




THE UNIVERSITY of
ALABAMA SYSTEM

*The University of Alabama
The University of Alabama at Birmingham
The University of Alabama in Huntsville*

STAN ACKER
Director of Financial Operations

Inter – Office Memo

TO: System Office Staff

FROM: Stan Acker 

DATE: June 1, 2016

RE: New Expenditure Policy for System Office

Please see the attached copy of our revised expenditure policy that will be effective June 1, 2016. For the most part, this is simply a detail written policy guide that formalizes the expenditure practices we have followed for some time.

We have attempted to make the policy comprehensive, but please realize that no policy such as this can anticipate all possible future circumstances. We will address any specific issues not documented here individually as needed.

Please call me directly if you have any questions on this policy or if I can be of other assistance to you.

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UNIVERSITY OF ALABAMA SYSTEM OFFICE GUIDELINES FOR EXPENDITURES & REIMBURSEMENTS

These guidelines were developed to assist The University of Alabama System (System) employees in determining proper expenditures for accounts. As a public institution, the System is responsible for the proper use of public funds, and as such all accounting records are reviewed annually by the State Examiners of Public Accounts. Circumstances and differences in responsibilities may dictate very limited exceptions, and in those instances, care should be used to safeguard against the misuse of public funds. At all times, all expenditures should be reasonable in amount.

Authorization

1. All expenditure requests must be approved by the person who is designated as the Responsible Person (or his/her designee) for the account making the reimbursement.
2. The responsible person shall have the discretion to allocate, or reallocate when appropriate, reimbursement from department funds or foundation funds.
3. All requests shall be subject to periodic review by the Vice Chancellor of Finance and Administration (or his/her designee) and the State Examiner of Public Accounts.
4. If upon review any expense or reimbursement is found to be in violation of this policy, the reimbursement shall promptly be repaid by the submitter prior to the next payroll period (in the case of an individual) or by use of private unrestricted funds (in the case of a department).

Documentation Requirements

1. In order to justify proper use of System funds, it is important to have sufficient information on file regarding each expenditure.
2. Documentation should be submitted within (60) days of incurring the expense.
3. Documentation shall include:
 - a. the receipts/invoices to support the request for payment
 - b. a full description of the goods or services,
 - c. the business purpose of the expenditure, and
 - d. proper authorization.
4. Proper documentation for meals and entertainment should also include
 - a. the date, time, and place of the meeting,
 - b. the identification of all attendees, and a
 - c. statement regarding the System purpose of the meeting.
5. Employees requesting reimbursement for items purchased for the System or its office(s) with personal funds should submit as documentation the register receipt or vendor invoice marked "Paid."

Double Dipping Prohibited

1. An employee who submits for reimbursement for actual expenses shall not later claim a state allowance for the same reimbursement.
2. Employees performing consulting or other individual services for which the System does not directly receive the income or benefit should not process travel forms or other requisitions associated with those services.

Dues, Memberships, and Professional Certifications

1. Requests for payment of dues, membership fees (individual and institutional), and professional certifications must be approved by the person responsible for the account (or his/her designee).

2. The organization or professional certification must provide service related to the duties and responsibilities of the System employee.
3. Personal memberships cannot be paid from System funds.
4. For further clarification regarding whether specific memberships can appropriately be paid from System funds, contact the Office of Financial Affairs.

Entertainment

1. See requirements for "documentation" under that section.
2. The System must receive a direct benefit for entertainment.

Entertainment - Family / Friends

1. Costs associated with an employee's family/friends are not reimbursable entertainment expenses, without prior approval and justification.
2. If the guest's family members/friends are present during the entertainment occasion, the cost for an employee's family/friends may be a legitimate entertainment expense, within reason.

**All entertainment reimbursements must be paid from private unrestricted foundation funds.*

Gifts

1. In limited circumstances, State funds may be used to purchase appreciation gifts, Christmas cards, retirement cards, plaques and awards.
2. Such purchases must be in the best interest of the System and promote those purposes for which the System was created.
3. Written pre-approval from the Office of Financial Affairs is required prior to making any gift expenditure that exceeds, individually or in aggregate, \$100, or reimbursement will be denied.

Individual Services / Independent Contractors

1. An individual is defined as an independent contractor of the System if the System has the right to control or direct only the result of the work and not the means and methods of accomplishing the result. The following traits, while not all-inclusive, are indicators of independent contractor status:
 - a. Sets own order and sequence of work
 - b. Sets own hours
 - c. Works for other employers
 - d. Receives compensation by the job rather than by the hour, day, week, etc.
 - e. Offers services to the general public
 - f. Has opportunity for profit or loss
 - g. Furnishes own tools
 - h. Has substantial investment in facilities
 - i. Operates under contract agreement between company and individual
2. Requests for payment for an independent contractor (1099 services) should be submitted after the service has been provided.
3. Requisitions should preferably be supported by an original invoice/bill for services rendered.
4. A completed IRS form W-9 is required for all payments to individuals, regardless of the type of payment.

Items

1. Items purchased or reimbursed by the System are the property of the System. This includes equipment, supplies, books, office décor, etc.

2. Unless issued directly from the System, an employee's cellular communication device, including tablets and cell phones, is not property of the System, but is subject to the System's "Policy on Communication Device Supplements and Cellular Telephone Use."

Meals/Refreshments

1. Meals and refreshments are eligible expenditures only when served incidental to a structured meeting.
2. The primary purpose of the meeting must be directly related to System business.
3. Alcohol may not be reimbursed with State funds.
4. Meetings must be between System employees, University employees, and/or (current or proposed) agents or contractors. Requisition requests for any meal or refreshment that includes any other individuals are specifically disallowed unless they may be considered "entertainment" (see separate section of guidelines).
5. From time to time, there may be special circumstances when an employee is required to attend training sessions or seminars, or is unable to leave work due to preparation for large-scale events or abnormal incidents, or has been specially assigned to assist in on-going natural disaster situations or emergencies. In those special cases, the System may reimburse the cost of meals or may elect to pay the third party providing the service directly. Any payments or reimbursements made in accordance with this provision shall be limited to the amounts allowable to the individual employee for in-state travel.
6. When employees attend events or conferences that provide meals, employees may not seek reimbursement for separate meals eaten in lieu of the provided meal.
7. Any meal or function held in conjunction with a conference or other event attended by the employee will be reimbursed.
8. See "documentation" section for special requirements for meals.

Moving

1. The Internal Revenue Service and the Alabama Department of Revenue require that System employee moving expenses be reported by the System as taxable income to the employee in the year paid.
2. Such moving expenses will be reported to the governmental entities as taxable income on a separate W-2.

Retreats for Faculty / Staff

1. Transportation, lodging, meals, and other travel costs associated with faculty/staff retreats are considered employee travel expenses. Therefore, if they are held within the State of Alabama, they are subject to the State per diem regulations.
2. For retreats held within the State of Alabama, all lodging and meal reimbursement requests should be submitted together for review.
3. Class materials and the fee for a conference room to hold classes would not be subject to the per diem limits.
4. Travel costs associated with retreats held outside the State of Alabama are considered to be employee travel expenses, subject to System travel policies for out-of-state travel.
5. A complete listing of all participants and guests attending the retreat and an agenda should be provided as documentation for group expenditures.

Subscriptions

1. Subscriptions to journals and periodicals can be paid from System funds provided the following requirements are met.
2. The contents of the publication must be closely related to the duties and responsibilities of the employee.
3. Information derived from reading the publication must enhance the employee's job-related abilities.
4. The cost to subscribe to the publication must be reasonable.

5. Requests for payment of subscriptions must be approved by the person responsible for the account (or his or her designee).

Tips

1. Board of Trustees' Travel Guidelines state that gratuities for waiters/waitresses, taxi drivers, and/or room maids may be reimbursed.
2. Tips must be reasonable and necessary.

Travel - General

1. Travel vouchers should be timely, accurate, reasonable, and cover only expenses actually incurred by the traveler in the interest of the System.
2. All documentation required for travel expenditures should be original or scanned images of the original. If such documentation is not available, a written explanation must be provided.
3. The traveler must sign the "Signature of Traveler" line of the travel voucher, certifying the conditions and terms of reimbursement.
4. A traveler should never be reimbursed by the System and by another organization for the same travel expenditure.
5. In general, the expenses of an employee's spouse and family are not reimbursable.
6. Signed travel vouchers should be forwarded to the Office of Financial Affairs for payment.
7. In-state and out-of-state travel expense forms are available from the Office of Financial Affairs.
8. Only business phone calls can be paid for by the System. Personal calls included on the hotel bill should not be included on the travel reimbursement request.
9. The System may reimburse the traveler for conference registration fees when the receipt is submitted with the travel voucher.
10. Reasonable expense for baggage handling services is allowable for delivery to or from a common carrier and delivery to or from a lodging accommodation.
11. With regard to reimbursement for Trustee travel expenses that are incurred in conjunction with their official service to the System, such expenses shall be reimbursed in accordance with this policy for employee travel.
12. Individuals are strongly encouraged to utilize departmental procurement cards in advance for conference registration fees, airline tickets, hotel reservations, etc.

Travel – In-state

1. Reimbursement for official UAS travel within the State of Alabama is governed by State regulations and the Rules established by the Board of Trustees that authorize a per diem allowance for meals and lodging.
2. The per diem allowance is determined by the Governor of the State and is subject to change.
3. Employees will be classified as in-state travelers when they travel outside the base area (the base area is defined as the metropolitan area in which the employee's office is located) and will be entitled to the authorized meal or per diem allowance as provided for herein. Daily meal allowances are taxable income and subject to withholdings.
4. For in-state travel, no travel allowance shall be paid for a trip of less than six hours. For a trip of six hours and up to twelve hours, the traveler is entitled to a meal allowance of \$11.25. If the trip exceeds twelve hours but does not involve an overnight stay, the traveler is entitled to an allowance of \$30.00, which represents one meal allowance and one fourth per diem allowance. Note however, that an employee may not seek payment of a meal allowance where a meal was been made available to him or her as part of an event, conference or seminar.
5. For in-state travel where an overnight stay is required, a per diem allowance for each full day or fraction thereof shall be paid for meals and lodging. The maximum per diem per day is \$75.00, but is subject to adjustment by the Alabama state legislature.

6. Funding sources other than state or operational funds may be used to pay the difference between the actual reasonable costs incurred and the allowances set forth above.

Travel – Out-of-state

1. Employees will be reimbursed actual reasonable costs incurred on lodging and meals associated with out-of-state travel.
2. If the actual costs incurred exceed a reasonable amount, only a reasonable sum will be reimbursed.

Travel – Non-employee

1. Actual normal and reasonable travel costs may be reimbursed for a prospective staff member and for his/her spouse to visit the System for recruiting purposes.
2. These expenses are not subject to in-state per diem.
3. Expenses for sons, daughters, or other relatives or associates of the prospective employees will not be reimbursed.

Transportation

1. All travel shall be by the most economical route practical. Any person traveling by another route, without adequate justification, shall assume additional expenses incurred.
2. The mode of transportation used should be the most economical one obtainable under the circumstances of the travel involved, and should also be the most practical and in the best interest of the System.
3. Where, for the traveler's personal convenience, there is interruption of travel or deviation from the direct route, the reimbursement will not exceed that which would have been incurred for uninterrupted travel.
4. The time of arrival and departure from a place will be considered as the hour at which the traveler actually left or arrived at his/her regular destination.
5. The official travel station of an employee is the office to which an employee is normally assigned. Employees are entitled to a mileage reimbursement from their official travel station to their destination and return, or for miles actually traveled to their destination and return, whichever is less. Transportation costs between an individual's residence and official station shall not be allowed.
6. Travel by private automobile will be authorized only when it is advantageous to the System. The use of a private automobile might be justified when more than one person for whom the System is responsible is transported or when there is no other reasonable way to meet the timetable required. Private automobile mileage reimbursement is set to be consistent with IRS guidelines and is subject to change. This reimbursement may not exceed the coach air fare to the destination plus airport transportation cost.
7. Employees may be reimbursed for local transportation expenses at the authorized rate per mile when on official System business within the base area. The base area is defined as the metropolitan area in which the employee's office is located.
8. Actual parking and toll charges incurred during authorized travel by private automobile may be reimbursed. However, traffic violations or other fines cannot be reimbursed.
9. Use of taxis or public transport by employees on official business is authorized, but reimbursement requires itemization (appropriate receipt should be attached as supporting documentation).
10. Travel on official System business requires the use of coach/economy class when traveling by air; however, business then first class may be used only when space in a lower class is not available.
11. Documentation of expenditures for railroad and airline transportation is required even if transportation has been prepaid by the System.

The University of Alabama System Office
Travel & Entertainment Certification Statement

I hereby certify that:

- the travel and expenses indicated hereon were incurred by me in the performance of official University of Alabama System Office business pursuant to travel authority granted me.
- I have not been and will not be reimbursed for any of these expenses by any other entity
- there are no alcoholic beverages included in these expenses
- I agree to the rate at which I am being reimbursed
- this voucher has been completed in compliance with The University of Alabama System Office policies and no expenses included herein have been previously submitted

Signature of Traveler: _____

Date: _____