**Travel Advances UPPS No. 05.06.04**

**Issue No. 4**

**Effective Date: 01/04/2022**

**Next Review Date: 05/01/2024 (E2Y)**

**Sr. Reviewer: Associate Vice President for Financial Services**

**POLICY STATEMENT**

*Texas State University is committed to promoting proper financial stewardship of monies that allow for the university to be represented in different activities.*

1. **BACKGROUND INFORMATION**
   1. This policy sets forth guidelines for requesting and reconciling a travel advance from Texas State University.
   2. The Texas State University System (TSUS) Board of Regents requires compliance with Internal Revenue Service (IRS) requirements published in [IRS Publication 463, Travel, Entertainment, Gift and Car Expenses](https://www.irs.gov/publications/p463/index.html). The following policies and procedures comply with these regulations and conform to the reconciliation procedures for a cash advance issued for travel purposes.
2. **DEFINITIONS**
   1. Regular Employee – an employee that meets this definition, as per Section 02.09 of [UPPS No. 04.04.11](https://policies.txstate.edu/university-policies/04-04-11.html), University Classification and Compensation, which excludes the Non-Student Non-Regular (NSNR) and student worker classifications.
   2. Travel Advance – funds provided to a traveler within 14 calendar days of the travel begin date from which the traveler’s expenses may be paid.
   3. Student – a person enrolled or attending classes at the university or a secondary education school.
   4. Traveler – an employee of Texas State requesting a travel advance.
   5. Trip Period – the time from the travel start date to the travel end date.
   6. Travel Request – the document for requesting travel approval.
   7. Travel Reconciliation – the completion of a Travel Expense Report and submission to the Travel Office, with repayment of any unsubstantiated expenses made to Student Business Services (SBS) prior to submission of the Travel Expense Report.
   8. Travel Office – the travel function of the Accounts Payable department.
   9. Past Due – a travel reconciliation that has not been received by the Travel Office within 30 days after the trip period end date.
   10. Substantiated Expense or Substantiated Funds – expenses that are documented by adequate receipts, invoices, or other acceptable supporting evidence of the amount, time and place, and business purpose of expenses paid from a travel advance.
   11. Unsubstantiated Fund – travel advance funds that are not supported on the travel reconciliation with receipts or for which a travel reconciliation was not submitted within the required timeframe.

**03. SCOPE**

03.01 Travel advances are issued within 14 calendar days of the travel date.

03.02 Travel advances can only be given to a regular employee of Texas State for travel and must meet one of the following conditions:

1. travel includes at least one student, and the planned expenses are $200 (minimum advance amount) or more;
2. travel will occur in a foreign country and the planned expenses are $500 (minimum advance amount) or more; or
3. travel relates to research and is approved by the traveler’s supervisor as a necessary research project, the trip period exceeds five calendar days, and the planned expenses are $500 (minimum advance amount) or more. Research advances related to human subject payments, other research expenses, or funded by a grant should refer to [UPPS No. 02.02.06](http://policies.txstate.edu/university-policies/02-02-06.html), Research Cash Advances.

03.03 The traveler cannot be issued a travel advance while on the Texas Payee Information System (state hold).

03.04 When applicable, the traveler will substantiate expenses and reimburse any unsubstantiated amounts of the advance within 30 days after the travel end date. Failure to substantiate any portion of the advance within the required timeframe places the traveler in a past-due status.

03.05 A traveler in a past-due status is not eligible for another travel advance until the outstanding advance is reconciled and substantiated.

03.06 A traveler who becomes past-due three times may not be eligible for future travel advances and may be subject to disciplinary action.

03.07 IRS reporting and payroll tax withholding regulations will be followed by the Texas State Payroll and Tax Compliance office. Accordingly, travel advances become reportable as income on the traveler’s W-2 when expenses are not substantiated, or any unsubstantiated amounts are not reimbursed within 120 days from the travel end date.

03.08 Travel advances will be issued and monitored by the Travel Office under this policy at the direction of the director of Accounting, or designee.

03.09 Exceptions to the provisions of this policy statement must be approved by the traveler’s President’s Cabinet officer.

**04. PROCEDURES FOR REQUESTING A TRAVEL ADVANCE AND RECONCILIATION OF ADVANCE**

04.01 Travel advance requests must be submitted to the Travel Office at least 10 business days before the travel start date. Travel advance requests submitted later than 10 business days prior to the travel start date may be processed at the discretion of the Travel Office, but the traveler is not assured of receiving the funds prior to the travel start date.

04.02 The traveler will request the advance on the university’s approved travel system. By completing the request and approval process, the traveler agrees to:

1. collect and submit all required receipts attached to a completed travel expense report;
2. submit the travel expense report within 30 days after the travel end date;
3. repay any unused advance funds within 30 days after the travel end date and provide the departmental deposit receipt with the submission of the travel expense report; and
4. authorize Texas State to include as taxable earnings any advanced and unsubstantiated funds outstanding at 120 days from the travel end date.

04.03 The Travel Office will notify the traveler when the advance has been processed and the funds have been deposited in their bank account or a check is ready for pick-up at SBS in the J.C. Kellam (JCK) Administration Building, Room 188. A traveler picking up a check at SBS must provide proper identity verification.

04.04 The traveler will complete the travel expense report within 30 days after the travel end date, collecting and submitting documentation to support expenses related to the travel. Credit card receipts or statements are not sufficient to substantiate expenses unless they are itemized.

04.05 The traveler will repay any unsubstantiated advance funds to Texas State. Repayment will be made at SBS and is required prior to submission of the Travel Expense Report. Proper coding is required on the deposit ticket (see [Travel Advance Deposit Coding](http://www.txstate.edu/gao/ap/travel/procedures/travel-advance.html) for proper coding if making a deposit in person). The traveler may also use the [Travel Advance Returned Funds](https://secure.touchnet.com/C24322_ustores/web/product_detail.jsp?PRODUCTID=2537&SINGLESTORE=true) website to repay any unused funds. Regardless of the method used, the traveler will provide a deposit receipt as a part of the documentation to support the travel expense report.

04.06 If the travel expenses on the travel expense report exceed the amount of the travel advance, funds are owed to the traveler. A direct deposit entry will be processed to the traveler’s bank account, and an email from the Travel Office will be sent to the traveler advising of the transaction after processing of the travel expense report. If the traveler does not have direct deposit, a check will be prepared, and the traveler will be notified that it may be picked up from SBS at JCK 188. A traveler picking up a check at SBS must provide proper identity verification.

04.07 The Travel Office will monitor the due dates of outstanding travel advances. The Travel Office will send reminder notices to the traveler and the trip funding account manager to submit their travel reconciliation if it is not received within 30 days after the travel end date. Additional reminder notices will be sent 45 days and 52 days after the travel end date to the traveler and the account manager. At 60 days after the travel end date, the Travel Office will notify the traveler of the amount to be recorded as a receivable and placed on a repayment plan, subject to interest, if the advance is not reconciled within 120 days after the travel end date.

04.08 Pending a justification explaining the circumstances for the past due travel advance, at 120 days after the travel end date, the Travel Office will recommend to the Financial Reporting & Analysis office that the unsubstantiated advance be placed on a repayment plan with interest.

**05. REVIEWERS OF THIS UPPS**

05.01 Reviewers of this UPPS include the following:

Position Date

Associate Vice President for May 1 E2Y

Financial Services

Director, Accounting May 1 E2Y

Director, Payroll and Tax May 1 E2Y

Compliance Office

**06. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Associate Vice President for Financial Services; senior reviewer of this UPPS

Vice President for Finance and Support Services

President