

2353.1 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- PROJECT / PROGRAM ADVANCES

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APPROVAL: CHIEF PROCUREMENT OFFICER
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PURPOSE

This document describes the limited circumstances under which an individual may obtain travel and entertainment (T&E) related funds to be used in the future for special projects or programs (called a T&E Project / Program Advance) and the related documentation and reconciliation requirements that must be strictly followed.

Documentation and reconciliation requirements and related timelines have been designed to meet IRS Accountable Plan rules (See Policy 2351 for more information). While the rules are too voluminous and complex to detail, the IRS requires an employer to establish and consistently administer an "accountable plan."

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

SCOPE

The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

TRAVELER AND ENTERTAINER RESPONSIBILITY

Travelers and entertainers can request T&E Advances only when circumstances are such that other payment options (See Policy 2352 for more information) are not feasible.

Travelers and entertainers must document in writing the extenuating circumstances that preclude the use of other payment options and obtain approval from the designated approval level. ([click here](#) for the Advance Justification form).

As a general rule, travelers and entertainers should document the business use of any advanced funds and return any excess funds received within ten (10) days of the end date of the business activity.

RESPONSIBILITY OF APPROVERS

The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver when applicable, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of any advance requests to the central processing organization.

POLICY

T&E Project / Program Advances are advances that are issued in conjunction with international projects or programs that are longer than one month in duration and include costs beyond the realm of normal travel and entertainment.

- 1) Examples of such costs would be labor costs, equipment costs and curriculum-related expenses such as excursions, cultural instruction, group meals and lodging. The receipts for project/program costs and the responsibility for ensuring that those monies have been spent in accordance with the guidelines of the program or project rests with the school or center.
- 2) T&E Project / Program Advances will be issued for periods not to exceed three months at a time and under circumstances where other payment options as described in Policy 2352 are not feasible. For example:
 - a. T&E advances cannot be requested for airline tickets which can be obtained through the Penn desk at American Express Travel.
 - b. T&E advances cannot be requested for any expenses that can be charged to the University's Corporate American Express card or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
 - c. In the unusual circumstance whereby the traveler and entertainer is unable to obtain and use an AMEX card or other personal credit cards, the University will advance monies to or make direct payments on behalf of that individual.
- 3) As a general rule T&E advances should not be used for small amounts of personal cash that may be used to pay for taxis, tips, refreshments, gas or other incidentals.
- 4) Travelers who are requesting advances for international projects or programs that cover extended periods of time, must submit detailed documentation that includes a budget based upon the duration and the scope of the project or program and must contain the number, timing and amounts of expected project advances. All advances are required to have an Advance Justification form attached signed by someone at a higher level of organizational responsibility familiar with the activity.
- 5) Project/program managers must provide a quarterly accounting of the funds in order for additional advances to be released. Reconciliations will adhere to the same reconciliation timeline stated below.
- 6) Advances over \$200 must be requested within one month of the date of the trip or event and not less than ten (10) days prior to the trip or event to allow the necessary processing time to issue a check.

- 7) To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all advances should generally be accounted for on a Travel & Entertainment Reimbursement (C-1) form and any excess funds received should be submitted to the central processing organization within ten (10) days of the ending date of the business activity. Absent special circumstances described below, submission should be no later than thirty (30) days after the ending date of the business activity.
- 8) Special circumstances that may require an extended period of time for submitting advance related documentation include
- Extended personal illness
 - Death in the family
 - Unanticipated leave of absence
 - Travel outside the country for an extended period of time if documentation cannot be readily sent to Penn.

Special circumstances must be documented in writing on the Reimbursement Justification form (C-5) and approved by the head of the school or center (or their designated representative).

- 9) Failure to account for a Travel Advance and return any excess funds within one hundred and twenty (120) days will result in the following actions being taken:
- **Unreconciled advances to employees will be treated as taxable income and included on a W-2 form (subject to withholding of employment taxes) or on Form 1042-S (subject to section 1441 withholding).**
 - Unreconciled advances to students will be charged to their bursar bills
 - Denial of any additional advances
 - Other disciplinary and collection action that may be required

[Click here](#) for Chapter 7 in the Procedure Manual. **How to Request a Travel Advance**