

# BROOKINGS

<b>Travel and Business Expense Policy (OFS-3)</b>	
Responsible Business Unit	Office of Financial Services
Responsible Officer	Controller
Effective Date	March 1, 2014
Last Revision	September 13, 2023

## **1.0 Summary**

This policy applies to all employees and non-employees traveling for the purpose of conducting business for the benefit of the Brookings Institution. This policy outlines how employees and non-employees procure various travel or business-related goods or services, types of expenses that Brookings will reimburse, required documentation and the timing and procedures for submitting reimbursement requests. This policy also adheres to good stewardship of our donor's funding.

## **2.0 Policy**

Brookings participates in the Internal Revenue Service (IRS) accountable plan as it eliminates the need for employees to report reimbursements as income on their tax returns. The IRS outlines accountable plan rules are as follows:

1. Expenses must have a business connection incurred while performing services as an employee or affiliate of the Brookings Institution.
2. Travelers must adequately account for expenses and return any excess reimbursement/allowance within a reasonable period of time to their employer; 90 days per Brookings reimbursement timeframes and guidelines.

All travel and business expenses must be authorized and approved by Brookings prior to any expenses being incurred. The traveler must consult with their project/program director and financial manager to obtain approval, including appropriate project and activity codes to charge. Travelers should always use the lowest priced transportation and lodging options that are reasonably available.

This policy was developed with the intent to cover the most common travel -related situations but does not address every travel-related situation. If a situation arises that is not covered by this policy, the traveler should contact the Procurement department for guidance. Exceptions to this policy may only be made with the approval of the CFO.

### **Travel Arrangements**

It is strongly recommended that travelers use [Concur](#) for making all travel arrangements, using a departmental or individual Brookings Procurement Card (Pcard). The benefits of using Concur include:

- Discounted airfare, hotel and car rental pricing
- 24-hour accessibility/emergency assistance throughout the world
- Easier expense reporting

Travel arrangements should be made as far in advance as possible, thereby allowing travelers to take advantage of the most inexpensive flights.

Travelers may retain frequent flyer and hotel program benefits. Participation in these programs must not influence flight or hotel selections that would result in additional cost to Brookings beyond the lowest available airfare or hotel.

### **Air Travel**

All air travel must be in economy class. At the traveler's personal expense, upgrades, above economy class, are allowable.

First class air travel is not allowed under Brookings policy.

Business class must be pre-approved by the program's Senior Financial Officer and only for the following situations:

- Non-continental U.S. or international air travel, with a flying time exceeding 6 hours one-way.
- For a documented medical condition. Requests must be forwarded for review and approval to the Director of Benefits in advance of purchase.
- If less expensive than an economy class ticket (full documentation will need to be submitted with expense report showing that it was a lower fare) .

In the event of an extenuating circumstance, business class tickets (for domestic or international travel with a less than 6-hour travel time) may be pre-approved by the CFO or Controller.

Should an airline delay necessitate an overnight stay, the traveler should attempt to secure complimentary lodging from the airline.

The ultimate responsibility for retrieving and compensating for lost baggage lies with the airlines. Brookings will not reimburse travelers for personal items lost while traveling on business.

### **Rail Travel**

First class rail travel is not allowed. Acela should only be booked with pre-authorization from the SFO with reason documenting the Acela charge.

### **Rental Cars**

Travelers may rent a car to their destination when driving is more convenient and less expensive than airline or rail travel, or it is necessary to transport equipment or materials.

Travelers should make rental car reservations for an economy, compact or standard car through Concur. When there are three or more travelers, an upgraded car to accommodate the travelers may be procured.

Rental cars should be refueled before returning it to the agency to avoid gas surcharge fees. Travelers will be reimbursed for fuel purchased only, not on a per mileage basis.

Travelers should purchase the additional car rental insurance offered through the rental company. Brookings provides additional coverage for travelers. Please contact the Procurement department for more information.

### Personal Vehicles

Employees using their personal vehicles for business are required to carry the minimum automobile insurance required in their state of residence. Brookings reimburses mileage at the [federal government rates](#). Travelers must provide their start and end location. Travelers will not be reimbursed for any parking or traffic violations.

Travelers should exercise utmost care towards their safety as well as the safety of others, including following all federal, state, and local laws and regulations. While driving a personal or rental vehicle, travelers should avoid distractions, such as texting, using a handheld cell phone, and other activities that interfere with a driver's due care and attention. Travelers should also limit their use of hands-free devices for cell phones. Travelers traveling on Brookings's business should always use the reasonable safety measures available to them, including but not limited to wearing their seatbelts.

### Lodging

Travelers must reserve low cost, reasonable room rates as defined by the domestic and foreign lodging per diem rates. The lodging per diem rates are based on location of travel and time of year. Lodging per diem rate guidelines can be found at the following websites:

- Domestic (CONUS) travel: [GSA Website](#)
- Domestic (non-CONUS) travel: [Department of Defense](#)
- Foreign travel: [State Department](#)

For domestic travel, if lodging is not available at the lodging per diem rate, travelers may procure lodging for up to \$150 in addition to the published lodging per diem. For foreign travel, travelers may only procure lodging up to the published lodging per diem rate.

Lodging costs above the maximum allowable amount must be pre-approved by the SFO and include a documented reason for the exception.

Before and during check-in, travelers should:

- Present a personal credit card or Brookings PCard for incidentals
- Provide a physical copy of the tax exemption form for all [eligible states](#)
- Use available hotel transportation to and from airports in lieu of rental cars or cabs when available

If travelers stay in a private residence while traveling on business and if additional expenses are incurred to extend appreciation to friends or relatives for their hospitality, travelers may expense up to \$75.

### **Meals & Incidentals**

Employees travelling 50 miles or more from their official worksite are eligible for per diem.

Employees will be reimbursed according to the federally published [domestic \(CONUS\)](#), [domestic \(Non-CONUS\)](#) or [foreign](#) per diem rates for meals and incidental expenses (M&IE) applicable for the city and dates of travel. The M&IE per diem on the first and last day of travel is 75 percent of the total M&IE rate.

When another source provides a meal(s), per diem will be reduced accordingly. A traveler entitled to per diem may not receive reimbursement for a non-per diem meal unless it is business related.

For non-employees, please confirm eligibility for M&IE reimbursement with the program.

### Business Meals & Entertainment

Business meals & entertainment are expenses incurred when a specific business discussion takes place. IRS guidelines limit business meals and entertainment expenses to situations where the expenditure "directly precedes, includes or follows a substantial and bona fide business discussion for the purpose of obtaining income or other specific trade or business benefit". Travelers may request reimbursement for actual documented expenses. For business meals that involves Brookings employees only, alcohol expenses will not be reimbursed. The traveler must provide the names of individuals present, their titles, affiliation, and the business purpose of the meeting.

In instances when the IRS guidelines are not met above, such as social occasions, these expenses are not classified as business meals & entertainment and will not be reimbursed as such. Examples include social occasions, employee birthdays, employee morale events, and holiday or employee farewell parties. Reimbursement requests for these types of expenses should be coded to the program's Director's Account (73530). Additionally, these expenses should be charged to unrestricted funds. In some cases, these expenses may be charged to restricted grants, but SFOs should first consult with Accounting.

### Alcoholic Beverages

If alcoholic beverages are consumed at a function at which Brookings can expect to derive a specific business benefit and non-employees are present, reasonable costs will be reimbursed. Alcoholic beverages consumed in route to a destination, in a hotel room, during functions not of a direct business nature, or with employees only, will not be reimbursed as a business expense and are considered a personal expense. If approved, this type of expense will be coded to the Director's Account (73530).

No alcohol may be charged to federal awards.

### **Travel Booked to Federal Awards**

All travel booked to federal awards must comply with [2 CFR 200.474](#), this policy, as well as any specific federal award contractual requirements. No business class travel may be booked to projects funded by federal awards except in limited exceptions as outlined in 2 CFR 200.474. If one of the stated exceptions exists, the exception must be documented and approved in advance of ticket purchase by the traveler's Director of Finance and the Director of Grants and Contracts. For federal awards which specifically state that business class is allowable, the request may be approved by the SFO.

### **Technology Equipment**

Brookings Technology has a variety of laptops, tablets, and smartphones available for employee travel. To request a loaner, contact the Service Desk two weeks in advance of your trip. Items may be provided on shorter notice if available. A fee for late returns or lost/damaged equipment may apply.

Employee travelers who have Brookings issued devices should notify the Service Desk two weeks in advance of international travel so that voice and data plans can be altered to minimize costs while abroad.

### **Travel Advances**

Travel advances for Brookings employees may be obtained to pay for out-of-pocket expenses when traveling on Brookings business. Requests for advances must be submitted at least seven business days before the day of departure and are limited to \$75 per day. If an employee requires more than \$75/day, please contact the Procurement department.

Within 30 days upon the employee's return, the employee must fill out and submit their expense report. If the employee did not expend their entire advance on business travel expenses in accordance with this policy, they must return the balance to Brookings.

### **Donor Reimbursements for Travel**

Donors may occasionally reimburse Brookings directly for travel or other business expenses incurred by an employee or affiliate (rather than paying the vendor directly). Generally Accepted Accounting Principles (GAAP) require that Brookings record this reimbursement as revenue and the business or travel expense as expense. Please note that the Brookings aggregate G&A rate of 31.1% will be applied to these expenses.

### **Brookings Procurement Cards (PCards)**

Travel and business expenses charged to an employee's PCard must be in accordance with this policy. Travelers are not allowed to charge any personal meals to their PCard as the traveler will be reimbursed through the M&IE per diem amount. Brookings will deduct any travel and business expenses not in accordance with this policy from the employee's paycheck.

## Brookings Tax Exempt Status and Certifications

If procuring goods or services or traveling in one of the states which Brookings has tax-exempt status, please notify the vendor of this status when booking travel. By providing the vendor with the appropriate [tax exempt documentation](#), Brookings may not be charged the associated sales tax (depending on state law).

## Safety Precautions

Prior to traveling on Brookings business, travelers should research the area(s) they are traveling to and make all necessary precautions. This should be done whether the travel is domestic (within the United States) or international. Travelers on Brookings business should pay specific attention to any potential safety or security risks associated with the travel location(s). Such information can be found in a number of sources, such as reviewing news coverage or other media, or consulting the [State Department travel alerts and advisories](#).

## Travel Liability Insurance & Zurich Travel Assist

Individuals traveling on Brookings business may be covered under our business travel accident policy (Zurich American Insurance Company) or our international package policy (ACE/Chubb). In the event an emergency arises, please contact Zurich Travel Assist for medical and travel related assistance services and notify your program. A Zurich Travel identification card showing Brookings policy number and appropriate phone numbers for services in various countries is available below. For additional resources please [see this guide for how to use Zurich Travel Assist's Intelligence Portal and Mobile App](#).

Please print the [ID Card](#) and keep it with you.

If you have questions about the Travel Liability Insurance in general, please contact the Office of the General Counsel ([GeneralCounsel@brookings.edu](mailto:GeneralCounsel@brookings.edu)).

## International Travel

Foreign currency may be purchased at banks, airport foreign exchange counters and major hotels abroad. Travelers may want to consider purchasing traveler's checks in foreign currency before leaving home. Travelers abroad should change unused local currency back to U.S. dollars before departing the foreign country to get a better exchange rate. In most countries, ATMs are available to obtain cash; travelers can call their credit card company to confirm.

Brookings travelers are required to use loaner equipment (laptops, smart phones and tablets) supplied by ITS when traveling to mainland China, Russia, Cuba, North Korea and Iran. There is no charge for loaner equipment, but fees may apply if the equipment is returned late, lost or damaged. Personal equipment should not be used to access Brookings email or other technology-based services while traveling to mainland China, Russia, Cuba, North Korea and Iran.

## Travel Advisories & Insurance Coverage

The Institution will from time to time put in place a moratorium on Brookings travel to certain high-risk territories, and travel will generally not be approved for such countries.

## Spousal/Family Member Travel

Expenses related to an employee’s spouse or other family members are not reimbursable unless there is a bona fide business purpose for their presence while traveling. A bona fide business purpose would qualify when:

- The spouse/family member who attends a function has a significant role in the business proceedings or is involved in fund-raising activities. In such cases, Brookings will reimburse the traveler for the spouse/family member non-personal expenses.

A bona fide business purpose would not qualify when:

- A spouse/family member attends a meeting or conference as a companion and has no significant role or performs only incidental duties of a social, clerical or medical nature, then the attendance does not constitute a business purpose. If the program still wishes to reimburse the family member’s business expenses, they must be processed as additional pay to the Brookings employee.

Use the table below to determine if spousal/family travel is taxable or non-taxable. This is not a complete list of circumstances that may be considered.

<b>EXPENSES MORE LIKELY TO BE TAXABLE WHEN:</b>	<b>EXPENSES MORE LIKELY “BONA FIDE” (NON-TAXABLE) WHEN:</b>
No formal request for family member to attend event(s)	Formal or official correspondence requests spouse or other family members of Brookings employees to make the trip or attend event(s)
Family members are not required to attend meetings, given assignments in advance, or make presentation at the event(s)	Spouses or other family members are required to attend meetings, given assignments in advance, or make presentations at the event(s)
Family member performs only “helpful” services, such as social, medical assistance, etc.	Family member performs “necessary” services by acting as a representative of Brookings in a substantial manner
Only Brookings employees and family member attend event(s)	Non-Brookings individuals (donors, panelists, etc.) attend event(s)
Family members participate in substantial tourist activities	Family members do not participate in tourist activities

### **3.0 Process and Procedures**

#### **Receipt Guidelines**

##### **Receipts Not Required**

No receipts are required for M&IE per diem expenses. Travelers will be reimbursed according to the travel location per diem rate, their length of travel and whether or not meals were provided.

No receipts are required for business and travel expenses equal to or less than \$75. However, the traveler will be required to provide an itemized list of expenses on their expense report.

### Receipts Required

Itemized receipts are required for all non-M&IE per diem expenses over \$75. Copies of receipts must be legible. In the rare occurrence that a vendor does not provide an itemized receipt (predominately foreign vendors), the traveler shall ask for the vendor to sign documentation stating which services were provided, amount paid and date; see [authorized sample receipt](#). Expenses which require detailed documentation include:

- Airline or train tickets
  - Documentation of the ticket purchased with the traveler's name, total amount of fare and status of "paid"; and
  - Itinerary
- Hotel Bills
  - Itemized hotel bill showing dates stayed and rates; and "paid in full"
- Room Service in Hotels (for business meals, not M&IE per diem expenses):
  - Itemized receipt as provided by room service; "Meals" listed on the hotel bill will not suffice
  - Names of individuals present, their titles and affiliation
  - Business purpose of the meeting
- Business Meals
  - Names of individuals present, their titles, and affiliation; and
  - Business purpose of the meeting

### **Reimbursable Expenses**

Travelers will be reimbursed for the following reasonable expenses in accordance with the preceding guidelines:

- Airline baggage fees (up to 2 bags)
- Airfare upgrade to economy plus
- Business office expenses such as phone, internet and copy services
- Calling cards for business purposes
- CLEAR Membership fee
- Currency conversion fees
- Fare penalties
- Foreign transaction fees
- Gasoline for rental car
- Global entry fee
- GPS for rental car
- Ground transportation (including taxis, uber, metro, bus, etc.)
- Fitness center use (your hotel only) (\$10 per day max)
- Laundry and dry cleaning; only for domestic trips lasting five days or longer
- Parking
- Personal car mileage
- Rental car insurance

- Tips for baggage handling up to \$1.00 per bag (if you are not claiming a M&IE per diem)
- Tolls
- Travelers checks fees
- TSA Pre Membership fee
- Vaccination fees
- Visa and passport fees

### Expenses Requiring Pre-Approval

Documented pre-approval is required for the following expenses; otherwise, the expense will be considered non-reimbursable:

- Acela train travel requires pre-approval from SFO.
- Lodging costs above the maximum allowable threshold, within reason, requires pre-approval from SFO.
- International business class travel (exceeding 6 hours) requires pre-approval from SFO.
- Any business class travel or international business class travel (less than 6 hours) requires pre-approval from Controller/CFO or from HR if there are medical reasons.
- Business class travel booked to federal projects requires pre-approval from SFO and the Director of Grants and Contracts. If the federal award specifically states that business class is allowable, then the request may be approved by the SFO only.

### Non-Reimbursable Expenses

The following expenses will not be reimbursed:

- Airline club memberships
- Alcoholic beverages except as covered in "Alcoholic Beverages"
- ATM fees (domestic)
- First Class Travel
- Fitness center use outside your hotel or over \$10 per day
- Frequent flyer miles (purchase of or redemption of)
- Hotel mini-bar/ honor bar refreshments
- Laundry and dry cleaning
  - For domestic travel, for trips lasting four days or less
  - For all foreign travel as expenses are covered under M&IE
- Lost baggage
- Travel Insurance
- Parking/traffic violation fines
- Personal entertainment (ex: movies)
- Personal meals, actual expenses incurred (M&IE per diem will be issued for employees; non-employees may be eligible for a per diem)
- Rental car upgrades (unless three or more individuals traveling)
- Spa services
- Items in excess of reasonableness

### Unreasonable Expenses

If the traveler's SFO determines that expenses submitted for reimbursement are unreasonable, the expense will be reimbursed up to a reasonable amount. If the

SFO has a question as to what constitutes reasonable, they shall consult with the Controller or CFO; the CFO will have ultimate discretion in what is determined to be reasonable.

### **Submitting for Reimbursement**

Upon the completion of travel, the traveler shall submit an expense report in Concur, along with the appropriate documentation for payment. All travelers should submit their reimbursement request within 30 days of travel; reimbursement requests over 90 days will not be approved.

If the traveler extended travel for personal or non-Brookings business, or if the traveler received a cash travel advance, the traveler shall adjust their expenses to reflect expenses incurred while traveling on behalf of Brookings.

When filing expense reports for travel outside the U.S., Concur will convert transactions in U.S. dollars utilizing foreign currency conversions at [www.Oanda.com](http://www.Oanda.com). Conversions are based on the date the expenditure was made.

Employees will be reimbursed within 3-5 days from Procurement approval via ACH bank transfer. Employees are required to setup ACH information in Concur.

## **4.0 Responsibilities**

Traveler:

- Abides by this policy and the accompanying procedures.

Expense Report Approver:

- Has primary responsibility for ensuring that reimbursement requests for travel are compliant with this policy.
- Verifies that all expenses have a Brookings business purpose.
- Verifies that all submitted information and supporting documentation is accurate and in accordance with this policy.
- Verifies that all expenses are charged to the appropriate general ledger account(s) and project(s).
- Contacts the SFO for instructions and/or approval if travel expenses exceed the guidelines of this policy or if expenses seem excessive or unreasonable.

Senior Financial Officer:

- Ensures that the program abides by this policy and the accompanying procedures.
- Ensures that individuals involved in the process of reimbursing travel expenses are properly trained.
- Ensures that the travelers understand the requirements of this policy.
- Maintains an appropriate hierarchy for review and approval of travel and travel-reimbursement requests.
- Answers any questions on “reasonable” costs. If necessary, follows up with the Controller for guidance.
- Reviews and approves requests for lodging costs above the maximum allowable threshold and requests for Acela and business class travel.

Procurement:

- Audits travel reimbursement requests to ensure compliance with Brookings policy and with IRS and other regulations.
- Processes reimbursements in a timely manner.
- Provides training to travelers and approvers on this policy.
- If needed, follows up with Controller and CFO for guidance on reasonable expenses.

Human Resources (Director of Benefits):

- Reviews and if applicable, approves documented medical reasons as they relate to business air travel requests.
- If necessary, consults with VP and Chief Human Resources Officer on a case-by-case basis.

Controller/CFO:

- In the event of non-medical extenuating circumstances, reviews requests and if appropriate, approves business air travel for domestic flights or international flights less than 6 hours.
- If required, determines if an exception to this policy is approved.

## **5.0 Supporting Documents**

[Department of Defense](#) (for domestic non-CONUS lodging and per diem rates) [GSA website](#) (for domestic CONUS lodging and per diem rates)

[ID Card](#)

[DC Area Hotels](#)

[NYC Hotels](#)

[PCard User Agreement](#)

[Sample Receipt](#) (for vendors without receipts)

[State Department](#) (for foreign lodging and per diem rates) [State](#)

[Department travel alerts and advisories](#)

[Tax Exempt State Documentation](#)

[Travel Advance Request](#)

[www.europ-assistance.com](http://www.europ-assistance.com)

Please note that some hyperlinks in this document can only be accessed while on the internal Brookings network.

## **6.0 Definitions**

**Accountable Plan** - An Internal Revenue Service (IRS) term for a plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business purpose, substantiate expenses, and return any amount of allowance in excess of substantiated expenses to the employer.

**CONUS** - The 48 contiguous states in the United States.

**Federal Awards** - Projects that are federally funded, whether Brookings is the direct recipient of federal government funding or a sub-recipient.

**Financial Manager** - Individual in a program responsible for administering project funding.

**Flying Time** - The period of time that a flight (from departure city to destination or connecting city) is expected to take per the airline's posted schedule. Layover time(s) are not included when calculating flying time.

**Meals & Incidentals (M&IE; Per Diem)** - An allowance determined by the U.S. government to cover meals and incidentals while traveling for business purposes. Per diem amounts are published by the [General Services Administration](#) (Domestic CONUS), [Department of Defense](#) (Domestic Non-CONUS), and [State Department](#) (Foreign) and are specific to major cities.

- Incidentals domestic include tips for services (e.g. porters, baggage carriers, bellhops, and hotel maids)
- Incidentals foreign include tips for services (e.g. porters, baggage carriers, bellhops, and hotel maids), laundry and dry cleaning

**Non-CONUS** – The non-contiguous states/territories in the United States; Hawaii, Alaska, Puerto Rico and Guam.

**Procurement Card (PCard)** - Credit card issued to Brookings employees for business and travel expenses.

**Reasonable Expenses** - An expense that is ordinary and reflects a prudent decision to incur the expense on behalf of Brookings business. Not extreme or excessive.

**Senior Financial Officer (SFO)** - The designated individual (Director of Finance) in the program or business unit who is responsible for financial management and budgetary oversight.

**Travel** - To go from one's home or normal place of employment to another destination. Travel does not include commuting to and from work.

**Worksite** – primary office location.