

CASH DISBURSEMENTS – TRAVEL REQUESTS

APPROVAL POLICY:

IN ORDER TO ENSURE THAT TRAVEL IS APPROVED IN AN IMPARTIAL MANNER, TRAVELERS MAY NOT APPROVE THE REIMBURSEMENT OF THEIR OWN TRAVEL EXPENSES. IN ADDITION, AN EMPLOYEE SHALL NOT APPROVE THE TRAVEL EXPENSES OF AN INDIVIDUAL TO WHOM HE OR SHE REPORTS EITHER DIRECTLY OR INDIRECTLY. AN EMPLOYEE ALSO MAY NOT APPROVE THE TRAVEL OF A NEAR RELATIVE.

Procedure:

- ** An itinerary with a brief description of the business activity for each day must be provided along with the DISBURSEMENT REQUEST FORM. If the reimbursement request relates to attending a conference, a copy of the brochure with a note stating the traveler attended the event is acceptable.

- ** If a Travel Advance was issued and the actual expenses exceed the amount of the advance, deduct the amount advanced from the request for reimbursement.

If a Travel Advance was issued and the actual expenses are less than the amount of the advance, remit a check made payable to the USM Foundation along with a completed NON-GIFT DEPOSIT form and all of the documentation required to substantiate the disbursement as noted below.

► Itemization of the expenses:

- ★ **Hotel** – the receipt must be a folio that itemizes the charges. If the charges on the hotel folio are for other than room and tax those items must be identified for and explained separately.

- ★ **Meals** – the Per Diem rate or actual costs (with receipts) may be used for meals.
 - ⇔ **Domestic Travel:** use the U.S. State Department domestic per diem rate <http://aoprals.state.gov>

 - ⇔ **Foreign Travel:** use the U.S. State Department foreign per diem rate <http://aoprals.state.gov>

 - ⇔ **Actual meal expenses:** If billing for actual meal expenses, include a receipt for all meals. Amounts exceeding the per diem rate may be questioned.

 - ⇔ **Meal reimbursements that include others:** The name and affiliation of the other person(s), and the business reason for their inclusion in the expense must be provided.

- ★ **Mileage** – a standard mileage rate must be used when requesting reimbursement for business use of a personal automobile. The rate used is that established by the IRS.

Note: The USM Foundation does NOT reimburse for gasoline purchases unless it is a USM Foundation owned vehicle.

The USM Foundation does NOT reimburse any expenses associated with a university owned vehicle.

- ★ **Airline travel** – submit the boarding passes that verify use of the ticket, even when the cost has been charged through Omega or Travel-On and billed directly to the USM Foundation. Also include the original travel agent invoice or airline invoice that documents the amount paid for the fare, if the purchase was made directly and not through Omega or Travel-On. The ticket passenger receipt is not sufficient documentation.
- ★ **Currency** – convert foreign travel expenses to US dollars using one of the following guidelines:
 - ✧ based on the historical exchange rate on the date incurred or on the date US currency was exchanged for the currency of the foreign country
www.oanda.com/convert/fxhistory
 - ✧ based on the amount posted to your credit card statement, if paid via credit card.
- ★ **Expenses of a spouse** – payment for a spouse who accompanies the employee when traveling is not allowed unless the spouse is an employee and along for a bona fide business purpose. To qualify as a valid business purpose, the spouse's business involvement must meet the tests in the IRS Code and regulations with respect to spousal travel (*See IRS Publication 463*). The IRS rules are such that most spousal travel is not considered to be a bona fide business expense.

Note: Reimbursement for spousal attendance at retreats is NOT allowed.

➤ **Travel in the United States:**

- ✧✧ Trip Primarily for Business: If your trip was primarily for business, the USM Foundation will reimburse the travel cost of getting to and from the business location and any business-related expenses at the business location.
- ✧✧ Trip Primarily for Personal Reasons: If your trip was primarily for personal reasons, none of the travel cost can be reimbursed. However, the USM Foundation can reimburse any expenses that were directly related to the business activity.

➤ **Travel Outside the United States:**

- ✧✧ Travel Entirely for Business or Considered Entirely for Business: The USM Foundation can reimburse all of the travel cost of getting to and from the business location if the trip is entirely for business or considered entirely for business. Travel is considered entirely for business if some of the activity is personal but you meet at least one of the following four exceptions:

- 1) You have no substantial control over arranging the trip. Employees have no substantial control if the travel arrangement is subject to the approval of a supervisor.
- 2) You were outside the United States no more than one week.
- 3) Less than 25% of the time was personal activities.
- 4) You can prove that vacation was not a major consideration for the trip.

✦✦ Travel Primarily for Business: If you cannot meet one of the above four exceptions then the cost of getting to and from the business location must be allocated between business and personal activity and only the business portion can be reimbursed.

✦✦ Trip Primarily for Personal Reasons: If your trip was primarily for personal reasons, none of the travel cost can be reimbursed. However, the USM Foundation can reimburse any expenses that were directly related to the business activity.

For more information (and examples), see IRS publication 463 available at:
<http://www.irs.ustreas.gov/formspubs/index.html>

➤ **Travel Advances:**

A travel advance can be provided for extended trips. Submit the following:

- ✓ a completed Disbursement Request Form
- ✓ a copy of the approved Travel Authorization
- ✓ an explanation of the reason for the advance

☆ A Form 1099 will be issued for the amount of the advance if substantiation is not received within a reasonable period of time. (Per *IRS Reg 1.2-2(g)*, “within 60 days” after the expense was paid or incurred constitutes a reasonable period of time.)

To clear the advance:

If there is a balance due to the traveler, submit a disbursement request with original receipts and approved by the supervisor.

If there is a balance due to the USM Foundation, submit a check payable to USM FOUNDATION with an expense statement accounting for all payments by attaching original receipts and noting supervisor’s approval on the expense statement.

THE USM FOUNDATION HAS THE RIGHT TO REFUSE ANY REQUEST FOR AN ADVANCE THAT IS NOT CONSIDERED REASONABLE OR IS IN VIOLATION OF REGULATIONS GOVERNING 501(C)(3) ORGANIZATIONS, STATE ETHICS LAWS, OR IRS REGULATIONS.

➤ **Travel while at a temporary work location:**

The need for travel while at a temporary work location, though infrequent, does occur. If a person is assigned to a work location outside his home area and that assignment is one year

or less, that person can be reimbursed for many expenses including transportation, meals and housing costs. Please contact the USM Foundation Business office when this occurs.

☆ (*IRS Revenue Ruling 99-7* defines the circumstances which qualify as a temporary work location.)