

Stanford University

Stanford Administrative Guide

5.4.2 Business and Travel Expenses

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Authority: Approved by the Senior Associate Vice President for Finance.

Formerly Known As Policy Number: 36.7

Following is the policy for business and travel expenses, including purchases of items to be owned by the university. This policy applies to expenditures from all university funding sources. It should be used in conjunction with resources and procedural information on the [Fingate website](#). This policy is based on and in alignment with the expectations set forth by [AGM 1.1.1: Code of Conduct](#), [AGM 5.1.1: Procurement Policies](#) and applicable federal regulations.

Applicability:

This policy is applicable to direct payments and reimbursements of:

- Business expenses, such as meals and entertainment expenses
- Expenses incurred while traveling on university business
- Purchases to be owned by the university

1. Purpose

The [guiding policy](#) for all university expenditures requires that expenditures be:

1. Reasonable and necessary
2. Consistent with established university policies and practices applicable to the work of the university, including instruction, research, and public service
3. Consistent with sponsor or donor expenditure restrictions

The three principles above, along with any applicable federal regulations, are the drivers of all university procurement policies. To contextualize these principles for business and travel expenses:

- Reasonable means that the nature and amount of the expense does not exceed that which a prudent person would incur under the same circumstances. While these amounts may vary, a good test is whether the individual

- could defend the expense if it came under public scrutiny.
- A necessary expense is one that supports and furthers the university mission and its ongoing operation.

The university has established maximum limits for business and travel expenses, including meals, air and ground transportation, and hotel lodging. The limits and associated processes for these reimbursements are available on the [Fingate website](#).

Sponsored Funding Source-Specific Restrictions

Funding sources, including individual or corporate donors, government agencies, and non-government sponsors may have varying restrictions for their use.

Refer to the fund (award) documents for specific restrictions. However, two broadly-applicable restrictions for sponsored awards are:

- Use of the per diem method (rates set by the U.S. government) is required for [travel meal expenses](#).
- Certain expenditures, such as entertainment, alcohol, and the costs for airfare classes above economy must be charged to an unrestricted award.

2. Reimbursement Policy: IRS Accountable Plan and Regulations Compliance

The university reimburses individuals in accordance with the [IRS Accountable Plan](#). Under this plan, business expense reimbursements can be excluded from the beneficiary taxable income if the expense has a business connection, is substantiated and is submitted in a timely manner, as defined below.

a. Business Connection and Substantiation of Expense

A business connection exists when expenses have been paid or incurred while performing university business. The business connection should be justified through the business purpose and supporting documentation.

1. The business purpose should clearly explain how the business expense is connected to the university and supports its mission.
2. Documentation, such as receipts, agendas and/or travel itinerary must support the business purpose, and demonstrate that the amounts incurred are reasonable and within established limits. The IRS Accountable Plan, and therefore the university, only requires receipts for expenses of \$75 or more.

b. Timeliness of Transaction

A transaction must be prepared and submitted through the [Expense Requests system](#) with all appropriate receipts and/or other backup documentation within 60 days after the end of travel (for travel expenses), the expense posted date (for non travel expenses), or expected clearing date (for advances). Expenses submitted after 60 days may still be reimbursed but, in accordance with the IRS Accountable Plan, as taxable income to the beneficiary. See [Topic Overview: Managing Aging and Outstanding Expense Transactions](#).

c. Non-employee Travel: Students and Visitors

If the individual incurring the expense is not an employee of the university, additional requirements apply.

Undergraduate, graduate student and postdoc travel expenses may be certified as business travel if they meet at least one of the following criteria:

- Directly support a faculty member's project or research program (substantiated by attaching a copy of the program)
- Are related to presenting at a conference (substantiated by attaching a copy of the conference program indicating the traveler as a speaker/presenter)
- Are an integral part of the undergraduate or graduate student's degree work
- Are directly related to the student's employment at the university.

See [Student Travel expenses](#) on Fingate.

Expenses incurred by foreign visitors may be reimbursed if the visitor enters the United States on an appropriate visa. See [2.4.1: Visas for and Employment of Foreign Nationals](#).

3. Definitions

a. Business Expenses

The university pays directly or reimburses individuals for expenses that are necessary and appropriate to conduct university business. Depending on the [category of the goods or services](#), the most appropriate [purchasing and payment method may vary](#). Common types of business expenses include [business](#) and [travel meals](#), [lodging](#), [airfare](#), and [transportation](#). Conference registration and training fees (i.e., STAP) are [other types of business expenses](#).

For some categories of business expenses, such as [business meals](#), the university has established maximums, which are regularly reviewed and updated in alignment with pricing indices. Schools and units are responsible for approving any transaction that exceeds these maximums. In general, business expenses for persons not directly connected to the business purpose are not reimbursable (e.g., spouses, other family members).

b. University-Sponsored Travel

University-sponsored travel is when the university pays directly or reimburses individuals for travel expenses that are reasonable and necessary to conduct university business. Student and postdoctoral scholar travel that is directly related to their individual course of study, or for which academic credit may be awarded, is considered university-sponsored travel.

Split or Partially Funded Travel

When reimbursable travel expenses are funded by the university and one or more external organizations the trip is considered university-sponsored travel and any portion of travel paid by the university must follow this policy. Stanford University resources (i.e., booking channels or payment methods) may be used to book, purchase, or reimburse expenses for the Stanford portion of the travel.

Externally-sponsored Travel

When an outside institution or entity funds travel on that organization's behalf and provides full payment for those travel expenses, the trip is considered externally sponsored. Stanford University resources may not be used to book, purchase, or reimburse expenses for externally-sponsored travel.

Personal Travel

When a personal component of travel is added to a business trip, the university will only cover the costs of the business component. The charge that would have been incurred without the personal component must be documented and included in the reimbursement request.

4. Paying for Travel

Generally, the Stanford Travel Card (TCard) is the preferred payment method for travel costs that will not be reimbursed through the per diem method. Alternatively, personal funds may be used and a request for reimbursement can be submitted after travel is completed. For more information about paying for travel, see Purchasing and Payment Methods on Fingate.

The TCard may be used to pay for trips that include a component of personal travel, but it may not be used to purchase trips that are exclusively personal. In cases where the TCard is used to purchase trips with a personal component, the individual is responsible for reimbursing the university for the additional cost. See How To Return Personal Expenses Charged to a Travel Card.

5. Prohibited and Restricted Travel

Stanford University may strongly recommend against or restrict travel to or within countries where the U.S. Department of State has issued certain official Travel Advisory levels, where there is other reliable information of significant health or safety risks, and/or where exigent circumstances apply. See Office of International Affairs for more information.

6. Exceptions

Exceptions to policy must be approved by the appropriate VP/Dean's office or designee.

7. Resources and Other Related Information

For more information, including examples of reimbursable and non-reimbursable expenses and roles and responsibilities, see Business and Travel Expenses on Fingate.

Travel and business expenses that are found to benefit the individual at the expense of the university, and/or are deemed excessive or fraudulent will be subject to further review by the appropriate office (e.g., Office of Chief Risk Officer or school/unit office) as outlined in AGM 3.5.1: Financial Irregularities. Consequences of substantiated financial irregularities are outlined in AGM 1.1.1: Code of Conduct. SLAC travelers should review information on the SLAC Travel Office site.

Related Policies

2.1.19 Relocation of Faculty and Staff

This Guide Memo sets forth policies and procedures to facilitate the moving and reassignment of new or current Stanford faculty and staff, where such action is considered to be in the best interests of the University. The...

2.4.1 Visas for and Employment of Foreign Nationals

This Guide Memo contains policies on obtaining entry visas for foreign nationals visiting Stanford and links to web pages detailing procedural information.

2.3.1 Survivor Benefit Plans

All faculty and staff are subject to this policy if appointed 50% time or more for a period of at least six consecutive months.

8.4.2 Vehicle Use

This Guide Memo outlines policies on the authorized use and operation of vehicles in connection with official University activities. Additional information is available at vehicles.stanford.edu.

3.1.4 Cost Policy

This Guide Memo outlines general policies on expense reimbursement by the federal government and discusses the importance of assigning the correct Project, Task and Award (PTA) and Expenditure Type to expenses and credits....