

**UPMC  
POLICY AND PROCEDURE MANUAL**

**POLICY: HS-AC0500 \***  
**INDEX TITLE: Accounting**

**SUBJECT: Travel and Business Expenses**

**DATE: June 3, 2016**

**I. POLICY**

It is the policy of UPMC to reimburse all employees and, in some cases, non-employees with business relationships to UPMC, for substantiated business-related expenditures. This includes expenses incurred while traveling on approved UPMC business or educational trips.

Links to policies referenced within this policy can be found in Section XII.

**II. PURPOSE**

The purpose of this policy is to document the expenses that UPMC will reimburse. In all cases, governing tax authority guidance will be followed to determine if any tax ramifications to the employee exist. An individual cannot take a personal deduction for unreimbursed business expenses if the person is entitled to reimbursement by UPMC.

**III. SCOPE**

This policy applies to all employees of United States based UPMC owned or controlled entities of UPMC. This policy also applies to employees of entities in which UPMC holds a non-controlling interest, but only to the extent specifically adopted by such entities.

All UPMC employees, unless governed otherwise, e.g. foreign government regulation, are required to comply with this policy. If an employee violates this policy, UPMC may take one or more of the following actions:

- Delay or deny reimbursement.
- Impose corrective action or terminate employment based on management discretion and applicable laws. In cases of fraud, the employee will be terminated and may be prosecuted.
- Facilitate taxation on reimbursements (treat as additional compensation to the employee and deduct appropriate taxes from the employee's pay).

To comply with governing tax authorities, UPMC requires documentation sufficient to substantiate the amount, date/time, location, and business purpose of the expense.

Travel advances will not be issued to employees, and all employees shall incur travel and business expense on a UPMC issued Travel and Business Expense (TBE) card and/or a Declining Balance (DBC) card. Personal cash, checks, charge and/or debit cards are not to be used to incur any UPMC travel and business expense.

#### IV. TRAVEL & BUSINESS EXPENSE POLICY TERMINOLOGY

- A. Authorized Travel Agency: Refers to the travel agency contracted by UPMC, both domestic and foreign locations, to arrange travel under negotiated corporate rates for hotel, airfare, and rental cars. *Travel UPMC*, an on-line booking tool, is the selected method for arranging all U.S. originating travel or the cost of a conference registration.
- B. Employee/Staff Recognition Expense: Refers to costs incurred to recognize employees, individuals or teams, when exceptional behaviors, actions, and/or skills are demonstrated which exceed normal expectations and which support the vision, mission, and goals of UPMC.
- C. Expenses Tool: Refers to the on-line tool used to create a Travel and Business Expense Report. The Expenses Tool is available through My Hub, under the Supply Chain page. The employees of entities without access to the Expenses Tool should refer to their entity's procedures for requesting reimbursement of travel and business expenses.
- D. Hotel Wizard: Refers to a function within the Expenses Tool which easily itemizes the hotel's invoice.
- E. My Wallet: MY WALLET refers to a link located in the Quick Start section of the Expenses Tool where all Travel and Expense Card transactions are posted. Cardholders can access MY WALLET by selecting "My Wallet" from the drop down box and clicking the "Go" button. All Travel and Business Expenses paid for using the Travel and Expense Card must be pulled from MY WALLET when preparing the expense report.
- F. Personal Expense: Refers to costs incurred on the Travel and Expense Card that are of a personal nature, i.e. spa treatment included in the hotel bill. Personal expenses on the Travel and Expense Card should be avoided to every extent possible. Employees are encouraged to pay for personal expenses with cash or a personal credit card. The personal expense flag in the Expenses Tool should be used solely to flag personal expenses when circumstances do not permit the segregation of personal and business expenses charged to the Travel and Expense Card.

To reimburse UPMC for the personal expense, the employee should make a check payable to UPMC and mail it to: UPMC Accounts Payable, 600 Grant Street, Floor 59, Pittsburgh, PA 15219.

- G. Reimbursable Expense: Refers to travel and business related costs paid by the EMPLOYEE. The employee must record these costs in the Expenses Tool, as payment type CASH, in order to receive reimbursement for these costs.
- H. Travel and Business Expense Report: Refers to the report created through the Expenses Tool to capture all travel and business related expenses. Entities without access to the Expenses Tool may have a similar document for their employees to complete for requesting reimbursement.
- I. Travel and Expense Card or TBE Card: Refers to the charge card issued by UPMC to the employee to pay for business and travel expenses. UPMC pays the card company directly. The employee is required to substantiate all charges through the Expenses Tool. The manager must request the card for the employee through UPMC's Identity Management System (IMS). This card is available to all employees and shall be issued to those who incur travel and business expense.

Exclusions to the required use of the TBE card are limited to employees having professional development accounts, as defined in Policy PS-PHY-01, Professional Development Accounts. These employees may incur travel and business expense, permissive applicable Business Unit Professional Development and/or Continuing Medical Education Policy(s), via their UPMC issued Declining Balanced (DBC) card.

- J. Travel UPMC: Refers to the on-line travel booking tool available through My Hub. Access to Travel UPMC must be authorized by the employee's manager through UPMC's Identity Management System (IMS).

**V. APPROVAL - TRAVEL**

No one is permitted under any circumstances to approve his or her own travel and/or related expenditures; approval from an appropriate next higher level of authority must be obtained.

In cases of employees incurring a business or travel expense together, and it is not practical to pay individually (i.e. restaurant will not prepare separate checks), the most senior level employee should pay for all group expenses (e.g., meals, taxis), especially in cases where the employees have a direct reporting relationship.

Per policy HS-HR0747, Employee Recognition Expense, and as noted in section IX, subsection M of this policy, prior approval is required for all expenses incurred in relation to employee recognition activities.

## VI. EMPLOYEE RESPONSIBILITY

Each employee is responsible for the following:

- The UPMC TBE Cardholder is responsible for the security of the Travel and Expense Card as well as all transactions made with the card. If the Cardholder does not comply with the standards set out in the Travel and Expense Card Program Guide (<http://infonet2.upmc.com/OurOrganization/Enterprise/Finance/Purchasing/Documents/TravelandExpenseCardProgramGuide.pdf>) or the business guidelines outlined in this policy, privileges will be suspended.
- Determining if there is an alternative means of meeting business objectives without traveling. Teleconferencing or videoconferencing may meet business needs and result in less cost and less time away from home and work.
- Using Travel UPMC, or the authorized travel agency of the UPMC foreign location, to make business travel arrangements.
- Keeping costs reasonable and providing details as to the business reasons for the expenses through the submission process.
- Ensuring that all expenses incurred are in compliance with the standards of business conduct set forth in all other UPMC policies and other company guidelines regarding ethical conduct. Refer to <http://infonet2.upmc.com/OurOrganization/Enterprise/Compliance/Pages/default.aspx>
- Taking proper precautions to ensure personal safety and to prevent theft or loss of UPMC property (e.g., tickets, computers) by keeping valuable property close at hand or locked in a secure location.
- Using the Expenses tool to record travel and business expenses. If a domestic UPMC employee is not paid through the UPMC Corporate Payroll system, the employee may be established as a contingent employee to obtain access to the Expenses Tool.
- **Submitting all travel and business expenses within 14 days.**
- Accumulating small dollar expense items into one expense report.
- Making sure each individual expense has its own line.
- Reviewing the Travel and Business Expense Report for accuracy before submittal, whether self-prepared or prepared by an assistant.
- Ensuring all appropriate receipt documentation is scanned and attached to the Travel and Expense Report prior to submittal.

Note: Checks to reimburse UPMC for expenses paid with the Travel & Expense Card, which are of a personal nature or which are over the allowable limits, should be made payable to UPMC and sent to UPMC Accounts Payable, 600 Grant Street, Floor 59, Pittsburgh, PA 15219.

## **VII. MANAGEMENT'S RESPONSIBILITY**

Each **approver** is responsible for the following:

- Ensuring that employees understand this policy, including the requirements for supporting expenses with proper and adequate documentation.
- Reviewing and validating the employee's expenses, including a review of the receipts, to ensure they are reasonable and consistent with requirements herein, and are in compliance with the policy, prior to approving the expense report.
- Ensuring that all receipts and other supporting documents are scanned and attached BEFORE approving the expense report.
- Taking necessary steps to investigate all suspected violations of this policy and taking appropriate action when those violations have been confirmed (See Section III – Scope).
- Ensuring that the employee submits a check, payable to UPMC, for any expenses paid using the Travel and Expense Card, which is of a personal nature or which is over the allowable limits described or referenced herein.
- Approving or denying the employee's expense report timely to remain compliant with the 14 day/no later than 90 day rule for approving expenses.

**Supply Chain Management** and/or the **Office of the Corporate Controller** will be responsible for the following:

- Conducting audits of employee expense reports.
- Investigating and disputing questionable charges, even those which have been approved by management.
- Any non-compliant charges and/or threshold violations identified through an audit may result in corrective action.

## **VIII. TRAVEL AND BUSINESS EXPENSE REPORT**

The Travel and Business Expense Report, accessible via the Expenses Tool and hereafter, Expense Report, is used to capture all expenses incurred and related to UPMC business.

The Expense Report is to be completed by the employee within 14 days of the travel or business expense being incurred. The approver is expected to review the Expense Report soon thereafter so as not to delay the employee's reimbursement of out of pocket costs. Expense Report submissions that are more than 90 days after the date in which the expense occurred will not be processed. The employee and his/her manager must work together to assure the expense is submitted and approved timely.

In compliance with governing tax authorities, employees must document the business purpose of the expense and have documentary evidence, such as receipts, canceled checks, bills, for any and all meals, hotel stays, automobile rentals, parking, tolls and other business expenses. Procedures relating to the submission of documentary evidence are as follows:

- Documentary evidence must be scanned and attached to the Expense Report before electronically submitting the Expense Report for review and approval.
- Expenses for which receipts are not available may not aggregate more than \$75 per trip. Routinely missing receipts (e.g. meals) will likely be referred to Internal Audit for review.
- A credit card statement alone is not acceptable documentary evidence – the itemized receipt must be included.
- Documentary evidence will be considered adequate to meet requirements if it shows the amount, date, location, and nature of the expense.

For costs that are NOT reimbursable - See section IX, sub-section V.

## **IX. EXPENDITURE CATEGORIES**

Expenditures must be reported in the appropriate categories using the Expenses Tool.

### **A. Ground Transportation**

The means of transportation should be governed by the distance to be traveled, the city or area being visited (e.g., it is typically more feasible to take a cab in NYC than to rent a car), availability of public transportation, and the number of persons traveling together on the trip. If a personal vehicle is being used, please note that the combined costs for mileage, meals, incidental expenses, and hotels necessary during the drive may not exceed the cost of coach class commercial airline transportation.

UPMC will reimburse employees for normal, business-related expenses for ground transportation: taxi, shuttle, train, bus, trolley, etc. Car service expenses (when economically justified) should also be categorized as “Taxi”. When choosing a mode of transportation, employees are strongly encouraged to choose the most economical alternative relative to the distance traveled.

### **B. Privately-Owned Automobiles and Mileage**

UPMC business-related mileage for employees who are required to make routine daily or weekly trips as part of their position is reimbursable, but should not include mileage related to the employee’s normal commute. Commuting expenses are not reimbursable. The employee must provide supporting evidence of the mileage submitted for reimbursement. A detailed mileage log must be completed and submitted for all mileage. This log must be attached to the expense report and approved by the supervisor.

*Example 1:* Employee’s normal, round trip commute to the home office is 40 miles. The employee travels to Erie from Pittsburgh and back. The total miles driven on the trip are 300. The employee’s business mileage subject to reimbursement is 260 (300 total miles less

40 commuting miles).

*Example 2:* Employee's normal, round trip commute to the home office in Pittsburgh is 40 miles, consisting of 14 miles driving to a park and ride and 26 miles riding a bus. The employee drives from their residence to Greensburg and returns to the residence at the end of the day for a total of 40 miles. The employee is not eligible for mileage reimbursement because the total miles driven for business equal the employees commuting mileage for the day.

*Example 3:* Employee works from his/her residence and the home office is located in Oakland, which is 12 miles one way from the residence. Employee attends a monthly meeting at the home office. The employee is not eligible for mileage reimbursement since the drive to the home office would be considered the normal commute for the employee.

*Example 4:* Employee's home office is located in Pittsburgh and the employee resides in Cleveland. The employee is not eligible for the Business Standard Mileage rate for reimbursement when traveling to the home office.

If traveling in a privately-owned automobile, the owner is reimbursed at the IRS Business Standard mileage rate. The rate is intended to be inclusive of insurance, maintenance, fuel, etc. The current domestic rate is automatically populated in the Expenses tool.

Business related mileage reimbursed at the IRS Business Standard mileage rate is NOT applicable in the following circumstances:

- Mileage associated with relocation activities. It is reimbursed in accordance with IRS Publication 521, *Moving Expenses*.
- Mileage associated with an employee traveling from their residence to their home office, when the residence is outside of the metropolitan area of the home office. For example, an employee living and working from their home in Cleveland traveling to headquarters in Pittsburgh cannot be reimbursed at the IRS business standard rate.

The employee should work with their HR representative regarding the reimbursement of these expenses.

Expenses for repairs, collision damage, or other damage to the owner's car and/or any fines incurred are not reimbursable.

Specific guidance on Parking is provided in sub-section L.

**C. Rental Vehicles**

Rental cars should be used when the nature of the trip is such that the use of local transportation, such as hotel shuttles and taxis, is not cost-effective or practical. Travel UPMC or the authorized travel agency of the UPMC foreign entity must be utilized to obtain the best pricing. The use of preferred UPMC car rental companies, through Travel UPMC, should occur whenever possible.

Rental car size must either be midsize, if no more than two are traveling to the same destination, or full-size if three or more are traveling. Weather conditions may dictate the use of a 4WD vehicle for personal safety, but this should only be utilized in limited circumstances.

UPMC's U.S. auto policy provides liability and property damage (collision) coverage while renting a vehicle for UPMC business purposes. UPMC employees renting vehicles in the U.S. should NOT purchase additional insurance. UPMC domestic employees renting vehicles outside of the U.S. for business purposes should purchase liability, collision, theft protection and other insurance offered by the rental company. Accident reports should be filed directly with the car rental company. For business rentals, the renter is required to advise UPMC's Corporate and Captive Insurance department of the accident by calling (412) 432-7696.

Generally, the fuel pre-purchase option should be declined and all rental cars should be returned with a full tank of gas. The refueling fee charged by the car rental company can be substantially higher than the gas station price. However travelers expecting to use a full tank of gas may utilize the fuel pre-purchase option if the per gallon rate is lower than posted local rates.

If travel plans change, the traveler is required to notify either the UPMC authorized travel agency or the car rental company directly if they do not intend to rent the car. Travelers may be held personally responsible for any no show fees assessed by the car rental company.

**D. Air Transportation**

Airline reservations must be made through Travel UPMC or the authorized travel agency of the UPMC foreign entity. Travelers must choose the lowest available fare, including non-refundable fares, but may choose a shorter, higher priced flight if the time savings to the employee is at least two hours. For purposes of clarification, a traveler should look for all flight options – regardless of carrier - within a 2 hour departure window to find a comparable lower cost flight option. The staff member should notify the UPMC authorized travel agency immediately in the event of cancellation.

Employees may participate in airline mileage programs but he/she must select low-cost flights regardless of such programs. Mileage program numbers may be



provided to the UPMC authorized travel agency and kept in the traveler's profile to assure proper credit.

Airline ticket savings can sometimes be realized by staying over the weekend. See sub-section O, "Travel Extensions and Travel with Other Parties".

*Airline Fees:* Flight change fees are reimbursable if the change is supported by a valid business purpose. Fees charged by an airline to check one (1) standard bag are reimbursable. Extra bag fees, oversize and/or overweight bag fees are not reimbursable unless incurred for a valid business purpose. Refer to sub-section V, "Non-Reimbursable Expenses", for additional exclusions.

Class of Service – Coach or Economy class is required for all flights originating and ending within each continent. Business class may be permitted only for intercontinental flights over six (6) hours in duration (non-stop) and if the arrival day is a work day. Refer to sub-section K, "Foreign Travel".

#### **E. Meals**

Business-related meals (defined as meals purchased and consumed during travel that **includes at least one night hotel stay**) are reimbursable and must be supported by an itemized receipt. Reimbursement is limited to the lesser of the actual expenses incurred, (including tax, gratuity, and other fees), or \$60 per day.

Refer to sub-section K, Foreign Travel, for additional information on meals in foreign countries.

Reimbursements for meals purchased for recruitment or sales purposes must follow the approved divisional or business unit policies for such activities. Recruitment/sales meals expenses deemed elaborate or excessive by human resources or business unit management may not be reimbursed. Contact the designated human resources (HR) or business unit leader for specific guidance on recruitment/sales meal reimbursements.

Employees must submit receipts that clearly show the amount, date/time, location and nature of the expense, as well as include the names of all attendees (UPMC and non-UPMC). Both the itemized meal receipt and the payment receipt should be submitted. The business purpose of the meal must be documented in the Expense Report. Meal expenses that are elaborate or excessive will not be reimbursed beyond reasonable limits referenced herein. Meals purchased during the course of travel for normal business purposes where an overnight stay is not warranted or meals purchased for meetings amongst UPMC employees are not reimbursable.

For UPMC staff traveling together, meals should be purchased at an individual level, but can be purchased and submitted for reimbursement by the most senior-level employee, if impractical to pay individually. Managers should never effectively approve their own expenses by having their subordinate(s) pay for and submit the expense for reimbursement where the manager then approves the reimbursement.

UPMC will not reimburse the employee for a meal when the cost of a meal is included as part of a conference or seminar fee.

### **Helpful Information - Meal Expense Types in the Expenses Tool**

Selecting the correct expense type in the Expenses Tool will help to assure that employees provide the required information, obtain the correct reimbursement, and prevent delays in the payment of the reimbursement.

- 1) **Meals:** This expense type should be used for individual meals purchased during a business trip. Employee meals are reimbursed when an overnight stay is required.
- 2) **Meals Entertainment:** This expense type should be used when multiple meals are purchased during a recruitment or sales/contract meeting. The attendees would include non-UPMC employees. The business purpose must be stated and all attendees, for whom the meals were purchased, must be listed.
- 3) **Meals International:** This expense type should be used for meals purchased during international business travel.
- 4) **Meals Travel for UPMC Group:** This expense type should be used when meals are purchased for a group of UPMC employees during a business trip when it is impractical to pay individually. The business purpose must be stated and all attendees, for whom the meals were purchased, must be listed. Employee meals are reimbursed when an overnight stay is required.

### **F. Gratuity**

Gratuities should be reasonable. The following are guidelines:

- Meals: 15% - 20% of the bill, unless a gratuity or service charge is included in the bill. The meal gratuity must be reported as part of the meal allowance, subject to the meal reimbursement thresholds.
- Taxi/Car Service: 15% of the bill.
- Parking valets: \$1-\$2.
- Bell hop: \$1 per bag.

- Room service: 15% of the bill, unless a gratuity or service charge is included.
- Housekeepers: \$1 -\$2 per day.

Gratuities in excess of the guidelines may be subject to denied reimbursement.

**G. Accommodations**

Reservations for employee hotel accommodations must be made through Travel UPMC or the authorized travel agency of the UPMC foreign entity to obtain corporate discounts and best available rates. Employees should, however, take advantage of any discounts available with specific programs or seminars.

Reimbursement is generally limited to the amounts set forth for the applicable city in the U.S. GSA publication per the link below. The GSA limits are shown with the hotel rates in Travel UPMC. Refer to sub-section K, Foreign Travel, for lodging in foreign countries. Exceptions to these rates must be supported by a valid business purpose and approved by the traveler's supervisor. The per-night lodging amounts shown exclude taxes, which are reimbursable.

<http://www.gsa.gov/perdiem>

Only single-standard room rates will be reimbursed.

An itemized hotel receipt/folio must be submitted with the employee's expense report for reimbursement. The receipt should show separately: room rate, all applicable taxes, meals/room service, additional charges (e.g., phone calls, internet fees, in-room movies). Refer to sub-section V, "Non-Reimbursable Expenses."

Hotel room cancellation charges are the responsibility of the traveler unless approved by an appropriate level of authority or supported by valid business purpose. The traveler is required to contact the UPMC authorized travel agency or the hotel directly to make the cancellation.

**H. Conferences**

Employees may, with valid, documented, business purpose and management's approval, travel to conferences for continuing education purposes. Conference or registration fees for an individual should be paid via a personal credit card or the Travel and Expense Card and processed through the Expenses tool. Conference or registration fees for multiple employees should be paid via the Travel and Expense card and processed through the Expenses tool or via eVoucher if a registration discount can be obtained.

In addition to the supporting documents for expenses listed in the applicable sections of this policy, the employee must include the conference agenda (meeting schedule) or the registration form to support the business purpose and timing of the trip.

Employees should take advantage of discounted room rates for hotel stays which are available by booking through the conference host.

In the event that Meals are included as part of the conference fee, no additional Meal charges should be expensed by the employee.

## **I. Memberships and Dues**

An employee may be a member of an organization if the membership is directly related to the goals and mission of UPMC and will materially benefit UPMC in the following ways:

- Required to conduct business operations
- Provides access to industry data (i.e. benchmarking information) through publications and websites
- Provides research and education opportunities for employees
- Promotes networking with other industry members
- Promotes community relationships, involvement and initiatives

UPMC will reimburse 50% of the cost of membership, limited to annual dues, of an individual if pre-approved by the employee's supervisor. Donations or other discretionary amounts which may be paid in conjunction with annual dues are not reimbursable. Supervisors are responsible for ensuring that memberships paid fall within the departmental budget.

UPMC will pay 100% of an individual's membership under the following circumstances:

- is part of a documented employment agreement or
- a predetermined, documented compensation package or

Memberships in civic associations or social clubs are not reimbursable.

Medical Staff dues are excluded from this policy.

The Expenses tool is to be used for reimbursement of memberships and dues. A receipt or other acceptable documentation must be submitted when requesting reimbursement. In the comment section for this cost, include whether the reimbursement is 50% or 100% and include the full amount of the fee in this comment section. For example, if the annual dues are \$200 and are 50% reimbursable, then enter \$100 for the amount to be reimbursed. In the comment

section for this cost, enter “50% of \$200 cost”. This will facilitate the proper reimbursement.

**J. Licensure and Certification**

Professional licensure and certifications are governed by policy HS-HR0706 “Licensure, Certification, Registration of Staff Members”, and may be reimbursed at 100% if supported by appropriate documentation and required or preferred as a condition of employment. Further, such expenses should be approved by the employee’s department head or supervisor.

The Expenses tool may be used for reimbursement of approved, employee-paid licensure and certification expenses.

**K. Foreign Travel**

All expenses incurred in a foreign currency must be converted to the currency used by the entity reimbursing the employee, e.g., U.S. based employees incurring business related costs in Euros would request reimbursement from their entity in US dollars. Employees requesting reimbursement for expenses incurred in a foreign currency should provide the appropriate documentation to support the conversion rate. If documentation is not available, employees may convert the foreign currency using the Oanda Currency Converter at <http://www.oanda.com> or the preferred government rate identified by the non-US entity for the date the expense was incurred. Support for conversion rates and the reimbursement amount requested must be submitted with the receipts.

Employees are encouraged to convert currency at currency exchange stations in airports, at banks, or at ATMs in the foreign country. Exchanging currency at a hotel usually results in unfavorable rates to the traveler.

Vaccinations required for travel to a foreign country will be reimbursed with appropriate documentation, e.g. Centers for Disease Control advisory, destination country advisory, and proof of payment. Refer to UPMC’s International Travel web page for more information: <http://infonet2.upmc.com/business/travel/pages/international-travel.aspx>.

If the international travel arrangements are made outside of the Travel UPMC online tool or the authorized UPMC travel agency, i.e. by the foreign entity’s agency or staff, UPMC Security Services, International/Domestic, must be notified by the traveler of the international travel plans.

General guidelines for local meals and lodging are set forth for the applicable geographic area in the U.S. Department of Defense publication linked as follows: <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>. Receipts are required for reimbursement. The reimbursement is limited to the lesser of actual expenses or the applicable limits.

Refer to Sub-section E, Meals, for information on selecting an expense type for international meals.

**L. Parking**

For employees traveling between UPMC locations, the use of low-cost transportation options, such as public transportation and off-site parking lots, is strongly encouraged. However, parking expenses incurred may be reimbursable, up to a maximum of \$13 per occurrence, but should not include the employee's normal, routine daily parking fee.

The \$13 maximum applies to all parking situations where employees must travel between UPMC locations, even if employees park in locations which are priced in excess of \$13 (e.g., US Steel Tower, Presbyterian Hospital Garage, Forbes Tower).

Validated parking may be available at the discretion of individual departments, who are responsible for the cost of parking validation stickers.

To the extent possible, management should make every attempt to choose meeting locations which minimize parking costs.

Parking expenses incurred when traveling to non-UPMC sites is reimbursable in full. For example, parking charged by the hotel where the employee is staying or is attending a conference is reimbursable in full. However, the parking and rental car costs should be considered together when determining transportation costs and alternatives to renting a vehicle. It may be less expensive to take a shuttle or taxi from the airport to the hotel.

When parking at the Pittsburgh International Airport, reimbursement is limited to the current daily Long-Term parking rate. Use of Extended parking or offsite parking (Charlie Brown or Global Airport Parking), if less expensive, is encouraged to contain costs. Additionally, it may also be more cost effective and convenient if the total travel period is greater than 7 days to consider a car service for pickup and drop-off at the airport in lieu of paying for parking.

**M. Employee/Staff Recognition Activities**

This category includes activities that focus on employees, not customers and is governed by policy HS-HR0747 "Employee Recognition Expense". These expenses are only reimbursable as part of an HR approved Staff Recognition program and must be pre-approved by an appropriate level of HR management and are typically budgeted as part of a Business Unit's staff recognition program.

Requirements include:

- Expenses for each event MUST BE reasonable and in accordance with UPMC issued guidance, i.e. \$12 per employee maximum reimbursement for holiday events. A key factor in making this determination is how often such events are held and how many times any individual employee attends the event. For example, it would be reasonable to spend more for an annual holiday party than it would be for a team-building event attended by the same employees four times a year. Tax rules require employees to be taxed if the value of these events is more than de minimis.
- For insurance and liability reasons, activities held at personal residences require prior approval from management.
- A full attendee list, description of the event and receipts must be submitted for reimbursement.

### **Helpful Information – Staff Recognition Expense Type in the Expenses Tool**

Selecting the correct expense type in the Expenses Tool will help to assure that employees provide the required information, obtain the correct reimbursement, and prevent delays in the payment of the reimbursement. The Staff Recognition Expense Type should be selected in the Expenses Tool and the items should be noted as staff recognition in the description field along with a clear explanation of the reason, and evidence of approval from HR. Obtain the entity's department ID for Employee/Staff Recognition expenses from HR and manually input the department ID into the Expenses Tool.

#### **N. Alcohol**

The purchase of alcohol for business entertainment purposes with dinner or as necessary for business partner/customer interactions is at the discretion of the most senior individual and must comply with UPMC policy HS-HR0743 "Use of Alcoholic Beverages on UPMC Premises". The purchase of a glass or two of alcohol with dinner while out of town for business is reimbursable. No reimbursement should be sought by the individual for the purchase and consumption of any form of alcohol except within the meal allowances previously stated.

#### **O. Travel Extensions and Travel with Other Parties**

It will be the responsibility of the employee who submits his/her expense report to track personal expenses separately from business expenses associated with such modified travel arrangements (e.g., double room occupancy, meals). It is the responsibility of the manager to verify the business expenses for such situations.

**P. Physician Professional Development Funds**

To the extent physician professional development funds are available and/or provisions of a contract are applicable, specific policies or contractual terms governing those funds should be followed. However, the governing tax authority's requirements for proper documentation and/or taxability as previously described in this policy must be followed.

**Q. Travel Insurance**

UPMC has a travel accident insurance policy that covers all U.S. personnel traveling on UPMC business. The maximum benefit amount is \$100,000 and is for accidental death and dismemberment only. Premiums for additional travel insurance are not reimbursable by UPMC.

**R. U.S. Government Unallowable Expenses / Gifts Provided to Government Employees**

Government Contracts/Grants – Expenses incurred for meals and accommodations which will be billed to the Government or a grant department will be reimbursed consistently with UPMC policy, outlined herein, and with the terms of the contract, if applicable.

Further, certain expenses are not recoverable under U.S. Government contracts or grants and must be withdrawn from the costs that UPMC bills directly to the Government or to a grant department. These costs are identified as “unallowable” by Government regulations and are frequently referred to as “Costs Voluntarily Withdrawn (CVW)”. Classification of expenses as unallowable or CVW is not an indication of whether or not UPMC will reimburse the employee for such expenses.

Common CVW or unallowable expenses include:

- Alcohol
- Premium air fare
- Spousal / family expenses
- Social and entertainment expense
- Gifts
- All other costs associated with personal use

Gifts to officials and employees of any level of governmental unit of the U.S. and other countries are subject to a variety of laws and regulations, including the Foreign Corrupt Practices Act, that limit the amount and type of such gifts. It is the policy of UPMC to comply strictly with these laws and regulations. UPMC employees and agents should not give any gifts to, or accept any gifts from, any government employee or official unless there is specific knowledge that they are



permissible under UPMC policies and applicable laws and regulations. Further, these gifts should be approved by the employee's department head or equivalent authority. Refer to UPMC policy HS-EC1806 The Foreign Corrupt Practices Act ("FCPA") and Other Anti-Bribery Statutes.

**S. Electronic Communications - Telephone, Wireless Devices and Data Services**

Communication expenses are reimbursable when they are incurred for a legitimate business purpose. This includes:

- Business-related telephone calls made while away from the home office.
- Business use of a personal pager/two-way radio or PDA/Blackberry /wireless PC, which does not fall under one of the UPMC provided plans.
- Charges to access the internet, when used for business.

Travelers are encouraged to use their personal phone, UPMC provided phone, or a prepaid calling card to reduce the telephone fees typically charged by hotels. For business related telephone calls made from a hotel or other offsite location, a bill supporting the charges should be submitted for reimbursement.

International business travelers, without a UPMC provided phone, should contact ISD Voice Communications to inquire about a temporary phone with an international plan, if the traveler anticipates making business calls while away.

Similarly, an invoice or bill should be submitted to document fees paid to access the internet when access is used for business while traveling. Internet fees incurred on a flight are not reimbursable unless the use of the internet was of an emergency nature.

UPMC will not reimburse for data charges on a personal electronic device when the device is not mandatory for the employee's job responsibilities. For example, an employee has a personal iPad that he/she uses to take to meetings in place of his UPMC provided laptop because the iPad is lighter and easier to carry. The data charges for the iPad would not be reimbursable to the employee since the use of the iPad is not compulsory.

In cases where an employee exceeds their allotted monthly minutes and incurs minute charges, business use of a personal device is reimbursable through the Expenses tool. Supporting documentation should consist of a copy of the employee's bill with business calls identified and subtotaled. Calls are reimbursed by multiplying the minutes used times the actual rate charged by the employee's plan, not to exceed \$0.45/minute and ONLY when the employee exceeds the allotted monthly minutes and incurs minute charges.

*Example 1:* the employee has an unlimited phone plan. This employee would not be able to request reimbursement for business phone calls on his/her personal cell phone when the business calls did not cause the employee to incur a higher out of pocket cost.

*Example 2:* the employee has a 500 minute/month plan. This employee used 505 minutes and incurred additional minute charges. The business calls for the month totaled 20 minutes. The employee is eligible for reimbursement for the cost of 5 minutes (505 per bill less 500 allotted) up to \$0.45 per minute

Full/Limited Liability phone expenses / charges are not reimbursable through the Expenses tool. These services must be obtained through ISD Voice Communications and expenses approved / paid through the respective processes aligned with corporate contracts.

Employees whose normal job responsibilities require regular internet access from home (e.g., 24/7 IT support) must have their expenses paid under UPMC Corporate contracts. Contact ISD Voice Communications for more information. Such charges are not reimbursable through Expenses tool.

Employees must also comply with all related corporate policies, including “Use of Wireless Communication Transmitting Devices (HS-FM0210)”.

**T. Fundraising/Charitable Giving**

Expenditures relating to fundraising or for charitable giving must be submitted for approval through eVoucher and paid directly to the charity. Such expenditures are not reimbursable through the Expenses tool.

**U. Relocation Expenses**

Certain relocation expenses are reimbursable and should be addressed through Human Resources. Typically these expenses are not reimbursed through the Expenses tool.

**V. Non-Reimbursable Expenses**

Non-reimbursable expenses include, but are not limited to the following:

- purchase of a cell phone, Smartphone, iPad, tablet, or other electronic device (use eProcurement)
- airline upgrades (economy plus rows, first class, emergency exit seats, other priority seating, or priority boarding fees)
- airline baggage fees after the first standard bag fee, oversize bag fees, or overweight bag fees unless supported by a valid business purpose.
- in-flight internet fees if use is not due to an emergency

- lost, stolen, or damaged bags/luggage
- hotel room upgrades from the standard single rate
- hotel or car rental charges associated with cancellation, where reasonably prudent actions were not taken to avoid such charges
- hotel laundry charges, except for trips over seven business/work days domestically. For international trips, this time period may be shortened based on pre-approval
- hotel in-room mini-bar and in-room movies
- incremental expenses incurred for spousal or guest accompaniment
- membership fees for airline, hotel, rental vehicle and frequent flyer clubs
- dry-cleaning (employees should use UPMC contracted vendors to launder lab coats, etc.)
- health club/gym fees
- barber and/or beauty parlor expenses
- spa treatments
- travel related child or pet care
- parking tickets/traffic citations
- personal credit card fees (unless pertaining to FX conversion costs)
- personal entertainment or recreation items (e.g., magazines, books, movies)
- personal expenses incurred in employee's absence (e.g., lawn care, snow removal)
- adult entertainment
- payments to research participants. These must be processed via the "We Pay" system, where available.
- gifts to employees or employee's family members (cards, flowers, candy, gift baskets, gift cards, balloons, or other related personal items)
- computers, software and other equipment purchases, including accessories (hands free Blue Tooth, flash drives, etc.) (use eProcurement)
- office furniture and room décor (lamps, rugs, artwork, etc.) (must use eProcurement)
- office and medical supplies, except in emergencies (use eProcurement)

## **X. PAYMENTS**

All expense-related disbursements issued through the Expenses Tool will be direct deposited into the individual's bank account (using Payroll information).

Any questions concerning the status of payments or requests for changes should be directed to Supply Chain Customer Service:

<http://infonet2.upmc.com/OurOrganization/Enterprise/Finance/Purchasing/Pages/default.aspx>

**XI. SPECIAL CONSIDERATIONS**

This policy attempts to address all travel and business related occurrences. Occasionally, situations arise that are not specifically covered within the policy. These situations should be addressed on an individual basis, (email TBExpense@upmc.edu), prior to incurring the expense, with final approval or denial by the policy owner.

The UPMC Corporate Controller should be contacted regarding requests for exceptions to any section of this policy. The Corporate Controller will evaluate the request and if approved, will notify the requestor and the Director, Procure to Pay.

**XII. POLICIES REFERENCED WITHIN THIS POLICY**

[HS-HR0706 Licensure, Certification, Registration of Staff Members](#)

[HS-HR0743 Use of Alcoholic Beverages on UPMC Premises](#)

[HS-HR0747 Employee Recognition Expenses](#)

[HS-EC1806 The Foreign Corrupt Practices Act \(“FCPA”\) and Other Anti-Bribery Statutes](#)

[HS-FM0210 Use of Wireless Communication Transmitting Devices](#)

**SIGNED:** Robert DeMichiei  
Executive Vice President, UPMC and Chief Financial Officer

**ORIGINAL:** October 1, 1999

**APPROVALS:**

Policy Review Subcommittee: April 14, 2016

Executive Staff: June 3, 2016

**PRECEDE:** February 5, 2016

**SPONSOR:** Corporate Controller, UPMC

**\* With respect to UPMC business units described in the Scope section, this policy is intended to replace individual business unit policies covering the same subject matter. In-Scope business unit policies covering the same subject matter should be pulled from all manuals.**