

**TULANE UNIVERSITY  
EXPENSE REIMBURSEMENT PROCESSING POLICY**

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**RESPONSIBLE UNIVERSITY OFFICIAL:** SENIOR VICE PRESIDENT FOR OPERATIONS AND CHIEF OPERATING OFFICER

**RESPONSIBLE OFFICE:** CONTROLLER'S OFFICE

**COORDINATING DEPARTMENTS:** ACCOUNTS PAYABLE, FINANCIAL SERVICES, ACCOUNTING, GRANTS AND CONTRACTS ACCOUNTING, OFFICE OF RESEARCH

**ISSUE DATE:** January 18, 2017

**REVISION DATE:**

**EFFECTIVE DATE:** January 18, 2017

**WHO NEEDS TO KNOW THIS POLICY:** ALL UNIVERSITY DEPARTMENTS

### **Purpose of the Policy**

**This policy provides guidelines and responsibilities when an employee has incurred expense on behalf of the university and requests reimbursement**

### **Index**

1. Accountable Plan
2. Expense Reporting Standards
3. Roles and responsibilities within the Expense Reimbursement/Payment Process
4. Expense Report Exceptions
5. Ineligible expenditures
6. Business Associates

### **Policy Statements**

#### **Accountable Plan**

Reimbursements to employees for purchases made with out of pocket funds, or with the Tulane Travel and Entertainment card, are based on the Internal Revenue Service Accountable Plan requirements unless grant requirements are more restrictive. The following are the three requirements for an Accountable Plan.

- There must be a business connection and the expense must be reasonable
- There must be a reasonable accounting for the expense
- All excess advances must be repaid in a reasonable time

Tulane has established standard Expense Report processing requirements to meet the IRS Accountable Plan requirements as set forth in IRS Publication 463. University Approvers are responsible for reviewing Expense Reports for compliance with the requirements. When the requirements are met, the expenditures will be approved, coded as business expense and reimbursed to the employee. If the requirements are not met, the exception will be evaluated on a case-by-case basis by the University's Approvers. Based on the facts and circumstances, the expenditures may be coded as reimbursable business expense, wages to the employee or a personal liability of the employee. An employee may appeal the Approver's decision to the Controller. The decision of the Controller is final.

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### Expense Reporting Standards

- **Eligible expenses:** Only eligible expenses will be reimbursed. Business purpose must be clear for each expense item although clarity may be conveyed within the context of a trip explanation or other business setting.
- **Proper supporting documentation:** See the separate policy statement on supporting documentation on <http://www.tulane.edu/~tams/concur.htm>. Documentation is used to “prove” expenses.
- **Fair and reasonable cost:** An expense that is ordinary and reflects a practical decision to incur the expense on behalf of university business (i.e., the expense is not extreme or excessive).
- **Timely submission:** The expectation is that travel advances and expense reports will be filed monthly or promptly after the conclusion of foreign travel. See separate policy statement on [timely submission](#).

### 1. Roles and responsibilities within the Expense Payment Process defined

- a. **Report preparer:** Employee or Expense Delegate who compiles the expense report of a faculty or staff employee who incurs business expenses. Role is to create the expense report and if necessary notify the Payee or traveler when the report is available for review and submission. Preparers will use system tools that guide toward accurate report completion. The form cannot be advanced without completing certain required fields and a system of flags will warn the preparer that parameters may be outside expectations.
- b. **Payee or traveler:** Faculty or staff employee, acting in an authorized capacity to expense for business purposes from suppliers using out of pocket funds or a Travel and Entertainment Card. The role is to certify that the expenses are
  - a. Acquired with the knowledge of a Tulane official who is authorized to approve such expenses on behalf of the university,
  - b. Received and billed consistent with the authorized terms, and that the
  - c. Transaction is documented accurately, completely and timely in the expense report.

The Payee's requirements for the expense report are

- a. Perform duties assigned by an authorized Tulane purchase approver
- b. Confirm that the expenses are legitimate business expenses for Tulane University
- c. Obtain receipts proving the essential elements of the expense type
- d. Submit properly completed expense report timely
- e. Resolve exceptions.

When multiple employees attend a meeting and the cost is paid out of pocket, the highest ranking employee must pay and submit an expense report for reimbursement. No employee may approve their own expense.

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- c. **Supervisory approver (default approver):** This official is the payee's supervisor (or acts expressly on his/her behalf) in checking the accuracy and completeness of expense documentation to ensure that disbursements to payees are substantiated, supported and correctly coded and make business sense within the context of department operations. The supervisory approver is typically a department head or an express delegate like a department administrator in a large department. When the payee is the department head then this approval will be assigned to the department head's direct supervisor or his/her express delegate. The role is to certify that the expense report was reviewed and complied with payment approval requirements unless explained in the comment section.

The supervisory approver must verify

- a. Timely submission
  - b. Essential elements of expense types
  - c. Proof of essential elements
  - d. General ledger coding
  - e. Exceptions are properly documented and resolved.
- d. **Grants and Contracts Accounting, Sponsored Projects Administration.** Are responsible for reviewing travel and expense reports prior to processing the reimbursement to verify that expenses are allowable, reasonable and ordinary and meet the following criteria:
- a. Information on the expense report is supported by appropriate documentation in accordance with the travel and expense policies.
  - b. Expenses conform to requirements imposed by the Internal Revenue Service.
  - c. Expenses conform to sponsor regulations and conditions for travel charged to sponsored projects.
  - d. Expenses have been reviewed and approved by the appropriate Expense Report Approver.
- e. **Secondary Purchase Approver (cost object/dollar approver).** Division or department management with the authority to control the use of university capital and operating funds in accordance with budget and policy expectations. Generally, these officials include department heads, deans or vice presidents, and senior vice presidents with threshold levels up to \$10,000, up to \$100,000 and over \$100,000, respectively. This role is to certify that the expense report was reviewed and complied with purchase approval requirements unless explained in the comments section. **It is expected that secondary purchase approvals within the context of EXPENSE reimbursement processing will be required at levels beyond the department head only in relatively rare instances.**

Secondary purchase approvers will verify

- a. Business connection/purpose
- b. Business relationship of attendees
- c. Eligible and ineligible expenditures
- d. Budget control
- e. Reasonable and fair cost, without conflicts of interest
- f. Exceptions are properly resolved.

It is understood that department heads will in many cases discharge the role of both supervisory reviewer and purchase reviewer for transactions up to \$10,000.

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- f. **Payment Processor.** Maintain payment documentation and processing systems, post payment transactions to university records and issue checks or ACH bank transfers. The Payment Processor must:
  - g. Validate Payment Approvals
  - h. Test transactions for policy compliance
  - i. Treat/Handle payment exceptions

This role is discharged by personnel in the Accounts Payable Office.

- g. **Long-term assignment of approval roles:**

A Payment, Grant or Purchase Approver may be unable to perform their duties on a long-term basis due to schedule conflicts, time constraints, leave of absence or sabbaticals. In that case, the supervisor of the approver must notify Accounts Payable in writing (e-mail is preferred) with an effective date and recommendation for a suitable replacement. The replacement will not serve as a delegate but instead will have the authority and accountability related to the approver's role. Accordingly, Accounts Payable will evaluate whether the replacement meets internal control requirements and is at a level in the organization with the knowledge and skills to assume approver accountabilities. Accounts Payable will initiate the removal of the existing approver and substitution of the qualified replacement.

- h. **Short-term delegation of approver roles:**

A Supervisory Approver may be unable to perform his /her duties on a short-term basis due to vacation, conference attendance, illness or other schedule conflicts. On a short term basis, the role may be delegated to another departmental official or to an alternate employee in the school or division. If this delegation is not performed, the report record will be routed on an automated basis to the next level of supervision.

It is expressly understood that employees cannot delegate their underlying responsibilities to subordinate employees though they may rely on subordinate employees to temporarily complete certain approval functions. Supervisors are responsible for actions taken by their subordinates.

### **Expense Report Exceptions**

- j. **Untimely submission affidavit**

The IRS Accountable Plan rules (IRS Publication 463) require timely settlement of expense advances (where applicable) and reimbursement.

The following are the rules when an expense report is not submitted within 45 days of the expense. The Payee must complete the [Expense Exception Form](#) and submit with the expense report. Acceptable justifications include foreign travel hardships, emergency medical absences, unexpected non-routine work conflicts or severe weather. The link is: <http://www.tulane.edu/~tams/concur.htm>

The general requirement is that employees with expenses report on them once a month. The Exception Form documents the facts and circumstances for late submittal. In addition it discloses any lost opportunity or additional cost resulting from the late submission. Examples of lost opportunities include grant disallowance, lost purchase price discounts, contract penalties, surcharges or fines. Additional costs may be treated as a personal benefit and not reimbursed if the payee caused the delay. Approvers may accept the exception and submit the report, or reject and return the report to the payee with comments and follow up instructions.

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**k. Inadequate supporting documentation**

The Payee must complete the [Expense Exception Form](#) and submit with the expense report. The Purchase Approver can accept the exception and submit the report, or reject and return the report to the Payee. See supporting documentation policy at <http://www.tulane.edu/~tams/concur.htm>.

**l. Conflict of Interest affidavit**

Payees and Approvers must follow the [Conflict of Interest Policy](#) posted by the Office of General Counsel. It is the responsibility of the Purchase Approver to be aware of any potential conflict of interest within their area. For transactions involving a potential conflict of interest that exceeds \$2,500, contact the Controller to determine if additional documentation is necessary to demonstrate fair value. Conflicts of interest are expressly excluded within a grant or contract where there is an external sponsor.

**Ineligible expenditures**

The following are examples of ineligible expenditures not permitted by policy as ordinary or necessary for the mission of the university. This is not a complete listing of expenses that may be ineligible.

**a. Personal extension of business travel:**

If a traveler extends a business trip to take a vacation, he/she may claim the travel costs as a business reimbursement **as long as no additional costs** are incurred as a result of the extension. Trip and lodging costs that are primarily for personal reasons (such as a vacation) are not allowable and business reimbursement cannot be claimed.

**b. Incidental meeting and travel expenses:**

Expenses associated with incidental meetings at cocktail parties, coffee shops, sporting events, social events, etc. do not qualify as business expenses and are not reimbursable by the university. Tulane will reimburse reasonable tips (15% to 20% for taxis and meals) and incidental expenses (unless covered by per diem). Other tips (bellhop, valet, maid, etc.) are reimbursed as part of the daily per-diem incidentals or actuals not to exceed \$5 per day.

**c. Club dues:**

Country club dues, athletic club dues or clubs operated to provide meals (for example the City Club) and airport lounge memberships are not reimbursable under the Accountable Plan.

**d. Traveler's spouse accompanies a Tulane traveler on a business trip:**

Such expenses are generally not reimbursable unless approved in advance and the business purpose for the spouse's attendance is very clearly documented. Spousal expenses are prohibited under sponsored funding arrangements. Also, the university requires that such costs be expressly approved in advance and in writing by a dean or V.P. in order to be considered for reimbursement.

**e. Not allowed by grant or contract terms:**

The Payee must be aware of exclusions within the specific grant, as well as the Office of Research Administration policies such as [Indirect Cost Recovery](#) and [Unallowable Costs](#). Generally, meeting and travel expenses must be expressly budgeted to be allowed as a direct charge on a grant. Although ineligible under a grant, an expense item might be reimbursed by the department if it otherwise complies with university policy.

**f. Local meals on or off university property for employees:**

Meals provided to employees are not reimbursable unless substantial business discussion or effort is present. The provision of meals by the employer must be for the employer's convenience and the business purpose explanation must include why the meal costs facilitated the business discussion or objectives. Attendees must be documented and the meeting agenda submitted with the expense report. See the policy statement for business meals at <http://www.tulane.edu/~tams/concur.htm>.

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**g. Flowers, gifts or snacks for employees:**

Employees will not be reimbursed for flowers, gifts or snacks purchased for other employees. These costs are considered personal and are not ordinary or necessary for university mission purposes.

**h. Alcoholic beverages:**

Alcoholic beverages are not to be reimbursed except within the context of business entertainment that is sanctioned by a dean or V.P. Alcohol is never permitted for grant transactions unless expressly authorized by the sponsor. Alcohol is not to be reimbursed for any “employee only” meals or events. Again, the approval must be given in advance before the costs are incurred. See the Policy Statement for Business Meals at <http://www.tulane.edu/~tams/concur.htm>.

**i. Employee commuting versus local transportation cost:**

Daily commuting costs to and from work are not reimbursable. Local travel for business purposes that are beyond the daily commute to work can be reimbursed with the approval of the employee’s supervisor. Travel between uptown and downtown campuses and between home and local airports is normally not reimbursed though supervisors may make exceptions to eliminate hardship conditions. Uber may be allowed for local business travel if the service is for a legitimate business purpose (documented) and the premium service is not used.

**j. Business gifts: The University does not make business gifts to vendors.** There are some occasions when students are recognized by way of minor gifts such as gift cards. Such gifts cannot be in recognition of service to the university as the gift would have to be made by way of the payroll office. Gifts made to students by way of the accounts payable function will generally be taxable to the students.

**k. Gifts to Employees/Departing Employees:** University funds cannot be used to make gifts to employees or departing employees.

**l. Donations:** The University does not make donations to other charities unless it is approved in advance by the President.

**m. Moving expenses:** The university is required to report all reimbursements for moving expenses to the Internal Revenue Service. Only reimbursements for qualified moving expenses are excluded from gross income. Additional details can be found at IRS Publication 521.

Moving expense reimbursement, including house hunting costs, should be referred to the payroll section of WFMO for evaluation and payment processing. Additional details can be found at the WFMO moving reimbursements webpage.

**n. Independent contractor/service provider:** The University will not reimburse an employee for out-of-pocket expenses to a non-employee when the expense is covered by contract. The contractor/service provider should submit an invoice for all expenses with work under contract. Employees must not pay these costs directly.

**o. Office supplies, minor equipment and computers:** Only minor purchases of supplies (less than \$100) may be reimbursed. Supplies, minor equipment and computers cannot be purchased directly by employees with the expectation that the university will reimburse the employee. These purchases must be made directly by the university using the Purchasing Requisition/Order and Purchase Card processes. Computers must be purchased with an IT or Purchasing Card from the Technology Connection (on campus computer store).

**p. Home office costs:** The University provides work space. University policy does not allow for the equipping or maintenance of a home office. Such costs are considered for the convenience of the employee, not the employer unless the university expressly sanctions such costs. Only senior officers may authorize such costs and only if the university’s business purpose is clearly documented.

**q. Premium class airfare and upgrades:** University travelers may not travel in the “first class” cabin. Economy plus or business class seating may be purchased if the traveler has approval from the School’s Dean, Chair, Provost Office or Senior Vice President (or their approved delegate), in writing in advance. Upgrades comparable to “EarlyBird Check-In” are considered a personal expense and not reimbursable.

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### Business Associates

The automated expense reimbursement process is only available to employees. A student, recruit or visiting professional are not employees but may have a special association with the university. The following are the procedures for processing business associate expenses.

a. **Student, recruit or guest speaker/panelist**

As a general rule, the university employee supervising the student activity, such as the faculty advisor, should incur business travel or entertainment costs on behalf of these business associates. Those costs are claimed in the expense report under "Business Associate" categories. Any out of pocket cost incurred by the business associate must be pre-approved by the employee supervising the activity. When this occurs, the student associate must submit a paper request for payment or travel reimbursement form that includes proof of the authorization and proper supporting documentation. The non-employee associate must submit an invoice that includes proof of the authorization and proper supporting documentation.

b. **Visiting professional**

A visiting professional is a member of another institution working/teaching temporarily for the university. Tulane reimburses the other institution for the payroll cost of that professional. Any other business expense of the visiting professional may be reimbursed by the contracting department through an invoice from the visiting professional with the proper supporting documentation. The department records the expenses under the "Visiting Professional" categories. If the expenses are for travel, the department should prepay as much as possible using a T&E card (i.e. airfare and hotel).

### Miscellaneous Travel Expenses

a. **Telephone Usage While Traveling**

Actual costs of necessary and reasonable business telephone calls, faxes and computer connections are allowable costs.

b. **Travel to the Airport**

Travelers should use the most economical means of travel to the airport, including parking costs. Shuttle services may provide the most economical costs. Parking costs should not exceed the costs of round trip taxi fare. Excess costs will be denied reimbursement or payment.

c. **Conference or Seminar Registration Fees**

Registration fees may be expensed at the time of registration by making payment on a T&E card or by seeking employee reimbursement. Conference rate hotel rooms may be reserved by calling the university's travel agency.

d. **Internet Access**

Internet access (e.g., hotel and airport), when reasonable and verified necessary for business purposes, is reimbursable. In-flight internet access must be approved in writing by a V.P. or Dean prior to travel. When booking hotels, you may request that internet access is included in your rate. Several airlines may provide free Wi-Fi.

e. **Laundry Expenses for Extended Trips**

Reasonable and necessary laundry and dry cleaning charges will be reimbursed when travel exceeds six or more consecutive nights. The charge must be incurred while traveling.

f. **Global Entry & TSA Pre-Check Expenses**

TSA Pre-Check and the U.S. Customs and Border Protection Global Entry Program application fees are considered a personal expense and are not reimbursable.

g. **Tips and Incidental Expenses**

Tulane will reimburse reasonable tips (15% to 20% for taxis and meals) and incidental expenses (unless covered by per diem). Other tips (bellhop, valet, maid, etc.) are reimbursed as part of

the daily per-diem incidentals or actuals not to exceed \$5 per day.

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**h. Vaccinations**

Expenses for vaccinations required for business travel are reimbursable. Travelers are strongly encouraged to obtain vaccinations through the Tulane Travel Clinic.

**i. Insurance**

Insurance such as life, travel, flight or baggage will not be paid by the university. For other insurance details refer to the Travel Insurance and Risk Management section in the Tulane Travel policy at <http://www.tulane.edu/~tams/concur.htm>.

**j. Parking and Tolls (Rental or Personal Car Expenses)**

All travel-related business tolls and parking charges will be reimbursed with appropriate documentation. Tickets or fines associated with parking or travel violations and charges for vehicle lockouts will not be reimbursed. Business related local parking is an allowable expense.

**k. Purchasing incentives (gift cards) for participants in a university sponsored study arrangement or for student awards.**

To purchase gift cards, the PI or employee responsible for disbursing the gift cards should request an advance through Concur. The employee must contact Accounts Payable and request that an "advance approver" be designated on the employee record in Concur. The employee who receives the advance should purchase the gift cards, document them (make copies) and place them in a safe or lock box in the office, where there is limited access. As the gift cards are distributed, have the recipient sign and date a log sheet or receipt, which proves that they have received the card. Once the cards are distributed, prepare Concur expense report to clear the advance and to charge the grant or gl account. Before submitting the expense report the employee must apply the advance to the expense report. Attached to the expense report should be distribution log sheet(s) or receipts with all of the recipients signatures (proof of distribution). This must be done in a timely manner (within 30 days of the card distribution) to ensure that we are accounting for the expenses in a timely manner and billing the sponsor(s) for the cards that have been used. Therefore, we are being reimbursed for the cards as quickly as possible. This is critical!

Ultimately, the person who receives the advance and purchases the gift cards is responsible for this entire process. Who that person gets to support them administratively is up to the department. Please keep in mind that gift cards are like cash and should be treated with the same security that you would treat a petty cash box in your office. Alternatively, a petty cash fund can be requested for purchasing gift cards for participants in a university sponsored study. The petty cash method is an efficient way to manage the purchase of gift cards for participants in a long term study that will require replenishing of the gift cards over a longer period of time. To request a petty cash fund fill out the Petty Cash Fund Request/Change form and submit it to the VP for Finance and Controller for approval. The form can be accessed on the TAMS Forms website. Once the petty cash fund is established, the petty cash custodian will use the fund to purchase the gift cards, document them (make copies) and place them in a safe or lock box in the office, where there is limited access. As the gift cards are distributed, have the subject sign and date a log sheet, which proves that they have received the card. Once the cards are distributed, prepare the paper Petty Cash Reimbursement Form to charge the grant or gl account and replenish the petty cash fund. The paper Petty Cash Reimbursement Form should be fully approved and submitted to the appropriate Grants Office for approval (if required) and then to Accounts Payable for final processing. Attached to the Petty Cash Reimbursement Form should be distribution log sheet(s) with all of the recipients signatures (proof of distribution) as well as petty cash vouchers for each grant or gl account that is going to be charged. The petty cash custodian will then be issued a petty cash reimbursement check that will be cashed and used to replenish the petty cash fund. The total cash and receipts at any given time should balance back to the petty cash fund total that was approved by the VP for Finance and Controller. The petty cash fund should be balanced by the petty cash custodian on a weekly basis.

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The third option for purchasing gift cards is for an employee to pay for them out of pocket and submit an expense report in Concur for reimbursement after the gift cards are distributed. The backup for this expense report should be the paid receipt from the purchase of the gift cards and log sheets or signed receipts from the card recipients.

**i. Travel Advances**

The university does not issue travel advances for domestic travel. Seek reimbursement on your expense report for out of pocket expenses. For international travel, the university does allow travel advances processed through Concur Expense. Travel advances are allowed students for domestic and international travel, these advance must be processed on the paper travel advance form.

**m. Foreign Visitor Travel**

Payments to foreign visitors or on behalf of foreign visitors may be made only if the visitor enters the U.S. on an appropriate visa. In addition to the documentation required for all travel payments, request for payments to or on behalf of a non-resident must include a signed, approved (by the International Tax Office) Form LA-6, photocopies of the traveler's passport, visa and i-94 card.

**n. Local work related conference**

The University reimburses for meals when the work related function is away from home. IRS publication 463 states the following requirements for qualifying for away from home status:

You are traveling away from home if:

- Your duties require you to be away from the general area of your home substantially longer than an ordinary day's work, and
- You need to sleep or rest to meet the demands of your work while away from home. This rest requirement is not satisfied by merely napping in your car. Your relief from duty must be long enough to get necessary sleep or rest.