

Approved By: Finance and Revenue Cycle Policy Committee

Policy Number FIN 4.7

Effective Date June 2021

Approval Date June 2021

Event/ Activity	Employee	Spouse/Companion
Travel: Airfare to business event	Nontaxable	Not Reimbursed
Travel: Ground transportation between airport and hotel for business event	Nontaxable	Taxable – on the incremental amount over and above ground transportation for just employee, if any, and that portion Not Reimbursed
Travel: Hotel expense for business event	Nontaxable	Taxable – on the incremental amount over and above room for just employee, if any, and that portion Not Reimbursed
Travel: Out of town meals during travel for business event	Nontaxable	Not Reimbursed
Conference Registration with business purpose	Nontaxable	Not Reimbursed
Nonbusiness related activities	Not Reimbursed	Not Reimbursed
Length of Services Awards Ceremony/Banquet	Nontaxable	Nontaxable
Gifts and awards	Nontaxable – If value of gifts is less than the \$100 de minimis threshold (i.e., plaque with name, fruit basket in room, leather bound notepad, engraved glass paper weight, etc.) Taxable – if amounts exceed \$100 de minimis fringe benefit limits (e.g., watch, iPad, Kindle, leather jacket with logo, etc.)	N/A
Fundraising/Development Event with business purpose Includes tickets to event and any other related event expenses including transportation to/from event	Nontaxable	Event Ticket: Not Reimbursed– unless impractical to entertain without spouse Transportation: Taxable - on the incremental amount over and above ground transportation for employee, if any, and that portion Not Reimbursed
Meals and entertainment with business purpose	Nontaxable	Not Reimbursed- unless impractical to entertain without spouse

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Event/ Activity	Employee	Spouse/Companion
Ground transportation in town for business events (not normal commute to work)	Nontaxable	Taxable – on the incremental amount over and above ground transportation for just employee, if any, and that portion Not Reimbursed
Gift cards (any dollar amount)	Taxable	Not Reimbursed
Club Memberships	Taxable	Not Reimbursed
Expense reports submitted more than 60 days after trip completion	Taxable (will be reimbursed if expenses for valid business purpose)	Taxable (will be reimbursed if expenses for valid business purpose)
Personal expenses paid by VUMC, not yet reimbursed at calendar year-end.	Taxable	Taxable