



## Procurement/Disbursement Policy & Procedure

**Policy and Procedure:** Expense Reimbursement  
**Effective Date:** 7/1/2014

**PURPOSE:** To ensure that cash is disbursed only upon proper authorization supported by the appropriate documentation and for valid business purpose in accordance with the IRS Accountable plan and is properly recorded.

**REIMBURSEMENT POLICY:** All reimbursements must comply with APU's Travel and Business Expense Policy. This policy and procedure is intended for University-wide use. However, if an individual department elects to institute a more restrictive policy for purposes of budgetary control, the Business Office will support that policy and will work with the organizational unit to enforce it.

APU provides a policy and procedure for employees who undertake travel and incur business expenses on behalf of the University. The basic intent of the policy is to ensure that individuals traveling on University business do not lose personal funds nor individuals who incur non-business related business expenses neither gain personal funds. Travel and business related expenses are to be allocated and expended within established budgetary limitations. Travelers are not to make commitments to travel or to incur business expenses without first obtaining the appropriate approvals.

Accounts Payable performs the following audit to monitor expenditures and ensure compliance to IRS Accountable Plan guidelines and proper recording to the general ledger

- Meals are to have the business purpose and the names of the persons in attendance listed.
- Moving expenses should be noted clearly for Payroll department special processing.
- Partial reimbursements are okay if approved by supervisor. Some faculty only receive a portion of the costs for travel reimbursed from the university.
- Computer software and hardware should not be included on expense reimbursements unless approved by IMT.

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- Cash gifts given to employees over \$100 should be reported to Payroll by giving them a copy of the expense report that must include the name and social security number for the recipient. This includes cash and gift certificates.
  - Furniture should not be included on expense reimbursements. These items should be approved by the Purchasing Manager of furnishings in Facilities Management.
  - Annual fees for credit cards are not reimbursable nor are annual memberships to airline clubs, wholesale stores, etc.

#### **REIMBURSEMENT TIMELINES:**

- ✓ Deadlines for submission to the business office is 10 days prior to the employee's next scheduled payday.
- ✓ If the employee has direct deposit for wages then the expense reimbursement will also go through direct deposit.
- ✓ For non-employees Accounts Payable issues check in the next available accounts payable check run.

**NON-EMPLOYEE EXPENSE REIMBURSEMENTS:** Payroll Office verifies each expense reimbursement submitted as an employee. If the person is not an employee, the form is then given to Accounts Payable for payment.

#### **PROCEDURES**

##### Employee

- ✓ Completes Expense report
- ✓ Obtains Supervisor Approval
- ✓ Submits expense report to Accounts Payable for Processing

##### Accounts Payable

- ✓ Stamp with date received.
- ✓ Performs daily audits of expense reports based on the following guidelines:
  - ❖ Reports must include original receipts attached. Verify receipts match written report in dollar amounts.
  - ❖ Description of purchase should be clear as to what type of business expense and should include names of persons at meals.
  - ❖ Verify mileage amount. APU follows the IRS guidelines for mileage reimbursement. If mileage is claimed, then gasoline is not to be reimbursed.
  - ❖ Using your best judgment verify that expenses are legitimate business expenses in accordance with the APU Travel and Business Expense Policy.
  - ❖ Sales/Use Tax: verify Purchases made from a company located outside California are subject to California Use Tax just as direct payment for

invoices from vendors outside of California are reviewed in accounts payable. Procedures are as follows:

- ❖ Review receipts for vendor name and address information to determine if out of state. This includes on-line internet purchases. Contact department, if necessary, for additional information.
  - ❖ If purchase is from an out-of-state vendor and the product is delivered to California and is used at APU, the university is liable for the Los Angeles County tax rate or the regional center rate as applicable on any product purchases. Procedure is as follows:
    - i. Keep report separate for tax review
    - ii. Items will be added to an Excel list for use by the Tax & Compliance Accountant (may be completed by intern)
  - ❖ Verify supervisor's approval.
  - ❖ Check dollar totals.
  - ❖ Verify that the person does not have any outstanding cash advances
  - ❖ If this is a report for a cash advance, follow cash advance procedures and audit as usual.
  - ❖ If a donation is given via expense report, initial and include on donation report given to AP for processing each month.
- ✓ Prepare a "tape total" for each account number charged on each expense report. This is only needed if multiple accounts are charged.
  - ✓ Accounts Payable prepares vouchers for Payroll through PeopleSoft to generate a file for import to Payforce according to the payroll deadlines.

#### Payroll

- ✓ Uploads file generated by PeopleSoft to create earnings on paycheck.
- ✓ Payment is generated as part of the payroll check distribution through ADP