

VII. TRANSPORTATION EXPENSES

Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. Any exception must be approved by the Chancellor.

Travel by a group of employees in the same aircraft, automobile, or other mode of transportation is discouraged when the employees' responsibilities are such that an accident could seriously affect the functioning of the University. Key employees, such as the President, Chancellors, Vice Presidents, or a substantial number of employees from the same organizational unit or program, should consider this risk when making travel arrangements.

A. GENERAL

1. Definition

Transportation expenses include the following: charges for commercial carrier fares; travel agency service fees; car and aircraft rental charges; private car mileage allowances; emergency repair to University cars; overnight and day auto parking; bridge and road tolls; taxi and public transportation fares; and all other charges for transportation services necessary to accomplish the official business purpose of the trip.

2. Transportation Tickets

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier or negotiated by the University. Such tickets should be purchased from the campus contract travel agency. Travelers will not be reimbursed for non-cash certificates used for the purchase of transportation tickets, e.g., frequent flyer miles.

3. Lost Tickets

Service charges for tickets lost by travelers may be reimbursed, provided such occurrences are infrequent. Charges for re-ticketing, schedule changes, etc. are reimbursable if incurred for a valid business reason. The reason for the charge must be specified on the Travel Expense Voucher.

4. Allowable Mileage Expense

Mileage shall ordinarily be computed between the traveler's headquarters and the common carrier or destination. Expenses for travel between the traveler's residence and headquarters (commuting expense) shall not be allowed. However, mileage expenses may be allowed between the traveler's residence and the common carrier or destination if University business travel originates or terminates before or after the traveler's

working hours, or if travel originates or terminates during a regularly scheduled day off.

When a traveler is authorized to drive a private vehicle to or from a common carrier terminal, mileage may be reimbursed as follows:

- One round trip, including parking for the duration of the trip; or
- Two round trips, including short-term parking expenses, when an employee is driven to a common carrier.

Also, if an employee who is not on travel status has a temporary assignment away from campus, reimbursement shall be made for mileage expenses incurred between the campus and the assignment location, or home and the assignment location, whichever is less.

5. Surface Transportation Used in Lieu of Air Travel

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed.⁵ However, such costs shall not exceed the cost of airfare, based on the lower of the regular coach fare available for the location of travel from a standard commercial air carrier or the campus travel program fare, plus transportation costs to and from the terminals.

6. Indirect or Interrupted Itineraries

Advance approval is required when a traveler takes an indirect route or interrupts travel by a direct route, for other than University business. Any resulting additional expenses shall be borne by the traveler. The reimbursement of expenses shall be limited to the actual costs incurred or the charges that would have been incurred via a usually traveled route, whichever is less. Any resulting excess travel time will not be considered work time, and will be charged to the appropriate type of leave. The employee shall be responsible for accurate reporting of such leave time.

7. Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs, e.g., a Saturday night stay for domestic travel, may be reimbursed when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip (provided the expenses were incurred in compliance with this Bulletin). Such expenses, which include lodging, car rental, and M&IE (subject to the

⁵ The reimbursement of M&IE is subject to the 300 mile-per-day rule specified in Section VII.C, Automobile.

reimbursement caps set forth in Appendix B) incurred within the vicinity of the business destination, shall not exceed the amount the University would have paid had the traveler not extended the trip.

B. AIR TRAVEL

1. Commercial Airlines

Coach Class. Coach class or any discounted class shall be used in the interest of economy. This policy applies to all travel (domestic or foreign, or any combination thereof) regardless of the purpose or fund source.

Business or First Class. Use of business or first-class or other higher-cost services may be authorized under the circumstances listed below. Documentation of such circumstances must be provided on the Travel Expense Voucher.

- Business or first-class is the only service offered between two points;
- The use of coach class would be more expensive or time consuming, e.g., when, because of scheduling difficulties, traveling by air coach would require an unnecessary hotel expense, circuitous routing, or an unduly long layover when making connections;
- An itinerary involves overnight travel without an opportunity for normal rest before the commencement of working hours; or
- The use of business or first-class travel is necessary to reasonably accommodate a disability or medical need of a traveler.

Documentation of such circumstances should be provided on the Travel Expense Voucher.

When a traveler prefers to use a higher class than the one authorized for reimbursement, the traveler must pay the incremental cost of the airfare.

In cases other than those described above, a written authorization to use business or first-class or other higher-cost service shall be obtained in advance from the Chancellor. The traveler shall submit such authorization with the Travel Expense Voucher.

U.S. Flag Air Carriers. Under the Fly America Act, only U.S. carriers⁶ shall be used for travel reimbursed from federal grants and contracts, unless one of the following exceptions applies:

- Use of U.S. carrier service would extend travel time, including delay at origin, by 24 hours or more;
- U.S. carriers do not offer nonstop or direct service between origin and destination. However, a U.S. carrier must be used on every portion of the route where it provides service unless, when compared to using a foreign air carrier, such use would:
 - Increase the number of aircraft changes outside the United States by two or more; or
 - Extend travel time by at least 6 hours or more; or
 - Require a connecting time of 4 hours or more at an overseas interchange point.
- When the costs of transportation are reimbursed in full by a third party, such as a foreign government or an international agency.

Reimbursement of travel on a foreign air carrier may be denied in the absence of such justification.

2. Private Aircraft

a. Approval

Before a private aircraft (including a rented aircraft) may be used for official travel, the pilot must register with and obtain written approval from the Chancellor. In addition, the following requirements must be met:

- The pilot must have a valid private license;
- The pilot must have logged at least 10 hours of flight time within the preceding 90 days as a pilot in command of an aircraft of the same make and model as the one to be used on the trip;

⁶ Code-sharing agreements with foreign air carriers, whereby American carriers purchase or have the right to sell a block of tickets on a foreign carrier, comply with the Fly America Act Regulations. The ticket, or documentation for an electronic ticket, must identify the U.S. carrier's designator code and flight number.

- To carry passengers, the pilot must either have logged a minimum of 500 hours of flight time as a licensed private pilot in command of an aircraft or possess a valid commercial (or higher type) pilot's license issued by the Federal Aviation Administration.
- A current pilot history form and a certificate of insurance must be on file with the campus risk management office; and
- Evidence must be provided of Aviation Liability Insurance coverage with a minimum combined single limit of \$1 million, with The Regents named as additional insured.

Transportation expenses for a flight carrying passengers shall not be reimbursed if the University pilot does not possess the above qualifications.

For purposes of the foregoing rule, anyone traveling in the aircraft other than the pilot is considered to be a passenger.

b. Reimbursement Options

When the pilot has obtained prior approval to use a private aircraft, reimbursement shall be made based on the *lesser* cost of one of the following two options:

- **Private Aircraft Option.** An amount for mileage using the private reimbursement rate per mile shown in Appendix A, plus the cost of meals and lodging while in transit. Mileage shall be computed on the basis of the shortest air route from origin to destination. The Travel Expense Voucher must show the aircraft registration number and shall be clearly marked "Air Miles." ***Only the pilot will be reimbursed for mileage expenses.*** Reimbursement shall be made for actual landing and parking fees. Reimbursement is not allowed for storage or parking fees at the location where the aircraft is *normally* stored. However, parking and transportation costs to and from the place of storage may be reimbursed.
- **Commercial Aircraft Option.** The cost of the lowest regular coach fare available for the location of travel from a standard commercial air carrier, plus the cost of transportation to and from the terminals and any meals and lodging that would have been allowed had the traveler used a commercial airline. The cost of meals and lodging while in transit also may be taken into account in determining the appropriate reimbursement amount.

3. Chartered Aircraft

The actual expenses of chartering an aircraft are allowable; however, prior approval must be obtained from the Chancellor.

C. AUTOMOBILE

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.

Persons authorized to travel by automobile (e.g., when an automobile is the most economical mode of transportation) shall be reimbursed for actual M&IE incurred en route based on *a minimum* of 300 miles a day by the most direct route (i.e., reimbursement up to the daily M&IE limit for each 300 miles of travel), plus the cost of lodging, when appropriate. Under unusual circumstances such as field trips, actual time in transit may be used without reference to the minimum mileage requirement.

1. Private Vehicles

The following rules apply to all domestic travel.

a. Mileage Reimbursement Rates

When two or more persons on University business share a private vehicle, *only the driver may claim reimbursement for mileage.*

1) Standard Rate

The standard reimbursement rate per mile is set forth in Appendix A. This rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc. Thus, under IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.

2) Rate for Travelers With Physical Disabilities

A traveler with a physical disability who must use a specially equipped or modified automobile may claim reimbursement at the standard rate per mile set forth in Appendix A. However, if the traveler incurred higher than standard operating costs, the traveler may seek reimbursement by submitting a statement with the Travel Expense Voucher certifying that he or she incurred higher operating costs. The actual fixed and variable costs must be specified in the statement.

The traveler should refer to IRS Form 2106, Employee Business Expenses, to obtain additional information on the calculation of actual vehicle operating costs. The form is available from the following IRS web site:

<http://www.irs.gov/pub/irs-pdf/f2106.pdf>

The departmental authority that approves the travel is responsible for documenting the traveler's need to use such a vehicle.

b. Private Vehicle Used in Lieu of Air Travel

When a traveler's private vehicle is used on University business in lieu of available air travel, the traveler shall be reimbursed in accordance with the procedures specified in Section VII.A.5, Surface Transportation Used in Lieu of Air Travel.

c. Fuel, Routine Repairs, and Associated Costs

Fuel, routine repairs, tires, gasoline, or other automobile expense items shall not be allowed when a private vehicle is used. Such expenses are included in the mileage reimbursement rates set forth in Appendix A.

d. Insurance Coverage

When private vehicles are used on University business, the appropriate campus officials are responsible for requiring that employees have adequate liability insurance coverage. The minimum prescribed liability insurance coverage is as follows:

- \$50,000 for personal injury to, or death of, one person;

- \$100,000 for injury to, or death of, two or more persons in one accident; and
- \$50,000 for property damage.

An employee who regularly uses a private vehicle on University business is required to have and provide upon request satisfactory evidence of liability insurance coverage. Such evidence must be provided to the appropriate office before the reimbursement of regular use mileage is allowed. Regular use is defined as more than four trips per calendar month totaling at least 300 miles.

When a private vehicle operated by an employee on official University business is damaged by collision or sustains other accidental damage, reimbursement for repairs borne by the employee may be authorized up to \$500 or the amount of the deductible (co-insurance), whichever is less. Expenses that can be recouped from insurance are not eligible for reimbursement. The amount reimbursed shall be based on receipts submitted by the employee to the individual who authorized the travel. ***The reimbursement may be charged to the department or to another appropriate account as designated by the Chancellor.***

2. Rental Cars

a. Authorization to Rent

A vehicle may be rented when renting would be more advantageous to the University than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested. This model should be used unless a no-cost upgrade is provided. Use of a higher cost upgrade requires exceptional approval.

The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. ***The discount negotiated with car rental agencies by the University should be requested when available.*** The University's online travel portal listed below provides the rental agency's University identification number, which should be given to the agency at the time of rental in order to ensure that the vehicle is covered by physical damage insurance.

<http://www.ucop.edu/purchserv/travelconnexus.html>

b. Insurance Coverage

Travelers are expected to use rental agencies with which the University has systemwide contracts that include insurance coverage. The following rules apply to insurance coverage for rental cars:

- **The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions (OCONUS), and foreign countries, is allowable.**
- *On contract rental vehicles used in the continental United States (CONUS)*, charges for additional insurance are not allowable, including any charge for a collision damage waiver (CDW).
- Additional charges for insurance coverage will not be reimbursed if a non-contract agency is used, unless no car rental company in the area has such an agreement with the University.
- A vehicle rented from an agency with which the University has an agreement is not covered by insurance when it is being used for a personal day of travel.

Some rental car agreements contain special coverage provisions that differ from the general coverage rules detailed above. For additional information on rental car insurance coverage, see:

<http://www.uctrips-insurance.org/>

The campus risk management office should be contacted for information on campus-specific contracts or insurance coverage.

c. Direct Billing

Except for State of California pool cars (see below), vehicle rental charges billed directly to the University shall not be authorized. Rental car charges should be paid with the traveler's corporate travel card (see Section V.B, Corporate Travel Cards).

d. Damage to a Rental Vehicle

A University traveler may be reimbursed for property damage to a rental vehicle only if such expenses were incurred on days the vehicle was being used for University business purposes. (See Section VI.B, Vehicles, for more information on insurance coverage.) The amount reimbursed may be

charged to the traveler's department, the department sponsoring the traveler, or to an account designated by the Chancellor, as appropriate. The traveler shall submit with the Travel Expense Voucher a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

3. Official Vehicles

a. University Vehicles

University vehicles shall be used in accordance with the guidelines contained in [BFB BUS-46](#), Use of University Vehicles. For information regarding insurance coverage on University vehicles, refer to the following bulletins:

[BUS-75](#), University General and Automobile Liability Self-Insurance Program;

[BUS-69](#), University Vehicle Physical Damage Self-Insurance Program; and

[BUS-73](#), Workers' Compensation Self-Insurance.

b. State of California Pool Cars

University employees traveling on official business are authorized to use State pool cars. (For procedures related to such use, see [BFB BUS-7](#), Use of State of California Pool Cars and Garage Facilities.)

4. Miscellaneous Automobile-related Expenses

Charges for ferries, bridges, tunnels, or toll roads may be claimed by the vehicle operator. Reasonable charges for parking while an employee is on travel status or on University business away from regular duties also will be allowed for the following:

- Day parking on trips away from an employee's headquarters;
- Day and overnight parking on overnight trips away from an employee's headquarters or residence (a claim should not be made if free overnight parking is available); and
- Parking charges incurred when an employee without a location parking permit is occasionally required to drive to and from headquarters.

Valet parking charges in excess of normal parking charges shall be borne by the traveler, unless the traveler obtains an exception.

D. RAIL OR BUS

Rail or bus transportation may be used when required by the destination or by business necessity. If a traveler's destination is served by a regularly scheduled airline, however, the use of rail transportation shall be reimbursed in accordance with the procedures specified in Section VII.A.5, Surface Transportation Used in Lieu of Air Travel. This rule does not apply to inter-city rail travel that is equivalent to air transportation in total travel time. Reimbursement for the cost of Pullman roomette accommodations is allowed. If more expensive accommodations are used, the traveler must justify the expense in a written explanation submitted with the Travel Expense Voucher.

If accommodations are included in the rail fare, e.g., Pullman roomette accommodations, lodging expenses shall not be reimbursed for each night that such accommodations are used.

E. SHIP

When travel by passenger ship is authorized, transportation at the lowest first-class rate is allowed.

The reimbursement of subsistence expenses while on board a passenger ship shall not be allowed if the cost of subsistence is included in the fare for passage and stateroom. If the fare does not include subsistence, reimbursement shall be based on the traveler's actual daily expenses, subject to the limits set forth in Section VIII, Subsistence Expenses. A full explanation of the circumstances that necessitated such expenses must be submitted with the Travel Expense Voucher.

F. OTHER FORMS OF TRANSPORTATION

1. Local Public Transportation, Shuttle Service, and Taxis

Local public transportation fares (e.g., buses, subway, streetcars) shall be allowed. The cost of shuttle service (including airport limousine service, if appropriate) to and from an airport or railroad station, plus reasonable tips, is allowable to the extent such service is not included in air or rail fares. Taxi fares, including tips, shall be allowed only when the use of public transportation or airport shuttle service is impractical or not available. The cost must be reasonable in relation to personal car use costs, including parking, tolls, etc.

2. Motorcycles

Motorcycles, except those of University police department employees on motorcycle assignment, shall not be authorized for use on official University business, nor shall any reimbursement be made for the use of such vehicles.

3. Special Conveyances

Charges for using other types of conveyance (such as a helicopter or boat) shall be allowed when the use is beneficial to the University and when the fare for the conveyance is not included in the original cost of the common carrier fare. An explanation justifying such use must accompany the Travel Expense Voucher, unless the Chancellor has established a blanket authorization for the travel. A copy of the authorization shall be attached to the Travel Expense Voucher (unless a blanket authorization is published in the campus policy and procedures manual).