REGENTS' POLICY

PART V – FINANCE AND BUSINESS MANAGEMENT

Chapter 05.02 -Accounting and Fiscal Reporting

P05.02.010. Authority of the University Chief Finance Officer.

The chief finance officershall cause to be maintained a system of accounting and management controls necessary to assure that university resources are properly utilized, safeguarded, and reported in accordance with general accounting and governmental reporting standards.

(09-30-94)

No honorarium payment may be made to an individual or other entity unless the following information has been provided to the University and is included with the request for payment:

- A complete name,
- A social security or federal ID number,
- A permanent mailing address, and
- A clear statement of the purpose or reason for payment of the honorarium.

All honorarium payments shall be reported on Form 1099 in accordance with Internal Revenue Service Regulations.

7. Employee, All Others Payments

Payments to an applicant who does not meet the requirements of Independent Contractor or Honorarium must be paid as a payment to a University employee. The personnel office should be contacted regarding procedures to be followed when work is to be performed by a person classified as an employee rather than an independent contractor. NO EXCEPTIONS CAN BE GRANTED TO THE ABOVE.

(11-01-04)

04)

R05.02.050. Financial Obligations and Commitments

A. Expenditures and/or Encumbrances

1. All expenditures and/or encumbrances shall be confined to and occur strictly within prescribed operating expense classifications, as included in approved annual budgets for administrative units.

2. Operating expense classifications, for expenditure control purposes, shall be understood to be confined to state prescribed objects of expenditures (line items), as described in the following typical major categories:

    a.

R05.02.060. Travel and Relocation

c. Long-term Per Diem Rate
d. Non-commercial Per Diem Rate
e. Higher/Lower Reimbursement Allowances
f. Contracting for Subsistence
g. Group Travel

7. Computation of Allowances
   a. Time in Travel status
   b.

7. Direct Payment of invoices
8. Relocation Allowance Request Form

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A. Travel

1.

b. Scope

(1) General

These regulations apply to all travelers including university employees when traveling on university business, employees, Regents, students and advisory council members, volunteers and employee recruits who have proper authorization to travel at university expense.

(2) These regulations apply to travel and transportation that occurs within the same locale as residence, work station or school as well as non-local travel.

(3) Persons Authorized to Travel

Only persons who have proper authorization may travel at university expense. Family members or companions are not authorized to accompany university employees on business trips at university expense (expenses applicable to family members or companions are reportable to the Internal Revenue Service on Form 1099 or W-2). The university shall have no liability for family members or others who accompany authorized travelers on local or non-local travel.

(4) Persons Authorized to Travel for Recruitment

As a general rule, the university does not pay for expenses incurred by a spouse on a recruiting visit. If the department believes that the spouse's expenses should be paid for by the university, documentation must demonstrate that doing so would be in the best business interest of the university. The need for spousal travel must be clearly identified on the Travel Authorization, and such Travel Authorization must be approved by the MAU chief financial officer or level above. In these rare cases, spouses may be reimbursed for transportation costs only, by the most cost effective mode of travel.

(5) Bargaining Unit Agreements

If this regulation conflicts with an applicable collective bargaining agreement, the provisions of the bargaining agreement shall take precedence over this regulation.

(6) Grants and Contracts

Procedures identified in this regulation may be modified to conform to conditions and stipulations in specific grants, contracts and agreements negotiated with other entities as long as university

liability and insurance are not impacted by those changes. A copy of the document or relevant sections of the document which authorize such modifications must be attached to the affected expense reports.

(7) Travelers must utilize the most economical transportation available, unless such transportation is not available within a reasonable time period, will result in a higher overall cost, or is otherwise not in the best interest of the university.

(8) Travelers and those authorizing travel shall familiarize themselves with and adhere to the risk management practices and procedures relating to transportation safety requirements at their campus and/or department.

2. Definitions

a. Non-reimbursable expenses: personal, unallowable, or other expenses not subject to reimbursement such as those described below:

(1) Travel accident insurance coverage outside of that provided to employees and Regents by the university. Reimbursement of travel accident insurance is allowed for non-employees conducting university business.

(2) Vehicle repairs, towing services, lubrication, tire replacement, etc. for privately-owned vehicles;

(3) Meals at the traveler's work station or residence;

(4) Child care or baby-sitting fees;

(5) Personal telephone calls, including calls to the traveler's home or family;

(6) Fines or penalties for parking or other violations, whether in a personal vehicle or in a rented vehicle;

(7) Laundry and dry cleaning;

(8) Entertainment and representational expenses (entertainment or representational expense may be claimed only through submission of a separate payment request with proper justification, receipts and authorization); and

(9) Subsistence expenses (including the incremental cost of additional lodging or room charges) for family members, travel companions and others not on authorized university business.

(10) Frequent flyer mileage charges associated with rental car or hotel participation.

(11) Valet parking, unless this is the only parking option. Support, such as a hotel fact sheet, is required to substantiate the charge.

b. Other Reimbursable Expenses -

3. Travel Authorization Approvals

a. General

(1) Requiring various approval levels is important to help safeguard against unnecessary travel and/or unreasonable costs.

(2) Each traveler, except for those individuals specifically authorized by the university president or the appropriate chancellor, must have the approval of his or her supervisor and the individual with authority to expend funds (often this will be the same person) documented on a Travel Authorization Form prior to commitment of university funds.

(3) The university president or chancellors may designate individuals authorized to approve out-of-state travel, including international travel. Departments, units or colleges may require more restrictive approvals than are required by these regulations.

(4) The chair of the Board of Regents shall approve regent travel for other than Board meetings or commencement activities.

(5) Approval may not be delegated to a level of authority lower than the traveler (e.g. administrative assistants or support staff) without the specific written approval of the university president or the chancellor.

b. International Travel and Fly America Act

(1) All international travel (travel outside the 50 states and the District of Colombia), including travel of those individuals normally exempt from the requirement of supervisory approval, must be approved by the traveler's supervisor.

(2) Federally funded travel must comply with 49 U.S.C. 40118, commonly referred to as the “Fly America Act”, to use U.S. flag air carrier service for all air travel. The requirements are further described in 41 CFR 301-10.131 – 10.143. Use of a foreign air carrier for federally funded travel requires specific documentation and approval by the Travel Administrator (contact your university Travel Administrator for specific requirements). The university

defense and/or indemnification by the University of Alaska in any action taken against him/her.

4. Mode of Travel

a. Scheduled Commercial Air Carrier – this service shall be utilized for long distance individual travel, unless there is a compelling reason for use of another mode of travel, such as medical necessity, less costly charter flights, or inadequate time schedules. When federal funding is being used all flights into and out of the United States must be on an American carrier. The university will only reimburse for coach class tickets. Any additional cost for business or first class airline tickets must be paid by the traveler.

b. Chartered Aircraft – use of chartered aircraft, with pilot, may be authorized when no scheduled transportation is available to meet the travel requirements and the aircraft chartered has a valid Air Taxi Certificate and the required insurance. Prior approval is required by the Travel Administrator and Purchasing.

c. University and Private Vehicles

(1) University or private vehicles may be used, if the use is in the best interest of the university, such as when the overall cost including travel time is less expensive or its use is a medical necessity for the traveler.

(2) Reimbursement for vehicle transportation expense shall be limited to the lower of commercial airfare or the standard vehicle mileage

(5) If a rental vehicle will be used for both business and personal use, the traveler's reimbursement request should be adjusted for any incremental personal costs related to the extended term of the

5. Transportation Expenses

a. Travel for Employee Convenience

(1) Travel routing must be by the most direct route and the most efficient mode available. Any extra expenses resulting from travel by an indirect route or less efficient mode for the traveler's convenience will be borne by the traveler, and reimbursement will be based only on such charges as would have been incurred and reimbursed for traveling by the most direct route or efficient mode for business purposes

c. Discount Fare Savings/Reimbursement

(1) Travelers are not entitled to any savings resulting from the use of discount fares. If a traveler exchanges or modifies a university paid ticket, any cost savings must be remitted to the university.

(2) Travel by university employees utilizing personally owned discount, frequent flyer, or no cost airline tickets will be reimbursed at the traveler's direct cost for incurred fees.

d. Acceptance of Gratuities

No employee or official may accept any gratuity resulting from, or based on, university travel, unless such gratuity is received for the exclusive benefit of the university or is nominal in value. Acceptance of such gifts from an airline, travel agency, or other vendor is governed by Regents' policy and related regulations regarding conflict of interest, ethics, and ethics violations.

e. Baggage Charges

Baggage charges paid or reimbursed by the university shall be limited to personal and university baggage necessary to carry out university business. Baggage charge receipts need to be attached to the Travel Expense Report.

f. Travel Accident Insurance

Travel Accident Insurance is generally provided for University of Alaska employees while in authorized university business travel status outside a 100-mile radius from home or regular place of business. No additional travel accident insurance will be reimbursed. Contact the State of Alaska Office of Risk Services or see their web site for current program information.

g. Ticket Cancellation Insurance

Ticket cancellation insurance may be reimbursed, subject to the approval of the Travel Administrator.

h. Canceled Reservations

The university will not be responsible for travel change penalties or fees due to the traveler's negligence.

(2) The short-term per diem reimbursement rates for travel outside of Alaska shall be the rate authorized for payment by the federal

c. Meal and Incidental Expense (M&IE) Per Diem Allowances

Meal and incidental expense allowances shall not exceed the maximum M&IE rate authorized to be paid for the place of final destination, regardless of start of transit time, and cannot exceed a 24 hour day, regardless of time zones or elapsed transit time. Incidental expenses include fees, gratuities and tips for services of maids, waiters, and baggage handlers. Current rates are available from the campus travel office website.

d. Meals Available Under Special Circumstances

If meals are made available at no cost to the traveler (other than airline meals and snacks), such as meals provided at conferences or by others at meetings, or if meal costs are reimbursed from other sources or reimbursed as representational expenses, the per diem allowance shall be adjusted by reducing the daily meal and incidental expense allowance by one-fourth (1/4) for each meal provided or reimbursed by other means. Exceptions to these reductions must be justified in writing.

e. Travel Delays Beyond Travelers Control

If an airline or other carrier assumes the cost of lodging or meals due to over-flying a destination or other travel delays beyond the control of the traveler, the traveler may be reimbursed for necessary costs over and above those paid by the airline, provided the per diem allowances or expense reimbursements are adjusted accordingly.

8. Other Expenses

a. Phone Charges and Computer Connection Fees

Business phone calls must be documented as to date, person called, phone number, and reason for the call. Access charges and local phone calls are considered reimbursable expenses. Computer connection fees and phone calls must be reasonable in amount. Travelers are encouraged to use their

d. Supplies and Miscellaneous Expenses

Special clothing, camping gear, tools, and other supplies and miscellaneous expenses required to accomplish the travel objective are allowable expenses.

9. Wages Paid During Travel

a. Travel shall be scheduled at the mutual convenience of the employer and

necessary for university travel. Checks will not be issued for travel advances unless pre-approved by the Travel Administrator.

11.

(6) Separate advances must be processed for each trip and cannot be retained for subsequent travel.

(7) Uncleared advances may be deducted from an employee's pay, if an expense report is not submitted or amounts due to the university on an expense report are not paid.

(8) Advances will not be given to any traveler having more than two open advances.

c. Corporate Travel Card Advances

Advances secured through corporate travel cards shall not exceed $1,200 per month and/or $300 a day.

13. Travel Authorization Forms

a. A Travel Authorization Form must be completed, approved and dated by the appropriate individuals before any financial commitment of university resources is made and before travel begins, regardless of the method of payment (corporate travel card or personal funds) or the source of reimbursement (departmental funds, grants, or third party reimbursements). Failure to do so may be cause for disallowance; written justification and corrective action by the traveler and the traveler's department head is required. Completing a Travel Authorization Form does not enroll an individual in any University of Alaska insurance coverage.

b. The business purpose or reason for travel must be clearly explained. Supporting documentation should be attached in comment fields.

c. Personal travel destinations and annual leave periods to be taken in conjunction with business travel must be clearly identified. A cost justification is required to ensure that personal travel has no adverse effect on cost to the university.

d. An explanation of the facts and circumstances documenting the necessity to use non-conventional modes of transportation such as an automobile, boat, aircraft, or other conveyance must accompany the form.

e. The estimated costs for the travel should be encumbered prior to incurring corporate travel card charges or payment of a travel advance.

f. Travelers are advised that unauthorized travel may result in the traveler being personally liable for the charges.

14. Travel Expense Reimbursement Process

a. General

(1) Travel expenses shall be reimbursed only upon completion of a Travel Expense Report that is approved by the individual requesting reimbursement and the supervisor or supervisor's designee, or otherwise approved by the Travel Administrator.

(2) A Travel Expense Report is required for all travel conducted under a Travel Authorization Form, including travel for which all expenses are paid directly by the university.

(3) The Travel Expense Report should be filed with the campus business or travel office within 15 days of completion of a trip.

(4) Personal travel routing and leave time during the period of travel must be clearly noted on the expense report and a cost comparison itinerary showing the most direct routes and/or efficient modes for the basis of reimbursement must be attached to the expense report. Documentation must be attached showing no added cost to the university resulting from indirect routing.

(5) Foreign receipts must be itemized by type of expense in English. Currency exchange rates must be provided for transactions not

The regional campus chief financial officer or the vice president for finance and planning may require additional approvals or may further limit who is authorized to approve payment of Relocation Allowances.

Payment of Relocation Allowances, including payments for transfer of duty station, in excess of the monthly salary limit established by this regulation or payment to an ineligible employee shall require written justification and the advance approval of the appropriate chancellor or the vice president for finance

7. Direct Payment of Invoices

Payment of invoices for relocation, moving or similar costs is the sole responsibility of the employee, not the university. The university will not be responsible for payment to anyone other than the employee for authorized relocation amounts; therefore, charges for relocation expenses are not to be billed directly to the university.

8. Relocation Allowance Request Form

This form is available at all regional personnel offices.

(11-01-04)

R05.02.070. Representational Expenses

A. Scope and Purpose

1. This regulation applies to those individuals authorized to maintain representational accounts and to all persons incurring representational expenses on behalf of the university.

2. Representational expenses include discretionary business charges which are generally not allowable under normal procurement procedures, such as entertainment-type expenses, Christmas cards, office decorations, and coffee, refreshments and foodstuffs provided to employees.

3. Representational accounts are authorized for bona fide university business expenses. Representational expenditures are not intended as a perquisite for any individual, and are not to be utilized for such purposes. Representational expenditures will be charged only to authorized accounts and will require strict compliance with documentation standards.

4. Representational expenses are subject not only to the requirements of this regulation, but also to considerations of public perception and the appearance of impropriety.

B. Taxation of Expenditures

In accordance with Internal Revenue Service (IRS) regulations, entertainment expenses which are not adequately documented or are determined not to be "ordinary and necessary" business expenses may be included in the income of the individual incurring such expenses. In addition, unless reimbursements or expenditures for entertainment-type expenses are made under an "Accountable Plan," such reimbursements will be subject to federal income tax withholding and must be included on the recipient's wage and tax statement (Form W-2). IRS regulations, limitations, and penalties apply not only to university expenditures but to expenditures of agency and University of Alaska Foundation funds as well.

C. Definitions

1. Ordinary and Necessary - An "ordinary" expense is an expense of a type which is customary and usual in the individual's field of business, trade, or profession. A "necessary" expense is an expense which is appropriate and helpful to the conduct of such business.

2. Accountable Plan - An Accountable Plan is an arrangement which requires the employee to adequately account to the employer for all expenses incurred and to return any excess reimbursement or allowance which is not an "ordinary and necessary" business expense or not adequately documented.

3. Adequate Records -

expenses are incurred in connection with representation of the university to external parties, such as meetings with dignitaries or personnel recruitments.

e. Entertainment-type expenses must be segregated or allocated into both business and non-business portions. If an entertainment expenditure applies to both business and social guests, only the portion which is applicable to the business guests is reimbursable.

f. Travel expense reimbursement or per diem allowances may not be claimed for any meal or other cost reimbursed or paid for as a representational expense.

g. The cost of expenses associated with entertainment at home are reimbursable only to the e

H. Certification of Benefit to the University and Appropriateness of the Expenditure

In addition to other documentation required by this regulation, requests for reimbursement or payment of representational expenditures will include the following

f. that regulations relating to the conduct of the gaming be communicated to the individuals responsible for the gaming activities; and

g. that conflicting gaming activities do not occur simultaneously.

C. Allowable Gaming Activities

The following types of gaming activities may be authorized by the gaming activity coordinator: bingo games, raffles and lotteries, contests of skill, and monte carlo activities. All other types of gaming activities must be approved in advance by the MAU chief financial officer and the vice president for finance.

D. Reportable Activities

1. If a door prize has more than a nominal value and is considered an incentive to attend the event and a chance must be purchased to be eligible to win, the activity is reportable under the gaming permit.

2. Intramural and other student activities will not be considered games of chance and skill subject to the reporting requirements, if prizes offered are nominal in value. For purposes of this section, under $25 is considered nominal in value.

(11-03-94)