

Revised January 18, 2017

TULANE UNIVERSITY POLICIES AND PROCEDURES FOR PURCHASING AND EXPENSE REIMBURSEMENT

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**TULANE UNIVERSITY
Purchasing Authority Policy**

RESPONSIBLE UNIVERSITY OFFICIAL:	SENIOR VICE PRESIDENT FOR OPERATIONS AND CHIEF FINANCIAL OFFICER
RESPONSIBLE OFFICE:	CONTROLLER'S OFFICE
COORDINATING DEPARTMENTS:	MATERIALS MANAGEMENT, ACCOUNTS PAYABLE, FINANCIAL SERVICES, GRANTS AND CONTRACTS ACCOUNTING, OFFICE OF RESEARCH ADMINISTRATION
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 establishes purchasing authority and responsibility for obtaining goods and services. Purchasing authority is the ability to incur expenses on behalf of Tulane University.

Policy Statements

1. All employees must take reasonable steps to obtain the best price, quality and delivery terms for any purchase commitments of university resources.
2. The Materials Management Office (MMO) is responsible for executing the university's orders for supplies, equipment, maintenance contracts and many services. That office is charged with obtaining the best prices and other terms that are available. MMO works with the ordering department to bid specifications where appropriate. That office maintains contracts to obtain the best price possible for significant purchases of commodities and other items.
3. Authorization to commit university resources rests with its officers. The Board of Administrators delegated purchasing authority to the President as necessary to support the mission, goals and objectives of the university. No other person has the authority to authorize an obligation on behalf of the university except as described in this policy.

Authorization/Approval thresholds: The President and Senior Vice Presidents have purchasing or contracting authority for commitments of \$100,000 and above. The purchasing authority for commitments up to \$100,000 is set forth as follows: Division Head up to \$100,000, Department Head up to \$10,000.

4. Division Heads: Division Heads include Vice Presidents and Deans. Certain employees with roles such as Assistant or Associate Vice President may be defined as a Division Head for these purposes
5. Excluded transactions: Certain transactions are excluded from Division and Department Head authority. Such exclusions include real estate acquisitions, modifications to fixed property, vehicle purchases and legal services. These transactions will be approved by the President, Senior Vice President for Operations/CFO, or the General Counsel as applicable.

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Purchasing Authority

6. Existing supply/service contracts: If the university maintains one or more contracts for the provision of supplies/services, it is expected that purchases will be made under such contracts unless a compelling reason for accessing alternate sources can be documented.
7. Structuring purchase commitments into multiple transactions to circumvent purchasing authority threshold limits is prohibited.
8. No personal benefit: Regardless of the amount, no employee can request or approve a purchase that results in a personal benefit accruing to such employee. The supervisor of the highest-level employee involved in a purchase must approve that expense reimbursement. For example, a dean, department head and faculty member have a business meeting over lunch. The correct procedure is for the dean to pay the restaurant and submit an employee reimbursement request for vice president approval. The incorrect procedure would be if the department head pays the restaurant, submits the expense request to the dean, who approves the request without the vice president's approval. The Dean cannot approve his own expenses. This restriction also applies to transactions with departmental Purchasing or Travel + Entertainment cards. The cardholder cannot make a purchase for his/her supervisor because the supervisor approves the cardholder's expenses. University resources are only for official university purchases. Under no circumstances may university funds be used for personal expenditures and/or personal benefit.
9. Purchasing compliance: Employees with purchasing authority have an obligation to stay current in their knowledge of, and act in compliance with policies, laws, regulations, contract terms, grants and donor restrictions applicable to purchases made in their operating units or areas.
10. Sales Tax Exemption: Purchases directly for the university are exempt from Louisiana and local sales and use tax. Use all reasonable steps to avoid paying such taxes. Other states also grant tax exemption. The exemption documentation is available at the Materials Management Office website.
11. Reporting Fraud, Waste, Abuse: Employees are responsible for reporting matters that could negatively affect the university. If the matter: appears dishonest, fraudulent or unethical or violates or may violate established university policy, local, state or federal law. Employees can report the matter directly to the Internal Audit Department by calling the Hotline number at 314.CALL (2255) or through the Internal Audit website.
12. Payment of authorized, approved transactions: The accounts payable office is responsible for payment of invoices that have been processed under: university purchase orders, purchasing card arrangements, corporate card arrangements, travel and entertainment reimbursements, and for invoices that have been processed directly by departments.
13. Minimum specifications: It is understood that these are the minimum specifications concerning purchasing authority. Should a department or officer wish to extend more restrictive requirements, the university will use its resources to support such restrictions to the extent that it is practical to do so.

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Purchasing Authority

Purchasing and Payment Methods

1. For purchases up to \$2,500, the purchasing card is the preferred method. The purchasing card program streamlines administrative efforts and maximizes negotiated discounts. Refer to the Purchasing Card website for policies and procedures that apply to use of the card.
2. Petty cash funds may be used to settle individual transactions with transaction value of up to \$100. Such funds may be established through the Controller's Office.
3. For material, supplies, and equipment purchases and payments of certain recurring services that are over \$2,500, a purchase requisition submitted to the Materials Management Office is the required method. A purchase requisition is required for all equipment purchases greater than \$2,500. Computers must be purchased with an IT or Purchasing Card from the Tulane Technology Connection (the one campus computer store).
4. For Travel and Entertainment expenses, the Tulane Travel and Entertainment card is the preferred method. Refer to the Travel and Entertainment policy for further details.
5. All employee reimbursements or advances must comply with the Internal Revenue Service Accountable Plan requirements. Compliance allows the university to exclude the reimbursement from an employee's taxable earnings; protect the tax-exempt status of the university and minimize the risk for penalties and fines levied on those who benefit from or authorize purchases that might provide personal benefit.
6. Payment for consulting, other services and other incidental items that are not under a purchase order may be requested through an automated process (Concur) that features appropriate approval workflow. The actual ordering authority rests with management of the originating department, as described above.

Applicability

This policy applies to all purchases and commitments incurred on behalf of the university. Employees who make an unauthorized purchase or approve an improper purchase may lose their purchasing authority, face administrative disciplinary action including termination of employment and be held personally liable for any costs incurred. A purchase involving university funds for personal benefit could result in fines and penalties imposed by the Internal Revenue Service on employees who benefit, authorize and/or approve such purchases.

Definitions

Division Head is an academic or administrative officer of the university as defined by the President. This includes Deans, Vice-Presidents and Executive Directors.

Department Head is an employee who reports directly to a Division Head.

**TULANE UNIVERSITY
EXPENSE REIMBURSEMENT PROCESSING**

RESPONSIBLE UNIVERSITY OFFICIAL:	SENIOR VICE PRESIDENT FOR OPERATIONS AND CHIEF FINANCIAL 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
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Purpose of the Policy

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

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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

1. 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

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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.

2. 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 within this policy. Documentation is used to "prove" expenses.
- **Fair and reasonable cost:** An expense that is ordinary and reflects a practical decision to incur the travel 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](#).

3. 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 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 who acquires goods and services for business purposes from suppliers using out of pocket funds or a Travel and Entertainment Card. The role is to certify that the goods/services are
 - a. Acquired with the knowledge of a Tulane official who is authorized to approve such purchases 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 delivery of goods and services for Tulane use
- 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 purchase 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 done by 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. 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.

4. Expense Report Exceptions

- a. **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.

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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.

b. 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 within this policy.

c. 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.

5. 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.

TULANE UNIVERSITY EXPENSE REIMBURSEMENT PROCESSING

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.

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. Again, the approval must be given in advance before the costs are incurred.

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

Local travel for business purposes that is 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. Generally, Uber/taxi services may not be used for trips over 50 miles.

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 expenses 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

TULANE UNIVERSITY EXPENSE REIMBURSEMENT PROCESSING

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.

6. 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 their 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).

7. 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.

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 this policy.

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.

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.

l. 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 advances 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.

**TULANE UNIVERSITY
POLICY ON SUPPORTING DOCUMENTATION FOR PAYMENTS TO SUPPLIERS AND
REIMBURSEMENT OF EXPENSES**

RESPONSIBLE UNIVERSITY OFFICIAL:	SENIOR VICE PRESIDENT FOR OPERATIONS AND CHIEF FINANCIAL OFFICER
RESPONSIBLE OFFICE:	CONTROLLER'S OFFICE
COORDINATING DEPARTMENTS:	ACCOUNTS PAYABLE, ACCOUNTING, FINANCIAL SERVICES, GRANTS AND CONTRACTS ACCOUNTING, OFFICE OF RESEARCH ADMINISTRATION
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Purpose of the Policy

This policy provides guidelines and responsibilities for documenting all expenditures incurred on behalf of Tulane University. The university pays or reimburses expenses that have appropriate documentation that includes all essential elements.

Policy Statements

Original itemized vendor receipts, photos of those receipts or invoices must be attached to all payment or reimbursement requests. Receipt or invoice essential elements must include:

- Vendor name and address
- Date(s) of charge/service
- Amount
- Description of each charge/service

To be an invoice, the document should have the word "invoice," a unique invoice number and date. Other documents, such as packing slips, quotes, and statements are not invoices and generally cannot be the only supporting documentation. While packing slips can be used to prove "delivery" the university does not generally base payments to vendors based on packing slips, quotes or statements. In addition to the vendor documentation, the employee must document the business purpose of the expense unless it is evident from the vendor documentation.

Generally, the university requires a payment confirmation to prove air travel, e-receipts through Concur are acceptable. Travel can otherwise be proved but these documents provide the best evidence.

The university requires that itemized hotel or other housing related invoices be submitted with expense reports, e-receipts through Concur are acceptable.

TULANE UNIVERSITY
POLICY ON SUPPORTING DOCUMENTATION FOR PAYMENTS TO SUPPLIERS AND
REIMBURSEMENT OF EXPENSES

The university requires that detailed restaurant or meal receipts be submitted with expense reports. Credit card payment documents are sufficient if the essential elements as described previously are included.

If payments are being made on the basis of progress against a contractual amount, it is expected that the reviewer will not approve an invoice for payment unless he/she has obtained a satisfactory understanding that the work has been completed and accepted. Specialists such as architects, construction managers, etc. may be necessary to provide the assurance.

Travel, business meetings or entertainment require additional information, regardless of the reimbursement method. The additional elements include business purpose, name of attendees and business relationship of attendees. The staff and faculty handbooks support the use of per diem arrangements for out of town travelers but employees still have to “prove” the expenses. Expenses can be proved by providing documentation like hotel bills, itineraries, etc. See the attached worksheet that provides basis for providing proof in lieu of receipts.

Mileage is reimbursed at the federal rates in effect at the time the expenses are incurred or at alternative rates required by contractual arrangements. Concur has the ability to calculate mileage using Google maps and should be used.

If an itemized paid receipt is not available and the amount is over \$75, it is expected that a missing receipt affidavit will be completed and filed with the expense report. For IRS compliance, individuals must submit original itemized receipts for reimbursement. A missing receipt affidavit (MRA) should be submitted in lieu of missing receipts excluding Lodging, Airfare, Travel Meals, and Rental Cars. Federal Meal per diem rates must be used for all travel meals claimed on this report in lieu of the MRA for missing travel meal receipts. Once the copy of the receipt is obtained the receipt can be uploaded to the expense report and the MRA can be deleted from the report. Essential business elements (Who, What, When and Where) must be included in the comment section of the transaction. The MRA is to be used as an exception and not the rule.

If gift cards are used as patient study incentives or for similar reasons, it is understood that it is incumbent on the department to maintain appropriate control over these items and that the documentation be provided or maintained

All employee reimbursements or advances must comply with the Internal Revenue Service Accountable Plan requirements. Compliance allows the university to exclude the reimbursement from an employee’s taxable earnings; protect the tax-exempt status and minimize the risk for penalties and fines levied on those who benefit from or authorize purchases that might provide private benefit. Refer to IRS publication 463 for further details.

Applicability

This policy applies to all individuals making purchases or commitments on behalf of the university. Employees consistently not providing proper supporting documentation may face administrative disciplinary action including termination of employment and be held personally liable for any costs incurred. A purchase involving university funds for private benefit could also result in fines and penalties imposed by the Internal Revenue Service on employees who benefit, authorize and/or approve such purchases.

**TULANE UNIVERSITY
EXPENSE REIMBURSEMENT EXCEPTION PROCESSING**

Tulane University Expense Exception Processing Form.

What to do if receipts aren't available	
INADEQUATE SUBSTANTIATION OF ESSENTIAL EXPENSE ELEMENTS	POSSIBLE RECEIPT ALTERNATIVES
I am <u>unable</u> to provide a receipt proving the essential element(s) of an expense type meeting the conditions below: Check all that apply.	
<input type="checkbox"/> The expense type is meals, or meals and incidentals.	Claim federal per diems rather than actual costs. No receipt is necessary if you can identify the essential elements.
<input type="checkbox"/> The expense type is not lodging/airfare and the cost/amount is less than \$75. These will include tips, entertainment meals and other minor costs	No receipt is necessary if you can identify the essential elements.
<input type="checkbox"/> The expense type is transportation (and under \$75) and a receipt was not readily available from the supplier/vendor (such as taxi, etc.)	No receipt is necessary if you can identify the essential elements.
2A. I am <u>unable</u> to provide a receipt proving the essential element(s) below for an expense type that does not meet the conditions listed in (1): Check all that apply.	
<input type="checkbox"/> Amount/Cost	Other direct evidence may be substituted.
<input type="checkbox"/> Name of the Vendor/Supplier	Other direct evidence may be substituted.
<input type="checkbox"/> Place/Address	Other direct evidence may be substituted.
<input type="checkbox"/> Time/Date(s)	Other direct evidence may be substituted.
<input type="checkbox"/> Number of Attendees	Other direct evidence may be substituted.
<input type="checkbox"/> Business Purpose	Circumstantial evidence may be substituted.
<input type="checkbox"/> Business Relationship of Attendees	Circumstantial evid can be added

**TULANE UNIVERSITY
EXPENSE REIMBURSEMENT EXCEPTION PROCESSING**

<p>2B. I am able to provide other direct or circumstantial proof of the essential element(s) of the expense type to supplement inadequate receipts: Check all that apply.</p>		
	Other direct evidence	Written statements from you and other witnesses or guests setting forth specific details of the elements can supplement incomplete receipts.
	Circumstantial evidence	A written statement from you setting forth specific details of the element may supplement incomplete receipts if the element is clear from the surrounding circumstances, such as the nature of your work or job position. The degree of proof varies according to the circumstances in each case.
<p>3. Exceptional circumstances exist as described below preventing use of the receipt alternatives listed in (1) – (2): Check any that apply.</p>		
	No receipt was available from or provided by the supplier/vendor because of the nature of the situation in which an expense was made.	Complete missing receipt affidavit (MRA) or claim per diem for travel meals.
	The receipt was destroyed and cannot be replaced due to reasons beyond my control such as a flood, fire, hurricane or other casualty.	Complete missing receipt affidavit (MRA) or claim per diem for travel meals.

**TULANE UNIVERSITY
EXPENSE REIMBURSEMENT EXCEPTION PROCESSING**

<p>4. I am unable to prove the essential element(s) of the expense type by any of the means described in (1) – (3) yet I spent out of pocket funds or incurred T&E credit charges on behalf of Tulane University. Check all that apply.</p>		
	<p>The expense was authorized in advance by a Purchase Approver but I lost the receipts and/or did not file my Expense Report timely for reasons I can explain and justify.</p>	<p>If the Purchase Approver certifies these circumstances, you may be reimbursed as income included in your W-2 wages.</p>
	<p>The expense was not authorized in advance by a Purchase Approver.</p>	<p>You are liable for these costs because they were not incurred consistent with Tulane purchase or payment policies.</p>