

ADDENDUM to “WANG CENTER FOR GLOBAL EDUCATION POLICIES AND GUIDELINES: ESSENTIAL AND NON-ESSENTIAL ACCOMPANYING ADULTS AND MINORS IN PLU SHORT-TERM STUDY AWAY COURSES” regarding university determination of essential services and IRS compliance of “bona fide purpose of travel” for accompanying adult/spouse/partner travel support.

As per the Wang Center for Global Education policy on “Essential and Non-Essential Accompanying Adults and Minors in PLU Short-term Study Away Courses”, in limited cases, at the discretion of the Wang Center and in consultation with the Provost, financial support can be provided for accompanying adults that contribute essential services to the course’s implementation abroad.

Additionally, it is important to note that, under federal tax law, university-funded travel for spouses/partners is taxable compensation to the employee UNLESS there is a documented “bona fide business purpose” for the participation of the spouse/partner.

NOTE: The following IRS definition relates specifically to spousal relationships only.

Bona Fide Business Purpose for Spousal Travel – IRS Definition

In order for the travel of the accompanying spouse to not be taxable to the employee, the presence of the spouse must be essential (not just beneficial) to the University employee being able to carry out his/her business purpose for the University. A determination of whether an employee’s spouse serves a bona fide business purpose as defined by the IRS will be based on the following criteria:

1. The degree to which the “dominant purpose” of the travel is to aid the employee’s business purpose of promoting the University’s objective.
2. Whether the spouse’s presence on the program is necessary to effectively carry out the duties of the employee.
3. The extent to which the spouse’s presence on the trip is to provide more than “incidental” business related services to the employee (e.g., typing notes attending to ministerial or scheduling matters, attendance at meals, etc. are considered incidental).
4. The time spent by the spouse on personal activities in comparison to the activities related to the business of the University.

Based on current documentation from the IRS, the following purposes for spousal travel are not likely to be considered bona fide business purposes, and thus the cost of the travel will be taxable income to the University employee:

1. The spouse’s performance of some incidental service or ministerial task (such as taking notes) or accompanying the employee to luncheons and dinners. The spouse must perform substantive business related functions.
2. An expectation that the spouse will be present at related social functions or that the spouse’s presence will promote goodwill with the other attendees.

University approval of “bona-fide purpose of travel” of accompanying adult/spouse/partner

To align the aforementioned policy with federal tax law, henceforth and in the context of PLU short-term study away courses, “bona fide business purpose” refers to essential services, which, for both accompanying adults and spouses/partners include, but are not limited to, the following circumstances;

- The accompanying adult is selected for the Program Assistant Professional Development Opportunity
- The accompanying adult is a person with expertise in the course content and/or has experience and contacts on site that will significantly enhance the quality of the course
- The accompanying adult provides additional leadership support

In order for the university to determine if there is a “bona fide business purpose” for the accompanying adult/spouse/partner, the employee must fill out the attached “Checklist and Instructions for Determining Bona Fide Business Purpose for Spousal/Partner/non-PLU Accompanying Adult Travel”. If the university determines that a bona fide business purpose for travel does not exist, any amounts reimbursed or paid directly for accompanying adult/spouse/partner for travel must be included in the taxable wages of the employee.

INSTRUCTIONS AND CHECKLIST FOR DETERMINING

BONA FIDE BUSINESS PURPOSE FOR SPOUSAL/PARTNER/NON-PLU ACCOMPANYING ADULT TRAVEL

You should complete this form when:

1. you are requesting funding for an accompanying spouse/partner/non-PLU accompanying adult on a Short-term study away course, and
2. the spouse/partner/non-PLU accompanying adult will perform an essential function for the program

Please complete the checklist below to assist the Wang Center in determining whether the accompanying spouse/partner/non-PLU accompanying adult travel meets the IRS requirement for “bona fide business purpose.”

Submit the checklist along with a written request for support for the addition of a spouse/partner/non-PLU accompanying adult to a short-term study away course to Megan Grover, Short-term Program Mgr., Wang Center for Global Education at megan.grover@plu.edu. The request must include the following:

- name(s), age(s), relationship(s) of the spouse/partner/non-PLU accompanying adult and dates of their travel
- documentation of credentials of spouse/partner/non-PLU accompanying adult if relevant (e.g. a CV or Bio)
- rationale for providing support for spouse/partner/non-PLU accompanying adult
- recommended compensation for the spouse/partner/non-PLU accompanying adult if that person will be contributing a significant academic component to the course
- back-up plan in the event that the spouse/partner/non-PLU accompanying adult should require emergency medical attention
- back-up plan in the event that the spouse/partner/non-PLU accompanying adult should withdraw from the program for any reason
- statement that outlines what travel arrangements, if any, the Wang Center will make for spouse/partner/non-PLU accompanying adult

Which of the following best describes the business purpose of the spouse/partner/non-PLU accompanying adult for whom you are requesting support?

- 1.- The spouse/partner/non-PLU accompanying adult is selected for the Program Assistant Professional Development Opportunity. Please explain.

2.- The spouse/partner/non-PLU accompanying adult is a person with expertise in the course content and/or has experience and contacts on site that will significantly enhance the quality of the course. Please explain.

3.- The spouse/partner/non-PLU accompanying adult provides additional leadership support. Please explain.

Submitted by (program leader): _____

DATE: _____

Rec'd by (Megan Grover, Short-Term Study Away Mgr.): _____

DATE: _____

Approved by Wang Center Executive Director: _____

DATE: _____

Approved by Provost: _____

DATE: _____