

Travel Policy Prior to 01/01/08

1.0 Travel Expense Disbursement

1.1 General Policy

This policy is intended to apply to all official travel for the Institute by its employees and, where appropriate, official visitors. Travel expenses incurred by a consultant hired by MIT should be reimbursed under the consultant's purchase order, but should adhere to the Institute's Travel Policy.

The basic policy guiding travel expense reimbursement is that the individual traveler should neither gain nor lose personal funds as a result of travel assignments and that these assignments be planned so that their cost will not exceed budgetary limitations. Thus each traveler is to be fully reimbursed for all necessary and reasonable expenses incurred in connection with travel on Institute business, but should make efforts to keep all expenses at a sensible minimum.

The mode of travel considered reasonable is that which provides adequate standards of comfort, convenience, safety and efficiency.

The more specific policies outlined in this booklet are based on minimum administrative and contractual requirements. MIT's travel policies are designed to provide the greatest possible flexibility within these requirements and to rely on the good will and discretion of the traveler and supervisor in the stewardship of Institute funds.

In addition, although it is intended that travel expenses be reimbursed uniformly throughout the Institute, this does not preclude adapting specific policies and procedures to the needs of an individual department or laboratory to the extent consistent with this general statement.

Travelers whose expenses for normal travel are reported to and reimbursed by the Institute are not required to report the amounts of reimbursement as income for income tax purposes.

However, new changes in the law have modified the federal tax rules and created exceptions. These exceptions are covered in the new Appendix I section of the MIT Travel Policy.

2.0 Normal Travel

2.1 Transportation

For travel on Institute business, particularly between major cities and their environs, transportation by commercial means is recommended.

2.2 Commercial

Commercial transportation expense is reimbursed on the basis of the actual cost incurred by the traveler for the direct-distance air fare or rail fare by the usually traveled route with due consideration on the part of the traveler to select the class of service available to accomplish the travel at the most appropriate rate structure.

Domestic Air

In recognition of the substantial price differential in air accommodations, the lowest available coach fare will be reimbursed. The U.S. Office of Management and Budget (OMB) Circular A-21 provides guidance and definition of allowable direct and indirect cost for reimbursements under Federal contracts and grants at universities. Circular A-21 as revised May 19, 1998 states "Airfare costs in excess of the lowest available airfare (where authorized and available) or Customary standard (coach or equivalent) airfare are unallowable except when such accommodations would: Require circuitous routing; require travel during unreasonable hours; excessively prolong travel; greatly increase the duration of the flight; result in increased cost that would offset transportation savings; or offer accommodations not reasonably adequate for the medical needs of the traveler." When First- or Business-Class transportation is used for any of these reasons, it must be justified by a statement on the travel expense voucher as a charge to the account benefiting from the travel.

Foreign Air

Business Class travel will be approved to destinations outside the continent of North America. For this purpose, the definition of North America includes: Canada, Mexico, the Continental U. S., Bermuda, and the Caribbean Islands. When these trips are charged to a WBS element, the difference in cost between the lowest available coach and business class fare should be charged to an appropriate departmental discretionary account.

Federal regulations require that individuals whose travel is supported by federal funds use American flag carrier airlines (for clarification on this issue concerning Code Sharing, please refer to the travel page for [Code Sharing](#)).

For foreign travel, when no justification is stated on the travel expense voucher and First Class transportation is used, the reimbursement will be reduced to the appropriate fare on the aircraft used.

The Institute has designated three travel agencies as [MIT authorized agencies](#). When business class travel is used, our approved travel agencies provide the required documentation of the lowest available coach fare to be charged to the sponsored project. Travelers using other agencies are responsible for providing similar documentation from their agency.

2.3 Private Automobile

When travel by private automobile is desirable to save time, to transport equipment or to reduce costs when a number of persons are traveling to the same destination together, reimbursement is at the rate of \$.44 per mile (for travel ending on or before December 31, 2006) or \$.48 per mile (for travel ending on or after January 1, 2007) or on the basis of standard highway mileage guides. This mileage allowance is intended to cover all transportation and operating costs. No reimbursement is made for the cost of repairs to the vehicle whether they result from the traveler's acts or the acts of others. Ferry, bridge, tunnel, toll road and reasonable parking charges are allowed in addition to the mileage allowance.

When private automobile is used to points beyond 300 miles (round trip) of the point of origin, primarily for the convenience of the traveler, the reimbursement will not exceed the lesser of the cost of the appropriate round trip air fare between the nearest commercial airport serving the origin and destination cities or \$.44 per mile (for travel ending on or before December 31, 2006) or \$.48 per mile (for travel ending on or after January 1, 2007) reimbursement.

2.4 Car Rental

The use of rental cars may be authorized by supervisors where other transportation is not available or where their use results in saving of cost or time. Travelers should use those rental systems with which the Institute maintains a volume contract which provides for a discount. Travelers using rental cars for domestic travel should not purchase the optional collision insurance coverage offered. The rental insurance should, however, be purchased for international rentals. In the event the traveler is liable for damage to the rented car, he/she may charge it with his/her credit card and be reimbursed by the Institute. (Refer to Section 6.03 for additional information.)

2.5 Private Airplane

The use of aircraft owned, rented, operated or chartered by a traveler on Institute business is discouraged but, when contemplated, is subject to the prior permission of the Controller.

Reimbursement for such travel is not to exceed \$.44 per road mile (for travel ending on or before December 31, 2006) or \$.48 per road mile (for travel ending on or after January 1, 2007) between the departure and destination points. This figure is to include all costs and fees of any nature associated with the aircraft. Any exception to this policy must have the prior approval of the Controller.

No traveler may purport to be an agent of the Institute in entering into agreements with airports or other authorities. The traveler should also understand that the crew members of the aircraft are not covered by the Institute travel accident life insurance policy. The traveler is required to be FAA licensed and have in effect private aircraft liability coverage of at least \$1 million. The Institute's insurance policy for aircraft provides only excess coverage.

2.6 Group Travel

The Institute strongly discourages travel by groups of more than three faculty or staff members on the same aircraft or on extended automobile trips, for which catastrophic injuries to the group could seriously impair the operation of an Institute activity. This restriction should be enforced by the supervisors according to the circumstances of the travel and the level of responsibility of the travelers. For those in key positions, it is expected that this restriction will be rigidly self-imposed. Departments planning trips with student groups are discouraged, whenever feasible, from booking travel arrangements for more than twenty students on the same flight.

2.7 Miscellaneous Transportation Expense

Shuttle Service to and from airports and railroad stations, plus reasonable tips are reimbursed to the extent such service is not included in air and rail fares. Taxi fares, including tips, are reimbursed where public transportation or shuttle service is not practical. This includes taxis between hotels and railroad stations or airports, between appointments or between hotels and places of temporary duty.

2.8 Food and Lodging

Travelers should use standard accommodations in first-class hotels and motels and eat in restaurants or dining rooms of such hotels or others of equivalent quality. Expenses for food and lodging are reimbursed for each trip either on the basis of actual reasonable expense or on a per diem basis as described below.

Although the cost of meals varies widely, an amount of \$60.00 per full calendar day is in general considered adequate under normal circumstances; it is not to be considered a fixed amount if

expenses are less. Amounts in excess of this should be explained on the traveler's report.

The selection of appropriate room accommodations is governed by a wide variety of circumstances, many of them not within the direct control of the traveler. Lodging expense should be supported with receipts.

2.9 Local Lodging

The Institute has arranged for preferential room rates with several hotels in **Boston** and **Cambridge and Somerville**.

2.10 Per Diem

Reimbursement on a per diem basis is the payment of a flat sum, normally for periods of extended duration for Domestic travel, to cover food and lodging expenses for each day in lieu of a statement of actual cost. Per diem and actual costs may not be combined on the same trip.

Per diem reimbursement is advantageous in circumstances where an individual's actual expenses are difficult to separate from those of a group sharing costs or when the record keeping involved in actual reimbursement would be unusually burdensome. In these and other appropriate situations, per diem may be established by department heads, laboratory directors or project supervisors with prior approval of the Controller of the Institute. In the case of foreign travel, reimbursement on a per diem basis may be made without prior approval of the Controller.

2.11 Miscellaneous Expense

Other expenses associated with normal travel which may be reimbursed include the following:

- Official telegrams and telephone calls, including those necessary to obtain transportation and hotel reservations.
- One telephone call of reasonable cost per week, per trip; e.g., to inform family of well being of traveler.
- Expenses associated with baggage handling and storage, including reasonable excess baggage charges, and tips.
- Cost of traveler's or cashier's checks for travel advances, clerical and stenographic service for transcribing notes or preparing reports which cannot be delayed, postage for business-related mail, business-related FAX charges, and telephone charges for personal computer modem connections.
- Laundry and valet expenses, when reasonable and necessary.

Travel expenditures **not** normally reimbursable include the following:

- Costs incurred by unreasonable failures to cancel transportation or hotel reservations.
- Fines for automobile violations.
- Lost or stolen tickets, cash or property.
- Travel accident insurance premiums.
- Expenses not directly related to the performance of the travel assignment.
- Personal telephone calls, other than stated above.
- Hotel movie rentals/airline headsets.

2.12 Receipts

Original receipts should be submitted with travel expense vouchers for all expenditures for which receipts may normally be obtained. These include air and railway tickets, receipted hotel bills, excess baggage tickets, car rental receipts, copies of prepaid official telegrams, and conference or seminar registration fees.

3.0 Special Travel

Travel for such purposes as employment interviews, relocation of newly recruited personnel, field assignments and foreign travel is commonly limited by departmental budgets and/or the terms of contracts and grants. No commitment for reimbursing these and other forms of special travel should be made without first consulting the appropriate department head or laboratory director to ascertain that such reimbursement is authorized.

The following special travel policies are for guidance in the normal operation of the Institute. Similar policies for programs and laboratories with special needs may be approved by the Controller.

3.1 Employment Interview

Prospective employees may be reimbursed, if authorized, for travel expenses incurred in connection with an employment interview in Cambridge or elsewhere in accordance with the normal travel policy for employees.

3.2 Moving Expense

In special cases and subject to the department budgetary and contract limitations noted above, newly hired employees may be reimbursed for moving expenses. Generally, the term "moving expenses" means only the reasonable expenses of:

1. Moving household goods and personal effects from the former residence to the new residence.
2. Traveling (including meals and lodging) from the former residence to the new place of residence.

Because of the high priority of the work and time schedules in certain activities of the Institute, it is occasionally necessary to recruit members with unusual qualifications to fill an immediate and specific need and to bring them to the place of permanent employment immediately, before they are able to locate and move into new local residences.

Such staff members may incur unusual relocation expenses such as meals and lodging while occupying temporary quarters in the general location of the new principal place of work during any period of 30 consecutive days after obtaining employment, the cost of living in a hotel or motel until able to move into a new home, travel and subsistence expenses incurred in house hunting, costs associated with vacating prior home, interest differentials in mortgages, etc. These costs are reimbursed on a no-loss, no-gain basis; the nature of the cost and its extent should be discussed with each employee on a case-by-case basis.

Several significant changes in the revenue laws that have modified the tax rules regarding moving expenses are covered in detail in Appendix I.

3.3 Dislocation

Occasionally, individuals are assigned to temporary duty outside the local commuting distance and must, therefore, maintain a local residence in addition to a permanent residence elsewhere. Such individuals who have approved arrangements may be eligible for travel subsistence and related expenses that are referred to as dislocation expenses which must be arranged in advance.

3.4 Field Site Assignment

When a staff member who was initially hired to work in the Cambridge area is assigned to work in an approved field site for assignments of more than 30 days but less than one year, he/she may be eligible for incentive compensation of 20% of his/her monthly salary and for subsistence reimbursement by means of a per diem rate. For assignments, of more than one year (but no more than two years) the staff member may be eligible for incentive compensation of 20% of his/her monthly salary and a subsistence reimbursement by means of a per diem rate or may elect to be reimbursed for his/her moving expense and not be in travel status while at the site.

Changes in the revenue laws that may affect Dislocation or Field Site Assignments are covered in detail in Appendix I.

Approved field sites will be determined, in the case of Lincoln Laboratory, by the Director, and, in the case of campus laboratories, by the project supervisor in consultation with the Director of the Office of Sponsored Programs. The Personnel Office will initiate authorization through the Payroll Office to begin and to end the supplemental compensation.

3.5 Required Extra Commuting

Staff employees, who are not eligible to receive payment for overtime, may be reimbursed to cover transportation and meal expenses incurred when they are required to work on weekends (outside of the normal work week), holidays, or when recalled after a normal day's work, up to the following limits:

Transportation: \$.44 per mile (for travel ending on or before December 31, 2006) or \$.48 per mile (for travel ending on or after January 1, 2007), or the cost of public transportation as used.

Meals: Up to \$10.00 for lunch and up to \$25.00 for dinner.

3.6 Spousal Travel

Usually spouses who accompany MIT employees on business trips do so for personal reasons and at personal expense. On rare occasions, a spouse will have a formal role in an MIT related event. In such circumstances, travel expenses for the spouse can be reimbursed by MIT. Travel reimbursement for spouses must be approved in advance by the appropriate senior officer. Requests for MIT reimbursement for a spouse's travel expenses must be made in writing and should include a clear explanation of how the spouses' presence will be part of the formal MIT-related program.

3.7 Compensation of Hourly Employees When Traveling on Business

Please go to: <http://web.mit.edu/hr/compensation/travel.html>

4.0 Foreign Travel

For purposes of travel expense reimbursement, foreign travel is defined as any travel outside the North American continent, with the exception of Hawaii and U.S. Territories; or, in the case of Sponsored Programs, as defined in the contractual documents.

4.1 Reimbursement

To the extent practicable the policies relating to normal travel also apply to foreign travel, and actual costs are reimbursed to the extent reasonable and necessary. However, due to difference in living costs, the maximum per diem allowance may vary depending upon the country or area visited.

4.2 Approval

Research contracts and grants may require that all foreign travel be approved or authorized in advance by the contracting officer or his/her representative. Authorization received from the technical representative of the sponsor does not authorize reimbursement of costs until confirmed by the contracting representative as well as the appropriate Institute Official.

Some contracts also provide that travel to certain areas be cleared through other channels, such as the State Department.

For these and similar reasons, the Office of Sponsored Programs or the laboratory director should be consulted when foreign travel is contemplated in connection with Sponsored Research work.

5.0 Travel Insurance

The Institute has arranged for a travel accident life insurance policy which gives world-wide coverage to all employees while in travel status and on Institute business excluding commuting and vacation travel. The death or total disability benefit is \$250,000 and lesser benefits are paid for certain partial disabilities.

There are, however, exclusions including, but not limited to, flying as an air crew member and flying in an experimental aircraft.

6.0 Travel Arrangements

The traveler should acquaint him/herself with special services and requirements of the laboratory or department with which he/she is associated. The following sections are for the guidance of the Institute and employees.

6.1 Reservations

When the department or laboratory to which the employee is assigned does not process its own transportation requirements, it is recommended that each traveler arrange for his/her own travel reservations directly with the Institute's travel agencies: **Carlson Wagonlit Travel**, **OT & T Travel**, and **Travel Collaborative**. In order that the agencies' invoices may be processed properly, the account number to be charged should be stated when requesting reservations. Tickets are obtained by the travel agencies and delivered to the traveler's office.

As noted earlier in Section 2.02 the agencies noted above document on each invoice the amount and use of the lowest available fare or provide data to allow segregation of any cost over the lowest available fare. In addition these agencies also provide a monthly cost savings report further documenting the lowest available air fare requirement for federal reimbursement. Travelers using agencies other than those noted above are responsible for providing similar documentation from their agency.

6.2 Cash Advances and Credit Cards

Cash advances in amounts anticipated to cover incidental and out-of-pocket expenses of a trip are available upon completing a properly approved (See 6.05) Travel Advance Request form and sending it to the Travel Office located in NE49-4037. Cash advances should not be requested for use in purchasing tickets. The Institute will not ordinarily give travel advances or prepaid tickets to anyone who has unreported cash advances or tickets more than 30 days old. For the convenience of travelers, advances may be picked up at the Travel Office, Room NE49-4037, or received through Interdepartmental Mail, after the required travel information has been supplied to the Travel Office. Frequent travelers may apply for an Institute paid Diner's Club Charge Card. These charge cards may be used for Institute-related expenses such as auto rentals, lodging, meals and miscellaneous purchases. For information relative to this program please call the Travel Office on Extension 3-2753.

Travel advances in an amount that exceeds the actual expenses of a trip must be returned to MIT when the travel expense voucher is submitted. If this is not done within the timeframe as required by the new tax law changes, the excess monies must be treated as salary. This change is explained in detail in Appendix I.

6.3 Car Rental Agreements

The Institute has negotiated discounted rental agreements with major car rental companies. For information relative to contracted companies, current rates and methods available to rent vehicles, call the Travel Office on 617-253-2753.

6.4 Cancellations and Refunds

It is the responsibility of each traveler to arrange for cancellations if his/her plans change. All unused tickets purchased from the two agencies authorized by the Institute may be returned to those agencies to obtain a refund. Tickets not purchased from those agencies must be returned to the Travel Section.

6.5 Travel Expense Vouchers

All travel expense reimbursement vouchers accompanied by appropriate original receipts (ticket stubs, hotel bills, etc.) should be signed by the traveler and countersigned by the appropriate supervisor or designated individual and submitted to the Travel Section within two weeks after completion of each trip. Those in travel status for prolonged periods, should submit travel expense vouchers each month.

New IRS regulations require submission of Travel Vouchers within a specific period of time upon completion of a trip, and if not submitted within the time frame required by the new law, the entire amount of the trip expenses must be treated as salary. Please see Appendix I for complete details.

6.6 Other Information

Questions concerning travel policy should be directed to the Travel Section in the Controller's Accounting Office at 617-253-2756 and 617-253-3547.

Appendix I. Taxability of Travel and Business Expense Reimbursements

Recent changes in the law have modified the federal tax rules regarding employee business expense reimbursements. These changes include new definitions of certain items and the taxability of items that do not conform to the new definitions.

In several places you will note the statement that a particular item "must be treated as salary". This means that MIT must withhold all appropriate taxes from these payments and include those payments in the employee's compensation, along with the withheld taxes, on the employee's Form W-2. Because these are items that have not been thought of, or treated as, salary in the past, MIT will continue to charge the academic and research accounts under the appropriate expense classification (object code) even though MIT must treat and report the items, to the IRS and Massachusetts Department of Revenue, as salary.

Travel Expense Reimbursements (Including Travel Advances & Pre-Paid Airline Tickets)

New tax rules have a significant effect on our Travel policies and procedures. In order for business travel expense reimbursements to remain tax-free to the employee in the future, the following procedures must be adhered to. The following is a list of the most important items contained within the new regulations:

1. MIT's policy states that an employee must submit a Travel Voucher within 30 days following the completion of a business trip. **That is the policy that MIT continues to require employees to follow.** The IRS regulations require an employee to submit a Travel Voucher within sixty days following the completion of a business trip. If an employee fails to meet the IRS deadline, the entire amount of the expenses incurred by the employee must be treated as salary to the employee. In such a situation, the employee would be entitled to claim an itemized deduction for these expenses when filing his/her federal tax return.
2. If the employee has drawn a travel advance prior to the trip and the advanced amount exceeds the actual expenses the employee must return the excess monies within one hundred twenty days following the completion of the trip. If the employee fails to meet this deadline the excess monies must be treated as salary to the employee and the employer must withhold all appropriate taxes even though the monies must still be returned to MIT. If the employer is forced to treat, and report on the employee's Form W-2, the excess monies as taxable income and the employee returns the excess monies before the end of the calendar year, the employer cannot reverse the entries which resulted in the withholding of taxes and the reporting of the expenses as income. In such a situation, the employee would, however, be entitled to claim an itemized deduction on his/her federal tax return in the year in which the employee actually returns the excess monies.

Employee Travel Status

An employee in travel status, defined in the following paragraphs, may be reimbursed, tax free, for the reasonable costs associated with that travel. Such costs would include, but are not limited to, vehicle (plane, train, car, etc.) costs, lodging expenses such as hotel or rent for temporary housing, meals, tips and conference registration fees to name some of the most common. An employee is considered to be in travel status when he/she is temporarily away from his/her tax home. Therefore, the "travel status" situation may apply to a permanent MIT employee who normally works on campus and who is away from MIT on business. It may also apply to a visiting employee, whose tax home is in another state or another country, who is here at MIT for a period of one year or less (as discussed in the following paragraph). Employees who satisfy the definition of temporary travel status may be reimbursed for reasonable expenses in addition to receiving a salary.

There has been a change in the rule that determines the length of time an employee can be considered to be in "temporary travel status" for the purpose of tax free reimbursements. The old rule stated that an employee could be in travel status for one year and, under certain specific conditions, still be considered to be in travel status during the second year of a travel assignment. The new rule eliminated the "second year" provision and basically states that beyond the one year period an employee is no longer considered to be in travel status but, rather, is considered to have made an indefinite move. The following is a summary of the important issues regarding these new rules:

1. If employment away from home in a single location is realistically expected to last (and does in fact last) for one year or less, the employment move is considered to be temporary and therefore the related costs and expenses are NOT taxable to the employee.
2. If employment away from home in a single location is realistically expected to last for more than one year or there is no realistic expectation that the employment will last for one year or less, the employment move is considered to be indefinite, regardless of whether the move actually exceeds one year. Under this condition, all related costs and expenses are required to be treated as taxable income to the employee and subjected to all appropriate tax withholdings, except to the extent that they qualify for favorable tax treatment as moving expenses (discussed in the next section).
3. If employment away from home in a single location initially is realistically expected to last for one year or less, but at some later date the employment is realistically expected to exceed one year, that employment will be treated as temporary (in the absence of facts and circumstances indicating otherwise) until the date that the taxpayer's realistic expectation changes. Under this condition expenses incurred up to the point that the employee or employer believed the travel arrangement not to exceed one year would be treated as tax free to the employee. From that point forward all expenses would be treated as taxable income to the employee and subject to all appropriate tax withholdings.

Comment: It is interesting to note that under condition #3 relief is granted for the period that the arrangement was expected to last less than one year even though the period of time actually exceeds the one year limit. Conversely, no relief is granted under condition #2 where the arrangement actually does last less than one year because it was not expected to.

Comment: Intent, which, in the absence of documentation, is impossible to measure, plays an important part in determining the taxability of employee travel expense reimbursements.

The payment method used to reimburse the employee or pay employee expenses is not a factor in determining taxability. Both per diem and actual expense arrangements are subject to these rules.

Moving Expenses

Only qualified moving expenses are considered to be tax free. The new rules have reclassified the following reimbursements as no longer qualified moving expenses and, thus, taxable income to the employee:

1. The cost of meals incurred while traveling to the new employment site.
2. Pre-move house hunting expenses (travel, lodging and meals). Comment: In the situation where an individual, after forwarding (tax free) his/her personal belongings, including a vehicle, is reimbursed by the employer for the rental of a vehicle, lodging, subsistence or other expenses before beginning the move to the new employment site, the employer must treat these reimbursements as taxable income to the employee and withhold all appropriate taxes. Such items are not qualified moving expense reimbursements and cannot be treated as tax free reimbursements.
3. Post-move temporary quarters (lodging and meals). Comment: In the situation where an individual arrives at the new employment site before his/her personal belongings are forwarded (tax free) and the employer reimburses the employee for temporary lodging, subsistence, car rental or other expenses until the employee's belongings arrive, the employer must treat these reimbursements as taxable income to the employee and withhold all appropriate taxes. Such items are not qualified moving expenses and cannot be treated as tax free reimbursements.
4. Real estate expenses (commissions, appraisals, attorney's fees, etc)
5. Under current MIT policy, an individual who chooses to drive to his/her new employment location is reimbursed at the rate of \$.48 per mile (starting January 1, 2007) or \$.44 per mile (through December 31, 2006). However, MIT must treat as salary the amount reimbursed for this purpose in excess of \$.20 per mile (starting January 1, 2007) or \$.18 per mile (through December 31, 2006).

Expenses associated with the moving of the employee and his/her spouse and dependents and the employee's household and personal belongings remain tax free, with the exception of the cost of meals. However, even though these items remain tax free, and are not included in the employee's taxable income, MIT is required to report these amounts, if reimbursed by MIT, in a special area on the employee's Form W-2 as informational reporting only.

Also, effective calendar year 1994, the moving expense deduction has been shifted from an itemized deduction on the individual's federal tax return, where it has been treated for about the last four years, back to an "above the line", or direct reduction of gross income. While this change has no effect on the employer it will benefit affected employees by allowing them to reduce their gross income by the amount of their **unreimbursed qualified** moving expenses.

Massachusetts personal income tax law continues to reference the Internal Revenue Code of January 1, 1988. This means that all moving expense reimbursements, including those qualified reimbursements that are excluded from income for federal income tax purposes, ARE treated as taxable income for Massachusetts income tax purposes.

Storage Costs

Storage costs for an employee's personal belongings incurred while the employee is in "temporary travel status" is taxable to the employee and must be treated as salary. Storage costs for an employee's personal belongings stored for more than a year are also taxable and subject to all appropriate tax withholdings unless the employee is working at a foreign field site. A foreign field site is defined as outside the territorial limits of the continental United States. In-transit storage costs, that is, costs incurred as a qualified moving expense remain tax free.

Club Memberships

Dues and membership fees for any kind of private club or organization are taxable to the employee, to the extent that the club or organization is used for personal interests, and must be treated as salary. To the extent that these private clubs or organizations are used for MIT business purposes, they remain tax free. Membership fees or dues in professional organizations continue to remain tax free.