UNIVERSITY OF DENVER	UNIVERSITY OF DENVER POLICY MANUAL EXPENSES AND REIMBURSEMENT	
Responsible Department: Business and Financial Affairs **Recommended By:** SVC Business & Financial Affairs, Associate Vice Chancellor, University Financial Services **Approved By:** Chancellor	**Policy Number** FINA 2.30.015	**Effective Date** 11/4/2025

I. INTRODUCTION

A. The purpose of this Policy is to govern how employees make expenses using any University funding source, including but not limited to expenses incurred by any employee who travels or entertains on behalf of the University using University or sponsored research funds.

B. University Funds (as defined below) all funds controlled or administered by the University of Denver, such as base operating budget funds, endowment funds, gift funds, grant funds, sponsored research funds, and investment funds.

C. Employees must comply with the criteria for determining an allowable expense when spending University funds.

D. Employees must spend in a responsible and reasonable manner. An employee can be reimbursed for incurring a University-related business expense if the expense is allowable under this Policy.

E. Employees must consult the University's Business Travel and General Expense Guidelines for guidance on allowable expenses under this Policy.

F. Employees who are alleged to have violated this Policy may be referred to the Division of Human Resources & Inclusive Community or the Provost's Office, as appropriate, for disciplinary action consistent with the applicable University policies.

II. POLICY OVERVIEW EXPENSES

A. To be considered an allowable expense, the expense must be:

1. Necessary to perform a valid business purpose fulfilling the mission of the University;

2. Reasonable in that the expense is not extreme or excessive and reflects a prudent decision to incur the expense;
3. Appropriate in that the expense is suitable and fitting in the context of the valid business purpose; and
4. Allowable according to the terms of any federal regulation, sponsored contract, or University policy.

B. Failure to mention a type of unallowable expense in this policy does not imply that it is allowable; rather, determination of allowance in each case will be based on the treatment provided for similar or related expense items.

C. University employees shall conduct their duties ethically, professionally, and reasonably to avoid the appearance of impropriety (*See* University Policy Risk 3.20.060 – *Conflict of Interest*). Individuals involved in any transaction that violates University policies, laws, regulations, rules, contracts, grants, and donor restrictions will be held personally liable. Departments and/or grants may impose restrictions in addition to those listed in University policies and procedures.

D. The purchase and use of alcohol places significant legal exposure on the University. Therefore, the use of alcohol for business meals and entertainment purposes should be kept to a minimum. Alcohol may never be charged to federally sponsored projects. Any meals being charged to a federal grant must have all alcohol clearly itemized on the expense report and must be charged to a non-federal funding source. Employees must also comply with the requirements of the Use and Consumption of Alcohol Policy regarding purchases of alcohol.

E. General Considerations for Travel Expenses

1. Travelers should neither gain nor lose personal funds as a result of business travel on behalf of the University.
2. Travelers must obtain necessary approvals and travel documents prior to travel.
3. When deciding on transportation, lodging, and airfare options, the traveler must determine the most reasonable cost for the University and exercise sound judgment using factors such as convenience, necessary accommodations, and safety issues.
4. Travelers shall use University contracted travel suppliers, credit card, and booking and expense management tools. *See* the Business Travel and General Expense Guidelines for further guidance.
5. Travelers should book airline tickets as far in advance as possible (ideally 14 days or more) to obtain advance purchase discounts and optimal travel times.
6. Follow the terms of sponsored research agreements for travel under such agreements.

Individual units (e.g. colleges, schools, departments, institutes, and divisions) have budgetary oversight for their expenditures and therefore may establish procedures that reduce allowable expense to a level below that available through University policy. A

unit may also require a greater degree of documentation for expenses than that required at the University level. If so, the unit must confirm that its travelers comply with its unit-level procedures before approving reimbursement. The University audit of expenses will not consider unit-level procedures.

F. Exceptions

Individuals seeking an exception to this Policy must request the exception prior to incurring the expense and must demonstrate a valid business need (in accordance with the Business Travel and General Expense Guidelines.

G. Reimbursement

Business and travel expenses may be reimbursed if an individual paid the expense from personal funds. However, the University prefers that business and travel expenses are paid directly through other appropriate University buying and paying methods. The following three components are required for reimbursement of allowable non-compensation business or travel expenses:

1. An allowable business or travel expense;

2. Substantiation of the expense with receipts and an expense report; and

3. Approval of the expense.

III. PROCESS OVERVIEW

A. Travel: Pre- and Post-Trip Planning

1. Funding Sources. University travelers are responsible for understanding and complying with specific restrictions that may be required by the funder. These restrictions supersede any restrictions set forth in this Policy.

2. Alternatives to Travel. Please consider virtual meetings as an alternative to travel, through the platforms licensed by the University.

B. Cash Advances

1. Employees may request an advance 14 days before an authorized business trip or hosted event. However, since reimbursement only takes a few days once approved by the unit, cash advances should be limited to employees with a compelling financial need.

2. A cash advance cannot be used to pay per diem in advance, including hotel per diem. Cash advances must be properly substantiated and submitted per the

University's accountable plan.

3. The employee must submit the cash advance for approval to their immediate supervisor or higher administrative authority. When the amount is greater than or equal to $5,000 and less than $10,000, additional approval is required by one of the following:
   1. a department chair of an academic unit;
   2. a department manager of a non-academic unit; or
   3. the senior university officer responsible for the budget charged.

4. Cash advances equal to or greater than $10,000 require approval from the Chancellor, Senior Vice Chancellor, Vice Chancellor, Vice Provost/Senior Associate Provost, or Dean.

C. Submission and Approval of Expenses

All travel and entertainment related expenses must be substantiated and submitted for approval within 30 days after the expense is incurred, or upon completion of a trip. Expenses that are not submitted in a timely manner will be reported to the IRS as taxable income after 90 days. For additional detail, please see accountable plan rules (login required).

D. Approvers

Approvers are responsible for verifying that funds are available for the trip and that any required approvals have been obtained prior to departure (e.g., approval for foreign travel under sponsored projects or high-risk travel areas). Approval of the Expense Report in Pioneer Travel and Expense will be evidence of the reasonableness of the claim, the availability of funds, and the necessity of the trip in furtherance of University business.

E. Federally Funded or Non-Federally Funded Sponsored Projects or Programs

1. In order for sponsored project or program funds to pay for travel to scientific, technical, or scholarly meetings, the trip must be approved by the principal investigator as being of definite value to the work covered under the sponsor award. In certain cases, the principal investigator may need to seek sponsor approval for the trip. Sponsor approval requests should be coordinated well in advance of the trip through the Office of Research and Special Programs (ORSP).

2. Normally, travel to scientific and scholarly meetings at the sponsor's expense will be limited to project personnel. However, other factors such as the size of the project and the agenda of the meeting may justify sending additional participants. Travel costs incurred by large groups for special activities of the project must be approved in writing by the sponsoring agency and the principal investigator. When a large group attends a scientific meeting, an attempt should be made to obtain

reduced rates for travel and hotel accommodations.

3. Refer to the sponsor guidelines for specific compliance requirements. Questions on sponsor award travel should be directed to ORSP. Questions about group travel should be directed to the University's travel management company.

4. *Airline Requirements for Federally Funded Sponsored Research Projects:* Under the Fly America Act (FAA), government regulations require the use of a U.S. air carrier when traveling outside the U.S. In some instances, a non-U.S. air carrier may be used if it meets one or more of the exceptions criteria listed in the Federal Travel Regulation (FTR) guidelines.

F. Booking Reservations

To facilitate travelers receiving University contracted rates and support while traveling, travel arrangements shall be made through Pioneer Travel and Expense's online booking tool (Concur) or by calling the University's travel management company. For exceptions and guidance, see the Business Travel and General Expense Guidelines.

1. **Reservation Timing**
   Travel planning should be completed as far in advance as possible, ideally 14 days or more. Advance travel planning is key to obtaining the lowest airfares and securing first choice flight times and room accommodations.

2. **Itinerary Changes**
   Fees associated with changes, provided there is a business reason, are allowable. To be allowable on a sponsored research project, the change fee must be justified as having a direct benefit to the research.

3. **Travel Time**
   Individuals can fly on either University or personal time based on best flight times. See **FLSA rules** regarding compensation during travel time.

G. Accountable Plan

In accordance with the IRS regulations, the University has an accountable plan that allows it to reimburse employees for authorized business expenses with no impact on taxable compensation. The accountable plan rules apply to all payments, reimbursements, or advances for authorized business expenses both travel and non-travel related. The IRS outlines accountable-plan rules as follows:

1. expenses must have a business connection—that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.

2. You must adequately account to your employer for these expenses within a

reasonable period. You must return any excess reimbursement or allowance within a reasonable period.

3. Treasury Regulation Section 1.62-2(g) establishes what will be considered a "reasonable time". Expense reimbursements shall be submitted within 30 business days of: (i)the date the expense was incurred, or (ii) the date travel was completed if the reimbursement is travel related. Expenses submitted more than 90 days after being incurred will be reported as additional income to the employee, per IRS guidelines.

H. To maintain compliance with IRS regulations and the University of Denver's Accountable Plan, a statement of business purpose must be recorded for all transactions processed using University funds along with detailed receipts as required.

The business purpose statement provides a clear and concise explanation of how each transaction is necessary and beneficial to the University. To substantiate the expense, the following should be documented:

1. What was purchased or what services were provided;
2. Who the expense is for or who was in attendance (University affiliation should be included);
3. When and where the expense took place; and
4. Why the expense is reasonable and appropriate for University business.

Expense approvers are responsible and accountable for verifying the necessity and appropriateness of all University purchases.

I. Approval and Reimbursement

1. Expenses incurred in advance of a trip, conference, or event will be reimbursed ***after*** the trip, conference, or event has occurred.

2. For each expense reimbursement being requested, the valid business purpose of the expense must be stated, and the appropriate approvals will be needed: the individual who has incurred the expense and is requesting the reimbursement, the appropriate budget approver, and ORSP (if required).

3. Under no circumstance may a person authorize reimbursement, or payment of any type, to a family member or to someone to whom the person reports. "Family Members" - include spouses, siblings, parents, same-sex domestic partners, dependent and non-dependent children, grandparents, aunts, uncles, first cousins, parents-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law.

J. Receipt Requirements

The chart below details the documentation required for business-related purchases

processed using a University-issued P-Card or personal funds with a reimbursement request.

When a purchase is processed using University funds, whether via reimbursement or P-Card, the University is assuming ownership for those products or services, as well as the receipt. It is the responsibility of the individual processing the payment to obtain acceptable receipt documentation for submission when applicable.

Original receipts for all expenditures are required. If a required receipt has been lost, the employee must submit a missing receipt affidavit.

Submission of original receipt documentation must satisfy the following guidelines:

Expense Type	**University Purchasing Card**	**Personal Funds**
Lodging (Room accommodation expense)	Receipt required	Receipt required
Other Travel/Non-Travel	If less than $75, no receipt is required. If $75 or more, standard receipt specifications apply.	Receipt required

The standard receipt specifications required for all submitted receipts include:

1. Merchant name
2. Transaction date
3. List of items purchased or services provided (itemized receipt)
4. Total amount paid
5. Method of payment

K. Tax

The University reserves the right not to reimburse sales tax for a transaction that would have qualified for a sales tax exemption. Tax exemption information can be found on the Office of the Controller's website (log-in required).

The University is a non-profit 501(c)(3) institution and as such is exempt from tax. University business travelers must make every reasonable effort to use the University's tax-exempt status. For more information on tax exemptions, see the Office of the Controller's website.

Foreign Value Added Tax (VAT) and Goods and Services Tax (GST) is an allowable business expense.

L . Allowable Business And Travel Expenses

Employees must consult the Business Travel and General Expense Guidelines to

determine whether an expense is an allowable expense charged against University or sponsored funds. Allowable business expenses may be reimbursed if an individual paid the expense from personal funds.

With the authority of the Senior Vice Chancellor of Business and Financial Affairs, University Financial Services maintains the Business Travel and General Expense Guidelines.

M. Gifts

1. Employees are expected to be good stewards in verifying the following for all gift purchases:
   - **a.** Infrequency
   - **b.** Appropriate usage of unit resources
   - **c.** Appropriateness from an internal or external audit standpoint (not excessive)
   - **d.** Benefit to the University

2. *Gifts to Employees*: All gifts to employees purchased with University funds are taxable to the recipient in accordance with federal tax laws and regulations. Gifts in the form of gift cards and gift certificates are allowed but are always taxable to the recipient and must always be reported to Payroll Services on a Taxable Gift Documentation Form regardless of the dollar value. All non-cash gifts over a $150 value must also be reported to Payroll Services on a Taxable Gift Documentation Form Taxable Gift Documentation Form.

3. *Gifts to Non-Employees*. All gifts to non-employees must comply with the Business Travel and General Expense Guidelines.

IV. DEFINITIONS

A. "Affiliate" means any party acting on behalf of the University, such as contractors, consultants, volunteers, alum, donors.

B. "Appropriate expense" means an expense that meets the valid business purpose criteria.

C. "Allowable expense" means a necessary, reasonable, and appropriate expense incurred for the primary benefit of University business and therefore permitted to be reimbursed or directly charged based on the permission of the University or by the terms of federally or privately sponsored agreements.

D. "Authorized Approver" means the individual responsible for confirming that each transaction is completed in accordance with the appropriate policies and procedures and that each transaction is appropriate in terms of scale, budget, and relation to the mission and goals of the unit and the University. A transaction Authorized Approver

cannot report to a transaction Requestor; nor can a transaction Authorized Approver also be the transaction Requestor. In the case of a Dean or Director as the requestor, the Authorized Approver must be the Dean or Director's supervisor.

E. **"Gift"** means a cash/non-cash item as a gesture of goodwill, appreciation, or in connection with a holiday season or some other purpose not specifically related to a regular job performance.

F. **"Necessary"** means a minimum purchase or service required to achieve a business objective.

G. **"Original Receipt"** means the original merchant receipt or invoice issued by the supplier or service provider to document and substantiate the business transaction. A digital image of the original receipt is allowable if it is legible, and the paper receipt is destroyed once it is verified that the digital image is attached to the expense report.

H. **"Reasonable"** means an expense that is ordinary and reflects a prudent decision, not extreme or excessive, to incur the expense on behalf of University business.

I. **"Substantiation"** means documentation to support an incurred business expense that includes the original receipt, documentation of business purpose, names of persons in attendance, and appropriate expense report for the incurred cost.

J. **"University Funds"** includes all funds controlled by, or administered by, the University of Denver, including, but not limited to, base operating budget funds, endowment funds, gift funds, grant funds, sponsored research funds, investment funds, and Student Fees.

V. RESOURCES

A. Business Travel and General Expense Guidelines

B. University Policy FINA 3.20.010 – Use and Consumption of Alcohol

Revision Effective Date	Purpose
9/14/2021	*Minor revisions*
8/25/2022	*Minor revisions*
6/1/2024	*Minor revisions to update link to new International Travel Assistance provider*
9/9/2024	*Minor revisions to update links and align with updates to posted approval processes*
11/4/2025	*Consolidated three (3) University Policies (Business Expense, Travel Expense, and Reimbursement) into a single new Expense and Reimbursement Policy*