
2369 – TRAVEL AND ENTERTAINMENT POLICY – TRAVEL ADVANCES

Responsible Office: Purchasing Services
Approval: Executive Director, Purchasing Services
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PURPOSE

This document describes the limited circumstances under which a traveler may obtain travel and entertainment (T&E) related funds to be used in the future (called a T&E 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 2352 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".

For International Project/Program Advances over extended periods of time, see Policy 2369.1.

SCOPE

This policy applies to faculty, staff, students and postdocs traveling and entertaining or incurring miscellaneous expenses on behalf of the University and seeking a travel advance for these expenses from the University regardless of the funding source.

FACULTY, STAFF, STUDENT, POSTDOC RESPONSIBILITY

Faculty, staff, students and postdocs can request travel advances only for business-related travel when circumstances are such that other payment options (see Policy 2367 for more information) are not feasible. Any advances for non-travel-related or potentially taxable-related activities should be documented and processed through the appropriate payment option, which ensures proper tax reporting.

Faculty, staff, students and postdocs must document in their travel advance request the extenuating circumstances that preclude the use of other payment options and obtain approval at the designated approval level.

As a general rule, recipients of travel advances 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

Approvers perform a critical control function for the University. Collectively, approvers ensure that expense reports processed for payment are complete, appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist individuals, as necessary, with understanding applicable policies and compliance requirements.

Full responsibilities of approvers can be found in Policy #2352.

POLICY HEADER

An advance is the payment of funds to an employee, student or postdoc to be used in the future during authorized travel or entertainment event.

1. Travel advances will be issued only under circumstances where other payment options as described in Policy 2354 are not feasible. For example:
 - a.) Travel advances should not be requested for airline tickets that can be obtained through the direct bill option made available through the Concur-TEM system or through World Travel directly.
 - b.) Travel advances cannot be requested for any expenses that can reasonably be charged to the University's corporate travel card or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
 - c.) When an employee or student is unable to obtain and use a University-sponsored travel card or other personal credit card, the University will advance monies to or make direct payments on behalf of that traveler.
2. As a general rule, travel 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.
3. Travel advance requests must include a brief breakdown of the anticipated expenses and an explanation as to why other payment options cannot be used. All advances are required to have a business justification explanation, and are subject to approval by someone at a higher level of organizational responsibility familiar with the activity.
4. Travel advances must be requested in the Concur-TEM system within one (1) month of the date of the trip or event and not less than ten (10) days prior to the date of the trip or event, to allow the necessary processing time to issue electronic payment.
5. To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all travel advances should be accounted for through the Concur-TEM system, and unused funds received should be returned to the University within ten (10) days of the ending date of the business activity. Absent special circumstances described below, submission should be no later than ten (10) days after the ending date of the business activity.
6. 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; and
- 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 and approved by the head of the School or Center (or a designated representative).

7. Failure to account for a travel advance and return any excess funds within one hundred twenty (120) days will result in the following actions being taken:

- Unreconciled advances to employees will be deducted from the employee's payroll;
- Unrecovered travel advances may 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 travel advances; and/or
- Other disciplinary and collection action that may be required.