

### **140.1 Spouse/Dependent Travel**

Travel expenses for a spouse or dependent of a University employee may be reimbursed tax-free if certain conditions are met. First, the reimbursement request must follow the requirements described in section 140 for expense reimbursements generally. If these requirements are met, a bona fide business purpose for the spouse/dependent travel must be documented.

Spouse or dependent travel will generally fall into one of three categories:

- *Business Purpose:* A spouse or dependent who attends a function with a University employee and has a significant business purpose for being in attendance, such as meeting with donors or alumni, this constitutes a business purpose under IRS regulations. In such cases, the University will reimburse, tax-free, the business traveler for the spouse's non-personal expenses directly resulting from travel on University business. Documentation of the business purpose of the travel must be provided along with the expense reimbursement request.
- *Incidental Duties:* The Internal Revenue Services has ruled that when a spouse attends a meeting, conference, or event as a companion and has no significant role, the attendance does not constitute a business purpose. Performing only incidental duties of a clerical or secretarial nature do not constitute a significant role. If the spouse or dependent serves primarily a social purpose, even in a business setting, this does not qualify.

Spouse or dependent travel that does not meet the Business Purpose requirement may be reimbursed to the employee, at the discretion of the employing department, but must be treated as a taxable benefit.

- *Recruitment:* Spouse or dependent travel during the employee recruitment or hiring process may be reimbursed to the candidate tax-free.

In some instances, a spouse or dependent may accompany an employee at no additional cost. For example, the employee incurs car rental and hotel costs which do not increase based on the attendance of a companion. In such cases, there is no obligation to prorate the travel costs between the employee and the companion.