

2369.1 – TRAVEL AND ENTERTAINMENT POLICY – PROJECT/PROGRAM 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 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."

SCOPE

This policy applies to all faculty, staff, students, and postdocs traveling and entertaining on behalf of the University and seeking a program advance for related expenses from the University regardless of the funding source.

TRAVELER RESPONSIBILITY

Travelers may request travel advances only when circumstances are such that other payment options (see Policy 2367 for more information) are not feasible.

Travelers must document in writing the extenuating circumstances that preclude the use of other payment options and obtain approval from the designated approval level.

As a general rule, travelers must document the business use of any advanced funds via the Concur-TEM system 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 travel advances are appropriately funded, compliant with policy and are associated with activities that have a valid and necessary business purpose. Designated approvers should assist the employee or student as necessary with understanding applicable policies and compliance requirements.

The Concur-TEM system defines three approver roles for travel advance review and approval. Travel advances must be approved by a minimum of two approvers, and at least one approver must not be a subordinate to the traveler. Schools and Centers may add additional requirements or approvers as needed.

The Concur-TEM system approver roles and corresponding responsibilities are defined as follows:

Default Reviewer

- Ensures the costs are charged to the proper funding source;
- Verifies that appropriate supplemental approval has been assigned where required; and
- Ensures that travel advances are not submitted for further approval until all requirements have been met.

Cost Object (Funding Source) Approver

- Ensures the costs are charged to the proper funding source(s);
- Must have authorization over the funding source(s) being charged;
- Ensures that travel advance is necessary and reasonable;
- Verifies that supplemental approval has been correctly assigned where appropriate; and
- Ensures that travel advance requests are not submitted for further approval until all requirements have been met.

Supplemental Approver

- Further ensures policy compliance, necessity of the travel advance and business purpose. Typically, the Supplemental Approver is at a higher level of organizational responsibility and familiar with the activity on which the reimbursement request is submitted;
- Must review and approve any travel advance that has an aggregate value equal to or greater than \$500;
- Ensures that travel advance will be utilized while conducting authorized University business, and is reasonable and consistent with University policies and the stated business purpose.

POLICY

Travel advances are advances that are issued in conjunction with international projects or programs that are longer than one (1) month in duration and include costs beyond the realm of normal travel and entertainment.

1. Examples of such costs would be 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. Travel advances will be issued for periods generally not to exceed three (3) months at a time and under circumstances where other payment options as described in Policy 2367 are not feasible. For example:
 - a.) Travel advances should not be requested for airline tickets that can be obtained through the Concur-TEM system online booking tool.
 - b.) Travel advances should not be requested for any expenses that can be charged to the University-sponsored travel cards, corporate or other personal credit cards. This includes train tickets, conference registration fees, hotel deposits, meals and other ground transportation options.
 - c.) When an individual 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.
3. 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.
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 on 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 signed business justification explanation and are subject to approval 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 must be requested within one (1) 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 electronic payment.
7. To ensure timely reporting of travel expenses and to comply with the IRS accountable plan rules, all advances should generally be accounted for via the Concur-TEM system, 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 ten (10) 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; 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).

9. Failure to account for a travel advance and return any excess funds within one hundred twenty (120) days may result in the following actions being taken:
 - Employee payroll deduction of unreconciled balances;
 - Unrecovered advances 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; and/or
 - Other disciplinary and collection action as deemed necessary.