Accounts Payable

Policies & References

Policies

- Procurement Services Gratuities Policy
- Sam's Club Policies
- Spending Policies
- Student Payment Policy
- Travel Policy
- Wireless Communication Stipend Policy

References

- Catering Information
- Document Preparation
- Expenditure Matrix
- Foreign Currency Conversion Rates
- Mileage Rates
- Per Diem Rates
- UA Tax Information
Office of Procurement Services

Gratuities Policy

The purpose of this policy is to ensure Procurement Services Office employees which include Accounts Payable, Furnishings and Design, Purchasing Card Services and Purchasing maintain freedom from influence and exercise independent judgment when making procurement related decisions.

1. An employee of the Procurement Services Office cannot solicit or accept offers, gifts or entertainment, or other favors from a vendor who conducts business with the University, if the gift is offered to the employee while he/she is being paid by the University and performing the official duties of his office. It is permissible to accept unsolicited “giveaways” of promotional items such as pens, calendars, and similar items that are offered to all participants by vendors at trade shows or training meetings provided no particular course of repayment is required as a condition of the receipt of the item. Accepting a meal paid for by a vendor should only occur when University related work is being conducted and the meal adds to the efficiency of the meeting. Employees involved in procurement related decision-making or contract administration are encouraged to adopt a very strict set of personal standards in their relationships with vendors.

2. Accepting consumable items from vendors, such as gifts of food during the holiday season, is prohibited. When circumstances prevent the refusal or return of such gifts, the item should be placed in a common area and made available to all employees.

3. Gifts or tokens of appreciation can be accepted from University departments if the aggregate value of such gifts from any single donor has an economic value of less than $25 during any one calendar year. Promotional items commonly distributed to the general public such as pens, calendars, mouse pads and similar items may be accepted in small numbers of amounts.
Accounts Payable

Sam's Club Purchases

As a convenience to University departments, an arrangement with Sam’s Club has been established to enable departments to purchase food items. Non-food items require pre-approval by a buyer in the Purchasing Department.

University Purchasing & Spending Policies should be reviewed prior to obligating University funds for purchases to ensure appropriate policies and procedures are followed.

Departments can pick up the Sam’s Club membership card and Wal-Mart charge card from the Accounts Payable Department in the South Lawn Office Building at 1101 Jackson Avenue, Suite 3000, Tuscaloosa, AL 35401 between the hours of 8:00 -12:00 and 1:00 – 3:00. The cards and a cash register receipt must be returned to the Accounts Payable Department during the same business day by the ordering department representative; cards cannot be kept overnight.

Procedures:

1. The ordering department should prepare a Miscellaneous Disbursement Voucher listing Sam’s Club as the payee, providing a description and purpose of the items to be purchased, and assigning the appropriate FOAPAL and amount allowed to be charged. The form must be signed by an approving official.

   If the purchase is entertainment related, an Entertainment Expense Form should be included with the MDV. If the purchase is for anything other than food items, a department representative must contact the buyer responsible for the commodity being purchased to acquire pre-approval for the purchase prior to completing the MDV. Once approval is obtained from a buyer, make a note on the MDV indicating that approval has been obtained and state the buyer's name.

   All appropriate documentation must be included with the MDV.

1. The MDV will be presented to the Accounts Payable Department at the time the cards are to be picked up. Accounts Payable will review the MDV to ensure compliance with policies. Upon approval, the department representative will be required to sign for the Sam’s Club membership card and the Wal-Mart card. The purchase must be made and the credit card and membership card returned during the same business day. The cards cannot be kept overnight.

2. An itemized cash register receipt describing each item purchased must be returned to the Accounts Payable Department with the cards. The original receipt will be attached to the MDV for documentation. A copy of the receipt will be made for the ordering department.

3. Accounts Payable will audit the MDV and cash register receipt. If the items on the cash register receipt or the dollar amount do not match the MDV previously submitted, a corrected MDV will be required.

4. Once approved by Accounts Payable, the MDV will be processed for payment to Sam’s/Walmart.
INTRODUCTION

A. **Miscellaneous Disbursement Voucher (MDV)** is used to:

   - Reimburse Out-of-Pocket Expenses
   - Pay for those goods or services excluded from the Purchasing System or Purchasing Card.

   Verification should be made with the Purchasing Department if there is a question regarding an acquisition.

   *If payment to the University or a University department (i.e., Continuing Studies, Crimson White) is required, a Departmental Transfer (DTA) will need to be completed.*

   The following types of payments are generally made on a MDV; for more information, refer to the specific guidelines for each category.

   - Entertainment
   - Conferences and Meetings
   - Out-of-Pocket Reimbursement
   - Professional Services and Honoraria
   - Relocation Expenses
   - Awards

   The MDV form is available on the web at: [http://accountspayable.ua.edu/pages/forms.html](http://accountspayable.ua.edu/pages/forms.html)

   When preparing MDVs, current versions of the Account Code listing can be viewed on: [http://eprint.ua.edu](http://eprint.ua.edu). Use your BamaID and password to log in. Note that account codes 70XXXX should not be used on a MDV.

B. **Payment Processing**

   A request for reimbursement should be submitted within 60 days of the expenditure. Requests
for reimbursement after 60 days will be treated as income subject to withholding according to federal tax regulations (Reg.1.62(g)(2). Tax withholding will be deducted from a subsequent salary check.

If a voucher has a deadline or a due date, please note and highlight in the SPECIAL MAILING INSTRUCTIONS box on the printed form or check and highlight the box THIS HAS A DEADLINE on the web form.

University policy requires all payments be made via direct deposit. Direct deposit payments are processed daily. In the event that a check must be issued, checks will be printed once a week. Please allow at least seven to ten business days for processing by Accounts Payable.

Payments (check and direct deposit) for Foundations are processed once a week. Deadline for processing is 12:00 pm on Mondays for Foundations.

University policy requires that all checks be mailed to all third-party vendors for audit control purposes. Checks cannot be picked up. For presentation purposes, departments may use a letter or certificate of their choosing.

The University does not pay late charges, penalties, or finance charges.

C. Documentation
Payment via MDV requires original receipts or invoices. Please click here for link to Document Preparation

If a receipt does not detail the items purchased, a description of each item on the receipt must be given.

The department submitting the MDV should keep copies of all documentation, as well as a copy of the MDV, in case questions arise until payment is made.

Appropriate documentation required for reimbursement may include the following:

- Original receipts
- Canceled check or imaged check copy from bank or online banking system
- Original customer copy credit card receipt.
- Copy of bank statement plus original carbon of check from checkbook
- Original credit card statement reflecting charges
- Consult Accounts Payable for other acceptable forms of documentation

**Note:** If adequate documentation is not provided it may require the individual to bear the cost of the request.

D. Prohibited Expenditures
University funds may not be used for the following types of expenses (all Foundation accounts are excluded from this policy unless otherwise noted):

- Alcoholic beverages, set-ups, bartender, and/or corkage fee
- Flowers as gifts
- Christmas cards or other Holiday cards
- Christmas decorations or other Holiday decorations
- Donations or Contributions (this prohibition includes Foundations)

**Note:** Donations may be made from Foundation funds only in cases where the contributions benefit the University and thereby further the exempt purpose of the Foundation. The purpose of the not-for-profit to which a contribution is being made is reviewed by the Tax Manager to determine if a beneficial relationship can exist between it and the University or our educational Foundations.
Gifts are prohibited, except for memorabilia to include but not limited to signed footballs, paperweights, elephants, etc. given to donors, visitors, alumni, students and potential students. The memorabilia must be inscribed or imprinted with words and/or pictures identifying the University.

Entertainment of UA employees, including retirement and Christmas/Holiday parties, except as allowed by UA entertainment policy (refer to Section II herein).

Expenditures for athletic, theatre, or similar events as a form of entertainment. Exception: Entertainment of prospective employees and their spouses at University sponsored events or local cultural events.

Refrigerators, microwaves, or coffee pot except when needed for instructional or research purpose or for conferences, workshops, or meetings sponsored by the University for the public. Please contact Purchasing or Accounts Payable for additional information.

Coffee, cream, sugar, soft drinks, cups, napkins, etc., when intended predominantly for consumption/use by University employees, unless otherwise covered by the University’s entertainment guidelines.

E. Special Accounting Treatment

Federal cost policies dictate that certain expenditures be given special accounting treatment. Even if not directly charged to the federal government (i.e. charged instead to a departmental operating account), expenditures considered to be federal unallowable costs must be separately indentified in the accounting records. Federal unallowable costs fall into categories, those costs unallowable in and of themselves (see number 4 below, Entertainment) and costs incurred for purposes that are unallowable.

These unallowable purposes are as follows:

Advertising and public relations: Unallowable advertising and public relations costs include the following:

Costs of convocations or other events related to instruction or other institutional activities, including:

- Costs of displays, demonstrations, and exhibits
- Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events
- Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings.

Costs of promotional items and memorabilia, including models, gifts, and souvenirs

Costs of advertising and public relations designed solely to promote the institution

All other advertising and public relations costs not for one of the following purposes:
- Advertising for the recruitment of personnel
- Advertising for the procurement of goods and services
- Advertising for the disposal of scrap or surplus materials
- Advertising for another specific purpose if necessary to meet the requirements of a sponsored agreement
- Public relations specifically required by a sponsored agreement.
- Communicating with the public and press pertaining to specific activities or accomplishments which result from performance sponsored agreements
- Conducting general liaison with news media and government public relations officers, to the
extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notice of contract/grant awards, financial matters, etc.

Alumni activities: Costs incurred for, or in support of, alumni activities and similar services are unallowable.

Commencement & Convocation costs: Costs incurred for commencements and convocations are unallowable.

Entertainment costs: Expenditures directly for entertainment, including amusement, diversion, and social activities, are unallowable in and of themselves and should be recorded in account codes 73XXXX. Entertainment is also an unallowable purpose. Costs directly associated with entertainment (such as travel for the purpose of entertainment) are, therefore, also unallowable.

Fundraising: Costs of organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable.

Lobbying: Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effects of legislation, are unallowable when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

F. Year End Processing
Current-year funds may not be used to pay for expenditures relating to the new fiscal year, including but not limited to the following:

- Subscriptions, memberships or maintenance agreements for time periods beginning after September 30th.
- Registration fees for conferences, seminars or other events occurring after September 30th.
- Airline tickets for travel occurring after September 30th.

MDVs should be submitted to Accounts Payable through the normal process. Payment will be made from a deferred account number added by Accounts Payable. A journal entry will be done to move the charge to the departmental account number after October 1st.

For charges that are to be paid out of current-year funds, MDVs must be submitted to Accounts Payable by the appropriate deadline.

New fiscal year funds may not be used to pay for expenditures relating to the old fiscal year. Accounting standards require that expenses be recorded in the fiscal period to which they are applicable.

ENTERTAINMENT (7320XX)

A. Introduction
It is understood that business and professional discussions and negotiations frequently take place during periods of entertainment. The University of Alabama recognizes that such business entertainment is essential to its operation. It is the desire of the University, however, to place this activity in proper focus, to prevent abuses, and to issue guidelines for these expenditures. In this regard, certain conditions must be met before entertainment expenses will be authorized as necessary and reasonable operating expenses to the University. These conditions are set forth in the following guidelines.

B. Categories of Entertainment
The purposes of the entertainment must be University business.
Allowable Entertainment:
It is the policy of the University to invite prospective faculty or staff, both husband and wife, to visit the campus. Travel and all other reasonable and necessary expenses are reimbursed. When it occurs on a reasonable basis associated with a recruitment visit, entertainment is recognized as a proper expenditure. The faculty and staff involved in this type of entertainment should be essential to the interview process. When the prospective candidate is accompanied by his or her spouse and it is deemed necessary to have the spouse of a University faculty or staff member present, entertainment expenditures for the spouse may also be reimbursed.

In certain cases, it is recognized that entertainment of official University guests is essential. This entertainment should usually be undertaken by administrative officials, deans, department heads, or senior faculty members. Examples of official guests may include the following: visiting lecturers; visitors from foreign countries; representatives of research organizations; visitors from other universities; individuals interested in University programs and development of new programs (both paid and non-paid consultants); and business and community leaders in Tuscaloosa, other Alabama communities, and the state at large who are at the campus on specific business on behalf of the University. The relationship between the visitor and the University staff or faculty attending the function or their area of responsibility must be clearly indicated.

Official University functions and receptions held by the President for employees, students, alumni, and friends of the University shall be reimbursed as entertainment.

Pre-game athletic functions for alumni, staff, students and guests shall be reimbursed as entertainment when the purpose of the function is to cultivate potential donors. The purpose of the function must be clearly indicated on the voucher.

Entertainment of students is allowable.

Consult with Accounts Payable for other entertainment that is not specifically listed above.

When providing meals on campus we ask that you review the restaurants and caterers on the preferred list located on Risk Management’s website. Use of the list is not mandatory but only a recommendation based on the agreements the University has secured with these vendors.

Meals and refreshments “incidental to the meeting” which are served during formal internal on-campus meetings whose primary purpose is University business may be allowed. When meals are incidental to a meeting, it is expected that the group will continue through the meeting’s agenda with little interruption, rather than breaking for the meal.

Unallowable Entertainment:
Departmental social functions in celebration of an event or a holiday or to promote fellowship among constituents are not reimbursable. Examples include retirement, introduction of new staff, and Christmas parties.

Entertainment expenditures are prohibited for alcoholic beverages, bartenders, golf green fees, boat rentals, private club dues, or civic group functions. Flowers, fruit baskets, or other related items for individuals are also disallowed. This list is not exclusive but is meant to suggest the types of expenditures that may be prohibited.

No entertainment expenses will be charged to contracts or grants unless such entertainment is specifically authorized by the terms of the contract or grant. (Refer to Section III, Conferences and Meetings.)

Meals held prior or subsequent to a business function.

C. Documentation
Entertainment expenditures must be documented to show the following:

- Identification of the person or group to be entertained, including the relationship of the persons in attendance to the particular aspects of the University program that will be benefited. This information includes titles, committee names, the field of interest of the person or group being entertained, the reason for inviting the visitor(s) to campus, and other relevant details. If a small group is being entertained (10 or fewer), the names of all persons attending must be shown; for larger groups, only the name or names of the honored guest or guests must be indicated, with the number of persons attending.
- A statement as to the reason or purpose of the entertainment, including the purpose and benefits of the program to the University must be clearly indicated and understood by anyone outside the department reviewing the voucher. If the function that included the entertainment is held away from the University campus, an agenda for the function must be attached.
- The date and place of entertainment.

For all meals, an original receipt is required.

Reimbursement for meals in excess of $25 per person requires a restaurant receipt that itemizes the food and beverages. Credit card slips are not acceptable documentation for meals in excess of $25 per person.

Should the documentation be incomplete, Accounts Payable will return the voucher to the department.

Any expense that cannot be documented with an original third-party receipt/invoice will not be reimbursed.

D. Entertainment in the Home

Entertainment in the home shall only be reimbursed as business entertainment if the conditions provided in Section B-1 are met.

Payments for services (i.e., food services, musical entertainment, cleanup crew) must be made through University procedures outlined in Section VII, Professional Services. The payment should be made directly by the University, rather than paid by an individual and submitted as an out-of-pocket expense reimbursement. To prevent potential reimbursement problems, the department should consult with the Accounts Payable Supervisor before making an expenditure not addressed in these guidelines to determine if the expenditure is within the University’s policies.

CONFERENCES AND MEETINGS (7310XX)

A. General Guidelines

This category includes the costs of conferences, workshops, meetings and seminars conducted by the University when the primary purpose is the dissemination of technical information. This includes costs of meals and other necessary expenses.

B. Expenditures Supported by Income

In the case of conferences, workshops, meetings, and seminars conducted by the University and supported by income from registration fees, allowable entertainment expenses will be reimbursed.

The statement “Covered by Income” should be entered in the description on the MDV.

C. Expenditures Not Supported by Income

Conferences, workshops, meetings, seminars, retreats, etc., that are not supported by fees may be organized around University groups in combination with outside persons or groups limited to University personnel.

Meal or refreshment expenses associated with these groups will require assurance, through appropriate documentation, that the function is essential to the operation of the University and
that provision of meals/refreshments is incidental to the function rather than the primary purpose of the function.

OUT-OF-POCKET REIMBURSEMENT

A. General Guidelines
All expenses should be paid by the University directly to the vendor. However, the University recognizes that extenuating circumstances may occur that would cause an individual to pay out-of-pocket expenses that must be reimbursed.

B. Payment Processing
To request reimbursement for an out-of-pocket expense, the individual should submit proper documentation within 60 days of the expenditure. Requests for reimbursement after 60 days are taxable and withholding will be made from a subsequent salary check. (Refer to Section I.B.1 of these Policies)
A request for reimbursement must be approved by someone other than the person being reimbursed. The approval must be made by a supervisor or someone designated by the supervisor.
Purchases from the University Supply Store or other University departments should be made using a departmental transfer authorization form (DTA) and not reimbursed to an individual.

PAYMENTS IN FOREIGN CURRENCY

A. General Guidelines
Should a vendor require payment in a foreign currency, the department must provide the information necessary to make payment by completing the appropriate paperwork.

• On the MDV under “Purpose or Description of Service”, include the amount and name of the foreign currency.
• The MDV should be processed through the normal approval channels.
• Allow at least seven to ten business days for Accounts Payable to order and receive the draft in foreign currency. Accounts Payable then sends the draft and any necessary attachments to the vendor.

B. Notification of Amount
For notification of the amount in U.S. dollars to be charged to your account, please include a contact name and phone number on the MDV.
When the charge is recorded to your account, it will be in the name of the bank or foreign exchange from which the draft was obtained.

PAYMENTS TO FOREIGN VISITORS AND NON-U.S. CITIZENS

A. General Guidelines
Both the federal immigration laws and tax laws place a number of restrictions on payments made to foreign visitors. Violation of these laws can result in serious consequences for both the foreign visitor and the University.

B. Visa Status
When making arrangements to host a foreign visitor, the department must confirm that the visitor has an appropriate visa status. The University cannot make any payments to a foreign visitor who is not properly authorized under federal immigration laws.

Current law allows "B" visa holders to receive honoraria and/or expense reimbursements if they are providing academic services for less than nine days and have not received such payments from more than five institutions in the previous six-month period.

If the department wishes to pay an honorarium to a visitor who does not meet the criteria in paragraph A item 2 above, an appropriate visa must be obtained (usually "J-1"). Contact Capstone International Programs and Services (CIPS) for assistance.

C. Tax Withholding or Exemption
In general, all monies paid by the University to a foreign visitor (other than expense reimbursements documented by original receipts) are taxable, unless exempt under the provisions of a tax treaty with the visitor’s country of residence or under a provision of the Internal Revenue Code. The University is required by law to withhold federal income tax from payments that are not exempt.

Before hosting a foreign visitor, the department should contact the University Tax Analyst so that a complete tax analysis can be performed. This is necessary to determine the visitor’s tax status and to ensure that any applicable tax exemptions are granted.

D. **Tax Identification Numbers**

Either a social security number (SS#) or an individual taxpayer identification number (ITIN) is required when making any payment to a foreign visitor (other than expense reimbursements documented by original receipts).

Contact the Tax Analyst for assistance in obtaining ITINs for short-term “B” visa holders. Other visa holders such as “J-1” who qualify to receive a social security number will need to apply for a social security number if they do not already have one.

E. **Payment Processing**

If the payment is for expense reimbursement only, this should be stated on the MDV and original receipts attached.

For payments other than expense reimbursements, a copy of the visitor’s visa and passport is required. If applicable, the visitor may also need to sign a tax treaty exemptions form, which will be provided by the Tax Analyst.

For honoraria or professional service fees, in addition to the above restrictions, payments to foreign visitors are subject to the general guidelines outlined in Section VII of these Policies. Contact the University’s Tax Analyst at 348-8865 in advance for assistance with payment processing.

**PROFESSIONAL SERVICES AND HONORARIA**

A. **Professional Service Fees**

Professional fees to University faculty and staff will be paid through the monthly budgeted payroll system as supplemental compensation. See Payroll’s procedures for detailed instructions.

B. **Independent Contractor Approval**

Only independent contractors, as defined by IRS regulations and approved by the Tax Manager, may be paid under a professional service contract. (Reg.31.3401C-1:Rev.Rul.87-41:IRS Publication 1779)

In accordance with the University’s nepotism policy, individuals who are related by blood, marriage, or reside in the same household will not be permitted to work for the University if one relative’s work responsibilities, rate of pay or other terms and conditions of employment could be influenced by the other relative. Independent contractor approval will not be granted if the nepotism policy would be violated by the contractual relationship. For further details and definitions, refer to the Human Resources Nepotism Policy.

A Request for Independent Contractor Status Form must be completed and submitted to Financial Accounting prior to making an agreement to pay someone as an independent contractor. The Tax Manager will review the information on the form, rule on the independent contractor status, and return the form to the department marked “approved” or “not approved”.

If not approved, the department should contact Human Resources to take steps to hire the individual as an employee of the University. If the individual is already on the University payroll, the payment should be made through the supplemental compensation process. If approved, a copy of the Independent Contractor form should be submitted with the MDV for payment.

Independent Contractor approval only determines the method of payment (Accounts Payable rather than Payroll). In order to use University funds for the payment, all other University policy requirements must be met.

C. **Professional Service Agreements**

A contract must be executed prior to an individual or company performing professional services for the University.

The contract must include the individual’s/company's name, Social Security/Federal I.D. number,
home or business mailing address, the fee, dates of service, and the nature and purpose of the service.

To the extent that the independent contractor wishes to be compensated for associated business expenses such as travel, those costs may be paid directly to the independent contractor or to a third party vendor such as a hotel or travel agency. A professional service agreement between the department and the independent contractor should state clearly whether the fee includes all expenses or expenses will be paid separately.

The Professional Service Agreement format is available on the web at [http://financialaccounting.ua.edu/pages/forms.html](http://financialaccounting.ua.edu/pages/forms.html). Select the paragraphs that detail the agreement desired between the department and the independent contractor.

- Form PSA-1. Option 1 should be used when paying a fee only, or for a total amount to cover fee and expenses. No further payments can be made to, or on behalf of, the individual. The individual is responsible for paying his or her own expenses and should retain original expense receipts for tax purposes, although you may obtain copies for departmental records. Receipts are not required by Accounts Payable when using this option.
- Form PSA-2. Option 2 should be used when you are paying a fee and reimbursing actual expenses. Using this option, you must either collect original receipts from the individual or pay expenses directly to a third-party vendor, such as airline ticket and hotel bill.

Reimbursement of travel expenses is made according to the contract signed by the parties, but may not exceed the limits stated in the Out-of-State Travel Policies. Professional service agreements containing provisions contrary to policies and procedures are invalid and will not be honored.

**D. Payment Processing**

MDVs in payment of professional services must include the individual’s/company’s name, Social Security/Federal I.D. number, and home or business mailing address so that IRS Form 1099 (if applicable) can be prepared and mailed to the individual/company at the end of the calendar year.

Other documentation should include:

- Original signed Professional Service Agreement or Invoice
- Receipts (only if paying expenses separately using PSA Option 2 described above)

Payment of professional service fees cannot be made in advance. Although completed paperwork may be submitted to Accounts Payable in advance, the check will not be issued until the completion date of the service.

**E. Honoraria**

For accounting purposes, the term “honorarium” refers to a token of appreciation given after the fact, where there was no prior expectation of payment. No prior agreement verbal or otherwise was made with the individual.

In most cases where services are provided, there is a prior agreement or expectation of payment, and this must be formalized following the Professional Service procedures outlined above. This process clarifies the terms of the agreement and protects the University as well as the individual.

In the case of a true “honorarium”, a MDV should be submitted to Accounts Payable and must include the recipient’s name, Social Security number, home or business mailing address, and the amount of the honorarium for IRS 1099 reporting. A note of explanation should be included as to why the situation calls for an honorarium rather than a professional service fee.

In lieu of a cash honorarium, goods imprinted with the words or symbols publicizing the University may be given. Items given in addition to a cash honorarium can only be of such
value as will prevent the cash plus the item from exceeding a reasonable honorarium. Only cash honoraria are taxable.
Consult the Tax Manager or Accounts Payable Manager with any questions.

**RELOCATION EXPENSES (7814XX)**

**A. General Guidelines**
Payment of the relocation/moving expenses of new faculty and administrators is at the option of the appropriate dean, director, or department head.
When a University department agrees to pay the moving expenses for a new employee, the department should call the Purchasing Department to obtain the name of the moving company under contract. Interstate moves require the use of the moving company with which the University has a contract.
Any other moving expense reimbursements should be submitted on a MDV with original receipts attached.

**B. Classifications of Payments**
Refer to the chart below for account codes when categorizing payments made for new employee moving expenses.

- 781411 - Household Moving (Including up to 30 consecutive days of storage)
- 781412 - Travel and lodging during the move
- 781413 - Meals during the move
- 781418 - Pre-Moving travel and lodging

**Ex: House-Hunting Trip after the Candidate has Accepted the Job Offer**

- 781419 - Pre-moving meals
- 781416 - Temporary quarters (after moving to the Tuscaloosa area)
- 781417 - Temporary quarters/meals
- 781414 - Miscellaneous

**Ex: Mileage in Excess of Current Rate and Storage in Excess of 30 Days**

- 781415 - Office/Laboratory

**C. Tax Treatment**
Reimbursements for moving expenses are classified as “qualified” and “non-qualified” according to federal tax law.
“Qualified” moving expense reimbursements include household moving (including up to 30 days of storage) and travel and lodging during the move. If travel includes mileage, such items paid directly to the employee are treated as nontaxable fringe benefits, which are reported as an information item in Box 13 of the employee’s W-2 Form at the end of the year. If such payments are made to a third party, such as a moving company, the payments are not required to be reported.
All other moving expense reimbursements are classified as “non-qualified” and are considered taxable income to the employee. This includes storage costs in excess of 30 days and mileage reimbursed in excess current mileage rate. All non-qualified payments will be included in the “Wages” amount reported in Box 1 of employee’s W-2 Form at the end of the year and are subject to tax withholding on a periodic basis throughout the year. Generally, withholding will be taken from the employee’s next paycheck after the moving expense is paid. Non-qualified payments made to third parties, such as a hotel, will be classified and treated as if the payment had been made directly to the employee.

**AWARDS, SCHOLARSHIPS (7812XX)**

**A. Prizes and Awards**

**Monetary Prizes and Awards**
Scientific, Educational, Artistic, or Literary Achievements are taxable income to the recipient.
University employee awards must be processed on a personnel action form (PA) through the University payroll system. This includes student-employee awards such as awards for outstanding teaching or research. Consult the Student Payment Policy for information regarding payments to students.

**Non-Monetary**
Plaques, trophies, certificates, etc., are examples of non-cash awards that may be given.

**Awards and Scholarships**
Checks will be mailed to recipients’ residences. It is University policy that checks are not allowed to be picked up for audit control purposes. For presentation purposes, departments may use a letter or certificate of their choosing.

**B. Stipends**
Stipends are allowances paid for travel or living expenses to participate in a University-sponsored program or conference. Some examples include summer programs for high school students or in-service workshops for teachers.

When submitting MDVs for stipend payments, detailed information must be provided to indicate the nature of the stipend. For example:

- Is the stipend intended to cover expenses such as travel, room and board?
- Is the recipient a student or a participant in a training workshop or seminar?
- Is the recipient performing any services for the university?

If services are being performed, the payment should be reclassified as wages or professional service fees. The Tax Manager should be consulted in advance to determine the proper classification.

Checks will be mailed to recipients’ residences. It is University Policy that checks are not allowed to be picked up for audit control purpose.

Example: Travel allowances paid to participants in a UA-hosted workshop would be classified as stipends (78XXXX). Payments to individuals for teaching or leading the workshop would be classified as professional fees (74XXXX).

**OTHER**

**A. General Guidelines**
The University Purchasing Card should be used to pay for registrations, subscriptions and memberships.

**B. Registration Fees (781320)**
All registration fees should be prepaid by the University if possible. If not prepaid by the University, registration fees may be reimbursed after completion of the event.

Excursions are the responsibility of traveler and cannot be paid or reimbursed by the University.

**C. Memberships (781317)**
The University encourages faculty and staff membership in organizations that will promote advancement of instruction, research, and public service and enhance the professional standing and development of its faculty and staff. With the approval of the dean or corresponding non-academic area head, faculty and staff memberships that are within the guidelines outlined below may be paid for within available departmental funds.

Faculty and staff memberships paid for with departmental funds should return demonstrable benefits to the division/department in terms of its mission. These benefits should include:

- Receipt of scholarly journals, professional publications, and employment information
- Professional Development
- Contract and exchange of information with other professionals in the area of interest
- Instructional Enhancement
- Scholarly research and creative work

Only memberships in organizations that do not discriminate on the basis of race, religion, sex,
age, color, national origin, or individual handicap will be approved.
Costs of membership in any civic or community organizations are unallowable.
An attorney general’s ruling allows only one membership per city for chambers of commerce.
These memberships must be in the name of the University with no benefits accruing to any
particular individual or department.
Colleges and corresponding non-academic areas may establish more restrictive guidelines for the
payment of individual memberships within the guidelines presented above.

D. Subscriptions (781319)
Payments for subscriptions should include the renewal notice or a completed order form. If
these are not available, the department should type a letter to the vendor indicating the
periodical desired and the UA address to which it should be mailed. A photocopy of the letter, as
well as the original letter, should be attached to the MDV.

E. Dues
Rotary Club dues, etc., may not be paid using University funds.
Payments to Student Policy

This policy applies to the following payments:

I. Scholarships, fellowships, and other academic awards, not associated with compensation.

II. Payments to defray and/or reimburse a student’s travel, research, or other institutionally authorized personal expense.

III. Reimbursement for expenses incurred for the benefit of the University.

The purpose of this policy is to ensure The University of Alabama is in compliance with federal financial aid, IRS, student privacy and grants management regulations. This policy applies to all students; undergraduate, graduate and law.

This policy does not apply to compensation or any other form of fee-for-service payment. The form of the payment does not override the reason for the payment when determining whether this policy or, instead, compensation policies are applicable.

Payments to students from grants and contracts must also comply with the policies located on the Office for Sponsored Programs Policy and Procedures web page, http://osp.ua.edu/policy_procedures.html. For international students, special tax rules and potential federal withholding may apply. Further information is available at http://financialaccounting.ua.edu/tax/non-resident-alien-tax-policy.html.

I. Scholarships, Fellowships, and Other Academic Awards

A scholarship or academic award made to an enrolled student must be recorded through the Scholarship Tracking/Financial Aid System and should not be submitted on a Miscellaneous Disbursement Voucher (MDV), or on a Payroll Personnel Action form.

For undergraduate student awards, process through the scholarship coordinator for your school or division. Use the Banner account code 781213. For areas processing UG scholarships or other UG academic awards that do not have a school or divisional coordinator, the following information should be submitted to Lindsay Hutcherson or Betsy Escher in Undergraduate Scholarships, 203-O Student Services Center, Box 870132, Amber.Capell@ua.edu.

- Award amount
- Award distribution (e.g., ½ Fall 2006, ½ spring 2007, etc.)
- Student’s full name
- Student’s CWID
- Name of Fund awarding the scholarship
- FOAP of scholarship
- Scholarship Subcode (example: 81238L)

For graduate and law student awards, process as follows: Single semester payments (or payments for two semesters) – Provide the same information as specified under undergraduate students above. For graduate students use Banner account code 781214, and for law students, 781227. Graduate student awards which are to be...
disbursed monthly – Complete the Graduate Scholarships, Fellowships, and Other Academic Awards Payable Monthly form and process to John Chambers in the Graduate School, jchamber@bama.ua.edu, 101 Rose Administration, Box 870118. If the funding source is from a sponsored program, the form must be submitted to the Sponsored Programs, Financial Services office for approval and forwarding to the Graduate School. For graduate students use Banner account code 781214, and for law students, 781227. The award will be applied to the student account. For presentation purposes, departments may use a letter or certificate of their choosing.

**Note:** A student must be or have been enrolled for the award period to receive the scholarship or award. If a student is selected for an award (e.g., Honors Day) in a year subsequent to his last enrollment, and the student is not expected to return in the upcoming semester, then the award must be processed on a Miscellaneous Disbursement Voucher, and sent to the Accounts Payable office. Note on the MDV that the payment is for a non-enrolled student.

**II. Expenses Incurred for the Benefit of the Student** Payments provided to defray and/or reimburse a student’s travel, research, or other department approved personal expenses (actual or estimated), not expressly related to University business, include the following examples: Payment of funds solicited by the student for research or travel (funding awarded by graduate school, SGA, department matching funds, etc.) Payment of expenses for travel or research initiated and conducted by the student (the student’s own research project, thesis, dissertation, etc.) Payment of funds from a grant specifically for the purpose of enriching the student’s education and training (e.g., training grants) Payment of funds to defray/reimburse authorized personal student expenses for participation in a University of Alabama function (dry cleaning expenses associated with participation in the Million Dollar Band and Capstone Men and Women, etc.) These type payments should be submitted on a Payment to Student form. Send the completed form to Geneva Dove in Student Receivables; gdove@fa.ua.edu, 105 Student Services Center, Box 870120. You will need to have the following information available to complete the form: Student Name Student ID Number Purpose of the payment Is the student currently enrolled or planning on returning for the next semester? Payment Amount per semester Banner Finance FOAP to be charged using the Banner account code 781221. Groups of awards directed through Student Receivables may be processed by sending the information specified above in a spreadsheet. When processed through Student Receivables, the payment will be credited to the student’s account and a check generated for pick-up at Student Receivables. When the student’s account is in a delinquent status, Student Receivables reserves the right to apply the payment to the student account and not refund the amount to the student.

**Note:** A student must be enrolled when the expenses were or will be incurred; or, must anticipate returning for the subsequent enrollment period. If the student incurred the expenses while not enrolled and will not be returning, the payment request must be processed on a Miscellaneous Disbursement Voucher through the Accounts Payable Office. Indicate on the MDV that this is a non-enrolled student payment.

**III. Expenses Incurred for Benefit of University** Undergraduate, graduate and law students (whether or not they are employees) may be reimbursed for expenses incurred on behalf of the University when there is a direct connection between the expense and the business purposes of the University. Such reimbursements are not reportable to the IRS by the University as income to the student, provided the required documentation is submitted. Business related expenses reimbursable to students include:

- Expenses incurred by a student, necessary to further a department member’s research project or otherwise to fulfill the University’s obligations under a contract or grant.
Payments to Student Policy | Student Receivables - The University of Alabama

- Expenses to attend a conference/event at which the student is officially representing The University of Alabama at the request of a department member.
- Reimbursement for departmental operating supplies and business entertainment.

Such reimbursements should be submitted to Accounts Payable on an In State Travel Voucher or an Out of State Travel Voucher or Miscellaneous Disbursement Voucher with expense documentation attached. In addition, attach the Certification Statement for University Business Expense Student Reimbursement form signed by the department member who authorized/requested the student to incur expenses for the benefit of the University. To ensure the timely and accurate reporting of all University expenses, reimbursements should be substantiated, documented, and reported by the student on an approved Travel Voucher or MDV no later than sixty (60) days after completion of a trip or the date on which the business related expense was incurred. Any expense reimbursement request submitted more than 60 days after the expense was incurred is treated as taxable income, subject to withholding per IRS regulations.

Payment to Student Form

Student Payment Processing Workflow of Instructions

FOR MORE INFORMATION

For further information, contact The University of Alabama, Office of Student Receivables, Box 870120, Tuscaloosa, AL 35487-0120, (205) 348-5350 or by email at Receivables@fa.ua.edu. The Student Receivables Office is located in 105 Student Services Center.
INTRODUCTION

A. Travel Status/Employee Base/Work Location

When traveling at the University of Alabama’s expense, travelers should, in all cases, seek to obtain the lowest possible fares and rates by scheduling their travel in the manner that will be the most economical to the University. Expenses related to personal travel for side trips are not reimbursed. It is the traveler's responsibility to verify flight and hotel arrangements and ensure the schedule and booking is correct. Charges associated with scheduling errors are also not allowable.

In-State travel is reimbursed in accordance with the per diem regulations in the Code of Alabama 1975, 36-7-20 through 36-7-23, as amended. In-State travel expenses covered by per diem cannot be charged to the UA Purchasing Card; however conference registration fees should be paid for on the Purchasing Card. Refer to the sections on In-State and Out-of-State travel for in depth information. In state travel for non-employees is reimbursed as actual cost pursuant to out of state travel limits and guidelines.

Employees are in travel status when they leave their base. Base is defined as the employees’ primary residence or work location whichever is closest to the travel destination. Work location is defined as the institution or office location to which an employee is assigned. For those employees on the University campus, the work location includes the cities of Tuscaloosa and Northport and any other areas of Tuscaloosa County enclosed by the cities of Tuscaloosa and/or Northport. For employees at Moundville, the base is the Moundville city limits. For employees in Montgomery, the base is the Montgomery city limits. For employees stationed elsewhere, the base is the city limits of the location.
If not within a city, the base is a radius of 10 miles from the site.

B. Travel Vouchers

Travel vouchers are the forms used to record all reimbursable travel costs. There are three kinds of travel vouchers: In-State, Out-of-State, and International. These forms are located at [http://accountspayable.ua.edu/pages/forms.html](http://accountspayable.ua.edu/pages/forms.html). The total request for reimbursement must be submitted after completion of the trip. Original receipts and other documentation of the total costs of the trip (including any prepaid expenses) must be submitted along with the travel voucher. The department submitting the travel voucher should keep copies of all documentation, as well as a copy of the voucher, until payment is made in case questions arise.

In cases where the department does not wish to cover the entire cost of travel at the time of the initial request for reimbursement, the entire travel package, with all supporting documentation, must still be submitted to Accounts Payable with the initial request for partial reimbursement. If funds become available at a later date, the department may submit a request for additional reimbursement. A copy of the supporting documentation to the original package should, also, be attached to subsequent requests for partial reimbursement.

If the travel voucher is submitted more than 60 days after the traveler’s return, the reimbursement will be taxable income to the employee. Tax withholding will be made from the subsequent salary check. (Federal tax regulations require that substantiation of the reimbursed expenses be made within a reasonable period. Under the IRS safe-harbor rule, that period is 60 days.)

The travel voucher must be signed on the line marked “Signature of Claimant” by the traveler. This signature acknowledges acceptance of the terms and conditions of reimbursement. If a traveler pays reimbursable travel expenses for a fellow traveler, both must sign the travel voucher, certifying the payment arrangements.

Any expenses covered by a third party should be noted on the travel voucher.

C. Documentation of Costs/Approval of Travel Reimbursement

After returning from official travel, original receipts must be presented for all travel expenses.

When original receipts are unavailable, the University may consider accepting the following documentation of incurred expenses:

- Canceled check or imaged check copy from bank or online banking system
- Copy of bank statement plus original carbon of check from checkbook
- Original customer copy credit card slip
- Original credit card statement reflecting travel charges
- Original bank statement which lists payee and amount

The University Purchasing Card should be used to pay for conference registration fees, airfare, allowable ground transportation (see Transportation section below), parking, and lodging.

Expenses paid by a traveler are reimbursable following the trip. To claim reimbursement, any conference brochures or other literature documenting the expense, a receipt, including dollar amount and method of payment, or other proof of payment (see the list above) must be submitted along with the travel voucher.
D. Approval of Travel Reimbursement by Supervisor, Dean, Director or Department Head

For UA employee travel, the University requires that travel vouchers be signed by the supervisor (not a designee or stamp) of the employee who is requesting reimbursement for official travel. By signing the expense report the supervisor is certifying the expenses have been used in accordance with the University of Alabama’s Travel Policies. Even if the traveler is the principal investigator or project director for the account making the reimbursement, the voucher must be signed by his/her supervisor.

Deans and department heads may establish additional reimbursement approval policies and procedures for accounts for which they are responsible, but may not delegate approval authority.

E. Contract and Grant Travel Reimbursement

Travel reimbursement from contract and grant funds requires a travel voucher signed by the principal investigator or project director officially responsible for the contract or grant account; this person may not defer this responsibility to anyone else. In addition, the travel voucher must be signed by the principal investigator’s or project director’s supervisor.

If a University employee's travel is funded by a contract or grant, that employee should obtain guidance from the University’s Contract and Grant Accounting office. Reimbursement will be subject to the University's travel policies.

The University’s federal contract and grant funds may not, by federal law, be used to make reimbursements for business entertainment expenses incurred during official travel.

F. Travel Reimbursement for Executive Officers

The University President's and Vice Presidents' requests for travel reimbursement must be reviewed and approved by the Vice President for Financial Affairs. Reimbursement requests from the Vice President for Financial Affairs must be reviewed and approved by the President.

G. Travel During Sabbatical Leave

With prior approval from the Provost, travel expenses incurred during a sabbatical leave period may be paid if they are connected to official travel in the performance of University duties.

H. Travel Advances

The University of Alabama does not advance funds for travel expenses to its employees.

I. Out-Of-Pocket Expenses

Telephone Calls

Business-related calls made during travel are allowable, but personal calls are limited to one call per week for every seven days that the traveler is in travel status. The only exception is that the University will pay for traveler to make one call home upon arrival at his or her destination, not to exceed $5.00.

Personal calls made from a hotel and itemized on the hotel receipt should not be included on the travel voucher or charged to the P-Card, unless the paragraph above applies.
Business-related calls should indicate person and purpose for call.

**Laundry Services**

A traveler may be reimbursed up to $25.00 per week for laundry and dry-cleaning expenses for every seven days in continuous travel status if the University is paying the travelers day-to-day expenses. Only actual laundry and dry-cleaning expenses are reimbursable and receipts are required. Laundry services while in travel status are not allowable on the P-Card.

**Multiple Reimbursements/Third Party/Other Organizations**

No traveler may be reimbursed by both the University and another organization for the same travel expenses. Furthermore, no traveler may ask the University to prepay or use the P-Card to pay any expenses that will, in the traveler’s expectation, be reimbursed by a third party.

**Prohibited Expenses**

The University does not reimburse or allow the P-Card to be used for the following:

- Purchases of alcoholic beverages.
- Travel expenses incurred by their spouses or other family members except as stated in Spouse/Family Travel section.
- Medical expenses. However, if during official travel an employee becomes incapacitated by an illness or injury covered by the University sick leave policy, that employee’s travel status may be continued.
- Cost of passports, safe charges, mini bars, in-room movies, laundry (except as allowed in item 8 in this section), valet services, recreational activities (even when such activities are part of a business meeting or conference) and excursions.
- Charges of traffic or parking violations, or other expenses incurred such as lost keys, or keys locked in vehicles.

**Special Travel Requirements**

For special travel requirements that are not covered by the above policies, contact the University’s Accounts Payable office prior to travel for approval.

**Early Arrival/Early Departure**

If a traveler chooses to arrive early to take advantage of reduced airfare, the traveler must reconcile the standard economy airfare with the reduced airfare, the additional hotel and meal expenses, and any other expenses that were incurred because of early arrival. This reconciliation should be submitted with the travel voucher.

**Trip Cancellation**

If conflicting University business or a compelling personal reason (illness, death in the family) requires cancellation of an official trip, credits and refunds should be applied back to the UA Procurement card. The University procurement card should be used to purchase airfare, registration fees and room & tax charges. Reimbursement may be requested for non-refundable out of pocket travel expenses incurred before the cancellation.

To prevent potential reimbursement problems, the department should contact Accounts Payable.
Customer Service at 348-7377 or via e-mail at acctspay@bama.ua.edu.

**Interrupted Travel**

If official travel is interrupted or deviates from the most direct travel routes for reasons of personal convenience, the University will not be responsible for any costs associated with the change.

If a traveler chooses to leave early from a trip for personal reasons, the University will not be responsible for any costs associated with the change.

**TRANSPORTATION**

**A. Travel Route**

For official University travel the most economical route available should be used.

**B. Modes of Travel**

**Taxis**

During official University travel, taxis may be hired when no other, more economical public transportation is readily available. A written explanation is required for each taxi trip except the trip from and to the airport or rail station at the destination. Submit explanations for all other taxi trips with the travel voucher or P-Card documentation.

**Air Travel**

When traveling by commercial airline on official University business, travelers should plan well in advance and obtain the most economical fare available. Only coach/economy fares are allowable. Airfare should be purchased using the University Procurement Card. In circumstances where UA Procurement card could not be used, an original receipt, including method of payment, must be submitted with the travel voucher for reimbursement.

The costs of early boarding fees, seat upgrades, seat selection fees, ticket life insurance and ticket cancellation insurance are not reimbursable.

If the traveler chooses to leave early from a trip for personal reasons the flight change fee is not allowable.

**Rail Travel**

Original receipts, including method of payment, must be submitted with the travel voucher. If the rail fare exceeds the cost of the 14-day coach/economy airfare the University will only reimburse up to the airfare amount. Rail fare may be paid with the P-Card provided that is it the most economical means of transportation.

**University Owned Automobile Transportation**

The University maintains a fleet of sedans and vans that employees and students may use for official University travel. University-owned vehicles are available on a first-come, first-serve basis to properly licensed adults who are employed by or enrolled in the University. A valid driver's license and current MVR (Motor Vehicle Record) are required. The MVR form is available at http://riskmanagement.ua.edu/. In addition, all drivers under the age of 25 are required to complete...
the "Alive at 25" program, a 4 hour course emphasizing responsible behavior and defensive driving
techniques. Contact Fleet Services, phone 348-4800, fax 348-4810, or email Fleet@bama.ua.edu to
reserve a vehicle or to register for the free "Alive at 25" course. Vehicle reservation forms are
available at: http://financialaffairs.ua.edu/aux_svcs/transportation/fleet/. Authorized travelers may
use a University gasoline credit card to buy fuel for University vehicles only when on official business.

Privately Owned Automobile Transportation

Private automobiles may also be used for official University travel. Official travel will be reimbursed at
the current federal mileage rate beginning October 1, 1999. The University makes reimbursement for
the round-trip mileage between travelers’ base (see "Travel Status") and destination, or for the actual
miles traveled from origin to destination and back, whichever is less. The mileage between a residence
and official travel station is not reimbursable. Please click here for the current mileage rate.

When two or more passengers travel in one private automobile on official University business, only
one may claim reimbursement for mileage.

When University-owned or private automobiles are used for official travel, any parking and/or toll
charges incurred are allowable. Valet parking is not allowed unless no other option is available. An
explanation for valet parking will be required with the Travel Voucher or P-Card documentation.

Reimbursement for round trip mileage cannot exceed the cost of a roundtrip flight. Reimbursement
will be made at whichever is lowest, the current mileage rate or the lowest discounted airfare. This is
called airfare-in-lieu of mileage.

If a personal vehicle is used to drive to the Birmingham airport for a flight or to pick up an official
University guest, reimbursement will be at the authorized per mile rate. The number of miles allowed
to the Birmingham airport from Tuscaloosa is 60 miles one way.

Travel within Tuscaloosa city limits should be submitted on a travel voucher to claim reimbursement.
Travel to/from a work location may not be reimbursed. The voucher must include the date,
destination, and reason for the trip, along with the recorded mileage.

For frequent local travel, claims should not be submitted on a per-trip basis. Rather, a mileage log
should be kept and claims submitted at appropriate intervals. The mileage log must be submitted with
the travel voucher.

Under normal circumstances, intra-campus travel will not be reimbursed. However, if extenuating
circumstances exist, documentation of these circumstances must be submitted with the travel
voucher.

NOTE: The interval of claims must be less than 60 days. Any expense turned in for reimbursement
more than 60 days after the expense was incurred is treated as taxable income subject to withholding
per IRS regulations.

Rental Vehicles

The University does not accept transportation to and from the airport, to and from meals, or sight-
seeing as justification for renting a vehicle.

Rental vehicles should be secured through the current approved contract. Renting a vehicle through
this contract not only assures a contracted price but also provides for liability coverage. A written
explanation is required as to why it was necessary to rent a vehicle. The University will not pay for luxury or specialty vehicles.

If a vehicle is being used for both personal and University travel, note the proportion of personal use on the voucher. The University will only pay for official business.

Anytime a vehicle is rented, The University of Alabama should appear somewhere on the rental agreement so both the driver and vehicle are covered by the University’s liability insurance. If the rental agent cannot or is unwilling to add The University of Alabama on the rental agreement, as requested by the University’s insurer, please write “Rented on behalf of The University of Alabama for Reimbursable Business Travel” and ask the rental agent to initial the agreement. The University’s insurance program includes comprehensive and collision coverage for damage to vehicles rented at destination only. Consequently, the traveler should NOT purchase insurance from rental car agencies. The University’s coverage has a deductible of $500 on collision.

Should the rental car agency request insurance verification, please click here for current insurance identification card.

The only exceptions where the purchase of the insurance is allowed would be for non-employees that engaged as a volunteer or contracted party to provide a service to the University and the rental car expense is reimbursed by the University and when an automobile is rented outside the United States.

The original receipt and rental agreement as well as any gasoline receipts must accompany the travel voucher or the P-Card Documentation.

Prior to leaving the rental car location, the vehicle must be inspected and any damage is to be noted on the rental agreement and acknowledged in writing by a representative of the rental car company. When returning the vehicle, the vehicle should be inspected and if any damage was sustained while in the possession of the renter, an accident report should be filed with the rental car company and a copy provided to Risk Management.

**IN-STATE TRAVEL**

**A. Reimbursement for Travel**

The guidelines for in-state travel reimbursements paid to employees are governed by the Code of Alabama 1975, 36-7-20 through 36-7-23, as amended. In state travel for non-employees is reimbursed as actual cost pursuant to out of state travel limits and guidelines.

Employees within reasonable travel distance from their base are expected to return to base. Individual circumstance will determine what is reasonable but generally a trip of 100 miles or less one-way may not require an overnight stay. If an overnight stay is necessary for travel less than 100 miles, a business purpose statement is required on the travel expense voucher detailing how the overnight stay meets the goals and mission of the department.

When a University employee travels within the state of Alabama on official University business, that employee is reimbursed on a per diem basis for expenses other than transportation. Receipts for items covered by per diem do not need to be submitted with the travel voucher. Overnight per diem allowance covers lodging, meals and gratuities. Partial day per diem allowance covers meals and gratuities.
When an employee's official travel requires an overnight stay, the per diem reimbursement for each day or portion of a day will be at the current per diem rate. See [link](http://accountspayable.ua.edu/pages/travel-policies.html) to per diem rates.

Under no circumstances will an employee be paid an overnight travel allowance at the official station, base or primary residence. If state business requires the traveler to be away from the base or official station on weekends or holidays, the traveler will be entitled to reimbursement for travel those days.

When an employee's official travel does not require an overnight stay, the University will reimburse that employee for meals depending upon the length of the employee's travel as established by Code of Alabama 1975, 36-7-20. See [link] to per diem rates.

No travel allowance shall be paid for a trip of less than six hours duration. For travel that does not require an overnight stay, the traveler shall be paid a meal allowance. No meal allowance will be paid if the traveler remains in the city where his/her home or base is located.

An employee who does not wish to be reimbursed for meal expenses incurred while traveling should attach to his or her travel voucher a signed statement waiving the meal allowance.

Only an employee can decide to waive per diem. A University department cannot force an employee to waive per diem.

When an employee's travel expenses are less than the per diem allowance, the employee may choose to be reimbursed for the actual cost of travel. In this case, a signed statement waiving the per diem allowance should be included with the travel voucher.

When an employee's lodging is paid for by a third party, the amount paid should be deducted from the amount of per diem due to the employee.

**B. Travel Vouchers**

Requests for reimbursement for employee travel must be submitted on a travel voucher. Travel vouchers must be filed within 60 days of travel. Travel reimbursements submitted subsequent to 60 days after the completion date of the trip will be treated as income subject to withholding according to federal tax regulations. Withholding will be taken from the last paycheck in the month following the quarter in which the reimbursement was made. For example, if a trip concludes February 19, and reimbursement is submitted May 19, the reimbursement will be treated as income and taxes will be withheld from the employee's payroll check paid closest to July 31. The Travel Voucher forms may be found at [http://accountspayable.ua.edu/pages/forms.html](http://accountspayable.ua.edu/pages/forms.html).

**OUT-OF-STATE TRAVEL**

**A. Lodging**

Accommodations should be prudently planned, so that the best interests of The University of Alabama are served at the most reasonable cost. The University Procurement Card should be used to pay for room & tax charges. Departments should ensure that the lowest possible rates are obtained. Any lodging rate over $250 a night before tax requires written explanation from traveler and approval from Dean, Department Head or Budget Manager (unless the folio or other documentation indicates the rate was a conference rate).

If using a personal credit card as method of payment supporting documentation is required to verify a personal card was used and not the University P-Card.
An itemized folio is required to substantiate the expense. Credit card receipts are unacceptable. The dates of occupancy, the number of nights, and the total amount charged for lodging must be indicated on the folio.

**B. Meals**

Meals for travel out-of-state on official University business are reimbursed at the actual cost of the meals, including tips up to $45.00 a day without receipts or up to $75.00 a day with itemized receipts for the entire $75. The amount per day is not a per diem or a given reimbursed amount. Actual cost must be submitted on the travel voucher even if the cost went over the per day maximum.

Meals while in travel status that have no other documented business purpose are not allowable on the P-Card.

In accordance with federal tax regulations, meal expenses incurred during Out-of-State travel not requiring an overnight stay are treated as income subject to tax withholding as described below.

**C. Gratuities**

Tips to food servers, taxi drivers, room cleaning staff, etc. deemed by administration to be reasonable and necessary are allowable. A tip of 20% is the generally accepted amount, but there may be cases in which 20% is exceeded. Gratuities exceeding 25% will require the next level of approval acknowledgement.

**D. Baggage Handling**

Baggage handling expenses will be reimbursed if they are incurred when traveling to or from the place of lodging or when traveling to or from the airport or train station.

**E. Travel Vouchers**

Requests for reimbursement for out-of-state travel must be submitted on an out-of-state travel voucher.

When an employee's official University travel consists of both in-state and out-of-state business, and the length of business conducted is longer than 6 hours, an in-state travel voucher should be submitted along with an out-of-state travel voucher. When the business requires less than 6 hours to conduct, all expenses will be reimbursed as out-of-state travel and should be submitted on an out-of-state travel voucher.

When business requires 6 hours or more to conduct, the University reimburses the portion of travel expenses.

Out-of-state travel expenses will be reimbursed beginning at the last point of official business within the state.

Original receipts and other documentation of the total costs of the trip must be submitted along with the travel voucher. Any expenses paid by a third party should be noted on the travel voucher.

Travel vouchers must be filed within 60 days of travel. Travel reimbursements submitted subsequent to 60 days after the completion of the trip will be treated as income subject to withholding according...
to federal tax regulations. The Out-of-State Travel Voucher form may be found at http://accountspayable.ua.edu/pages/forms.html

INTERNATIONAL TRAVEL

A. Introduction

Travel is considered international when it occurs anywhere outside the United States of America, the District of Columbia or Canada.

Purchasing Card transactions processed through another country will be subject to an international transaction fee imposed by the bank. No documentation will be required for these fees.

B. Travel Vouchers

Requests for reimbursement for international travel should be submitted on an international travel voucher. All costs listed on the travel voucher must be recorded in U.S. Currency and the exchange rate stated on the voucher.

Currency exchange fees may be claimed only when you are required to convert to/from U.S. currency. You may not claim reimbursement for losses due to currency conversion.

Note: American Express Corporate Card charges are converted by American Express to U.S. dollars and cents and the exchange rate noted. Other major credit card companies convert foreign currency charges to dollars and cents but don’t always show the exchange rate.

Travel vouchers must be filed within 60 days of travel. Receipts and other documentation of the total costs of the trip (including any prepaid expenses) must be submitted along with the travel voucher. Any expenses paid by a third party should be noted on the travel voucher.

C. Travel Approval

Before using federal contract or grant funds to travel internationally, employees must review the terms and conditions of the grant to make sure what is required by the sponsor in regard to international travel. A few federal agencies, in addition to requiring the use of American carriers and economy class tickets, require prior approval for each foreign trip—even if it was included in the approved budget.

D. International Travel

The U.S. Department of State Foreign Per Diem rates are used as the maximum amount allowed for actual costs of meals and lodging while traveling internationally. These rates apply both expenses paid by P-Card and those paid out of pocket and submitted for reimbursement. Because taxes and incidentals are included in the lodging and meal prices used to determine the foreign per diem rates, tax and incidental expenses may not be reimbursed separately.

Rates are revised monthly and payment will be made at the rates effective during the actual days of travel.

Current rates can be obtained at http://aoprals.state.gov/web920/per_diem.asp.
Travelers may be reimbursed for actual costs of meals (including tips) up to Federal M&IE rates, with itemized receipts.

An itemized folio is required to substantiate loading in expenses.

All other guidelines governing Out-of-State travel also govern international travel.

Travel is only chargeable to a grant or contract at the lower of the amount allowed by the University or the amount allowed by the funding agency. The employee's department may agree to be charged for the difference if the amount allowed by the funding agency is lower.

**FACULTY AND STAFF RETREATS**

**A. Introduction**

Departments planning retreats should contact Accounts Payable for detailed instructions regarding retreat planning and expenditure approval.

**B. Agenda and Participant List**

A retreat agenda, along with a list of all retreat participants and speakers/trainers, must be included with the reimbursement form(s) or P-Card documentation. This information serves as documentation of group expenditures.

**C. Reimbursement for Retreats**

Travel expenses, including the actual cost of transportation, lodging, meals, and miscellaneous expenses, incurred by employees while participating in a University of Alabama retreat are considered reimbursable employee travel expenses.

**In-State Retreats**

Travel expenses for in-state retreats will be reimbursed in the same manner as other in-state travel expenses if participants incur out-of-pocket expenses for food, lodging, and gratuities. If the University pays for some but not all retreat expenses, the employee is entitled to per diem less amounts paid by the University.

Reimbursement for lodging, meals, and other services will not be made to retreat participants when all expenses and gratuities are paid directly by the retreat organizer to the vendors furnishing the accommodations, meals, and services. In such cases, participants are not eligible for per diem reimbursement.

**Out-of-State Retreats**

Travel expenses for out-of-state retreats will be paid in the same manner as other out-of-state travel expenses if participants incur out-of-pocket expenses.

**Non-Travel Expenses**

Non-travel expenses, such as class materials or conference room fees, are not subject to state per diem restrictions and may be claimed for reimbursement or paid by P-Card.
NON-EMPLOYEE

A. Independent Contractor

Those individuals and companies that have contracted with the University to provide professional services as defined by IRS regulations are independent contractors (IC). Requests for IC Approval must be submitted to the UA Tax Manager for approval prior to making an agreement with the IC. If the professional service agreement with the IC provides for a fee plus travel expenses, reimbursement is made according to the agreement signed by the parties but may not exceed the limits stated in the out-of-state travel policies. Professional service agreements containing provisions contrary to policies and procedures are invalid and will not be honored. Once professional service agreements are signed by both parties, they cannot be altered. For IC’s that require a formal contract, the contract must be reviewed and signed by the Contract Administrator in the Purchasing Dept. UA departments are not authorized to sign formal agreements.

See Spending Policies for additional information.

B. Volunteers

Individuals who perform services for the University of Alabama without receiving compensation for those services are considered volunteers.

Eligibility Requirements

Volunteers are eligible for actual travel expense payments pursuant to out of state travel limit and guidelines when they meet all of the following three conditions:

- They are traveling at the specific request of the University on official University business.
- They do not receive compensation from any source for performing this service for the University.
- They are not employees of The University of Alabama or of any other state entity that would subject them to state per diem regulations.

Reimbursement for Volunteer Travel

Requests for travel expense reimbursement for volunteers should be made on miscellaneous disbursement vouchers by the department for which the service was performed.

The service performed by the volunteer should be described in detail and the volunteer's eligibility for reimbursement established on the miscellaneous disbursement voucher. It should be clearly stated on the voucher that no fee for services is being paid.

An itemized record and all original receipts for the actual transportation, lodging, meals, and miscellaneous expenses incurred by the volunteer should be submitted with the miscellaneous disbursement voucher.

C. Prospective Employees

It is the policy of the University to invite prospective faculty or staff, both husband and wife, to visit the campus. Travel for prospective employees is paid as actual cost pursuant to out of state travel limit and guidelines.

General Guidelines
Payment of the relocation/moving expenses of new faculty and administrators is at the option of the appropriate dean, director, or department head. Consult with Accounts Payable prior to making agreements for miscellaneous items or other items not covered in the list below.

When a University department agrees to pay the moving expenses for a new employee, the department should call the Purchasing Department to obtain the name of the moving company under contract. Interstate moves require the use of the moving company with which the University has a contract.

Any other moving expense reimbursements should be submitted on a MDV with original receipts attached.

**Classifications of Payments**

Refer to the chart below for account codes when categorizing payments made for new employee moving expenses.

**Account Code/Category of Expense**

- 781411 Household moving (Including up to 30 consecutive days of storage)
- 781412 Travel and lodging during the move
- 781413 Meals during the move
- 781418 Pre-Moving travel and lodging (example: House-hunting trip after the candidate has accepted the job offer)
- 781419 Pre-moving meals
- 781416 Temporary quarters (after moving to the Tuscaloosa area)
- 781417 Temporary quarters/meals
- 781414 Miscellaneous (Including mileage in excess of current mileage rate and storage in excess of 30 days)
- 781415 Office/Laboratory

**Tax Treatment**

Reimbursements for moving expenses are classified as “qualified” and “non-qualified” according to federal tax law.

“Qualified” moving expense reimbursements include household moving (including up to 30 days of storage) and travel and lodging during the move. If travel includes mileage, such items paid directly to the employee are treated as nontaxable fringe benefits, which are reported as an information item in Box 13 of the employee’s W-2 Form at the end of the year. If such payments are made to a third party, such as a moving company, the payments are not required to be reported.

All other moving expense reimbursements are classified as “non-qualified” and are considered taxable income to the employee. This includes storage costs in excess of 30 days and mileage reimbursed in excess current mileage rate. All non-qualified payments will be included in the “Wages” amount reported in Box 1 of employee’s W-2 Form at the end of the year and are subject to tax withholding on a periodic basis throughout the year. Generally, withholding will be taken from the employee’s next paycheck after the moving expense is paid. Non-qualified payments made to third parties, such as a hotel, will be classified and treated as if the payment had been made directly to the employee.
D. Spouse/Family Travel

Approval for Payment

The University is not responsible for travel expenses incurred by spouses or other family members. However, in some cases approval may be granted to pay these expenses from a foundation account.

Taxation

Per IRS regulations, the value of the travel provided for an employee's spouse is taxable income to an employee unless there is a valid business purpose for the spouse's travel.

In order to document a business purpose, the following information must be provided:

- What business function did the spouse serve? (Agenda of activities, functions attended, duties performed, etc.)
- How did the University benefit by the spouse's presence on the trip?

The above information must be provided as part of the paperwork submitted for payment of the spouse's expenses. The value of the spouse's travel is taxable income to the employee, subject to tax withholding if no business purpose is documented. Withholding will be taken from the last paycheck in the month following the quarter in which the reimbursement was made.

The above guidelines for taxation apply not only to spouses, but also to any family member traveling with an employee.

E. Stay with Family

The University does not reimburse for stays with family. However, the traveler can take the host and/or hostess out for a dinner not to exceed $25 per person in lieu of lodging expense. Original itemized receipt must accompany expense report regardless of amount.
Wireless Communication Stipend Policy

Policy

The University of Alabama may provide a wireless communication stipend to an employee who has a documented official University business need for a communication device and continues to meet eligibility requirements as outlined under the Eligibility Requirements section below.

The wireless communication stipend is intended to reimburse the employee for the business use of the device. The stipend is not intended to fund the cost of the device nor pay for the entire monthly bill. The assumption is that most employees also use their wireless communication devices for personal calls.

Cell phones and other wireless devices should not be selected as an alternative to other means of communication, such as land lines, pagers and radio phones, when such alternatives would provide adequate but less costly service to the University.

The policy is in effect for all wireless communication devices requested outside of the plans and devices offered by Telecommunications.

Stipend Eligibility Requirements

To qualify for the wireless communication stipend, the employee must have a business need, defined and approved by the supervisor or organizational unit head that includes one or more of the following:

- The employee’s job requires that they work regularly in the field and need to be immediately accessible.
- The employee’s job requires that they need to be immediately accessible outside of normal business hours.
- The employee is responsible for critical infrastructure and needs to be immediately accessible at all times.
- The employee travels and needs to be accessible or have access to information technology systems while traveling.
- Access via voice and/or access to information technology systems via a mobile communications device would, in the judgment of the supervisor or organizational unit head, render the employee more productive and/or the service the employee provides more effective, and the cost of mobile communications service is therefore warranted.

This access may be limited to voice communications or also require access to information technology systems—e.g., e-mail, calendar, Web, etc.

An employee ceases to be eligible when the employee’s job duties change and the supervisor or organizational unit head determines that the new duties do not support a business need for a wireless communication plan allowance or when the employee terminates employment with the University.

Wireless Communication Stipends

The wireless communication stipend does not constitute an increase to base pay, nor will it be
included in the calculation of percentage increases to base pay due to raises, job upgrades, retirement or other compensation increases. The stipend will be itemized on pay stubs, but will not be subject to withholding taxes.

The monthly maximum stipend amount is established by the **Office of Procurement Services** assisted by the **Office of Telecommunications** and approved by the Vice President for Financial Affairs. See the **Wireless Communication Enrollment Form** for allowable stipend amounts.

The determination of the stipend amount covers the employee's projected business-related expenses only.

In the event that an employee requires an allowance in excess of the highest allowable rate, the request with justification, must be submitted through the organizational hierarchy to the appropriate vice president or designee for approval.

Eligibility for the allowance or the level of the allowance provided is subject to change or cancellation without notice.

In the event that an employee who is receiving a monthly wireless communication plan allowance transfers departments, the current account will continue to be charged for the allowance unless a **Wireless Communication Device Enrollment Form** is submitted to the Payroll Office by the 10th of the current month for changes or cancellation. No partial month allowance will be made.

**Wireless Communication Stipends on Sponsored Projects**

Contact your **Contract and Grant** accountant for guidelines and restrictions for charging wireless communication stipends on sponsored projects.

**Nine-Month Faculty**

Nine-month faculty will receive a twelve month allowance charged to the appropriate FOAP over the nine-months the faculty member earns pay.

**Equipment and Activation Allowance**

The University will assist with paying the net purchase cost of a cell phone device not to exceed the allowance in this policy. Employees must show a bill or purchase receipt for their cell phone in order to receive this allowance. The employee can choose a cell phone with more features and pay the difference if he/she chooses. The cell phone will belong to the employee, not to the University. The University will not pay for activation fees or insurance.

Initial equipment reimbursements may be requested along with the monthly plan allowance request. Thereafter, subsequent equipment reimbursements may be allowed at the discretion of the department head, dean/director, or vice president every 24 months subject to eligibility conditions above. The University is not responsible for loss, theft, or damage to an employee's personal wireless device. Employees should consider purchasing device insurance through their service provider. See **Wireless Communication Device Enrollment Form** for the allowable phone reimbursement.

**Responsibilities of Employees Receiving Stipend**

When a wireless communication stipend has been approved and provided to an employee for the conduct of official business, the employee must comply with the following:

- Complete a **Wireless Communication Device request form**
- The employee will provide the phone number within five days of activation and will be available for calls (in possession of the wireless communication device and have it turned on) during those times specified by the supervisor or organizational unit head.
- The employee may select any wireless carrier whose service meets the requirements of the job responsibilities as determined by the supervisor or organizational unit head.
- The employee must inform the University when the eligibility criteria are no longer met or when the wireless service has been cancelled.
The supervisor or organizational unit head may periodically request that the employee provide a copy of the first page of the phone bill in order to verify that he/she has an active wireless phone plan. The supervisor or organizational unit head may also periodically request documentation of substantial business use. At a minimum, documentation is required when initially applying for the stipend. The employee is responsible for all charges on his/her personal wireless plan.

The employee is responsible for complying with international, federal, state, and municipal laws regarding the use of wireless phones and other communication devices while driving. Under no circumstances will The University of Alabama be liable for non-compliance.

The employee should use discretion in relaying confidential information over wireless devices since wireless transmissions are not secure. The employee will be responsible for any fees associated with a change or termination of the contract caused by a personal decision by the employee, employee misconduct, involuntary termination, or misuse of the device or service. The University shall bear such costs in the event the termination of the employee’s service provider contract is required due to a change in University policy or other reason unrelated to the employee’s violation of this policy.

The employee does not need to maintain a log for business and personal phone calls if receiving a wireless stipend.

Security

The University reserves the right to require any mobile device accessing the University’s infrastructure to be subject to future mobile device security policies and guidelines as established by the University’s Information Security Office and IT governance structure. This applies to both University and personally-owned devices.

Security policies may include device requirements for mobile anti-virus/spyware, mobile firewall, secure communications, encrypted file folders including storage cards, strong passwords, two-factor authentication, and/or destruction and disabling in the event of a lost or stolen device or termination. Costs for any mobile security measures will become the financial responsibility of the organizational unit and/or the individual owner of the device at the time such requirements become University policy.

Support

Users who are authorized to obtain a cell phone without data access must obtain technical support from the vendor providing the phone.

OIT will assist with email and calendar synchronization provided that the user receives a monthly phone/data allowance from the University.

Important: Before OIT can provide support, you must at minimum be able to make and receive calls and browse the internet using your device. If you cannot do both of these, you must contact your carrier to resolve the issue before OIT will be able to help you.

Support for the cell phone portion of smart phone/PDA devices must be obtained from technical support from the vendor providing the phone.

University-Owned Wireless Communication Devices

Employees, with the approval of their organizational unit head, may purchase a University owned wireless communication device and its associated plan. Application for the University owned devices should be made through the Office of Telecommunications.

No personal calls are allowed on University owned wireless communication devices. Business officers or designees in the organizational unit must review the monthly bills of University owned wireless communication devices to ensure that no personal calls were made. Inadvertent or emergency personal calls must be reimbursed to the University.

Miscellaneous
Extraordinary business use of an employee’s personal wireless device in excess of the monthly stipend can be reimbursed with appropriate documentation and approval.

Exceptions to this policy require approval from the appropriate vice president.

Misuse or fraudulent receipt of a wireless communication stipend may result in progressive administrative and/or disciplinary action up to and including termination of employment and criminal prosecution.

Departmental policies may be more (but not less) restrictive than the University policy.

Policy revised November 2011