

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.02 - Accounting and Fiscal Reporting

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

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

(09-30-94)

P05.02.020. General Purpose Financial Reporting.

The university shall report its financial activity in accordance with applicable generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board for general purpose financial reporting and university regulation. A report shall take the form of a global accounting statement, and shall include a report on income from university land.

(09-30-94)

P05.02.030. Compliance Reporting.

The university shall comply with all state and federal governmental accounting and reporting requirements.

(09-30-94)

P05.02.040. Management, Cash Flow, and Fiscal Reporting.

The chief finance officer of each administrative unit within the university system shall respond promptly to and in strict alignment with reporting requests and directives from the chief finance officer.

(09-30-94)

P05.02.050. Financial Obligations and Commitments.

- A. All financial commitments shall be reserved or encumbered in accordance with generally accepted accounting principles, and with directives of the chief finance officer.

- B. No personnel shall be employed by any administrative unit that are not authorized by the unit's annual budget. No person shall be placed on the university's payroll without first having been processed through the prescribed personnel employment procedure and the appropriate payroll documentation properly processed.

(09-30-94)

P05.02.060. Travel and Relocation

- A. The university shall reimburse regents, employees, students and others for travel expenses incurred for authorized travel on behalf of the university in accordance with IRS requirements and university regulation.
- B. The university may provide employees moving or relocation allowances at the time of hire or relocation to another work location. Such payments shall be made and reported in accordance with IRS requirements and university regulation.

(02-18-09)

P05.02.070. Representational Expense.

The university may incur or reimburse authorized individuals for representational type expenses. The conditions and limitations regarding such expenditures or reimbursements shall be governed by university regulation.

(09-30-94)

P05.02.080. Games of Chance and Skill.

The university may conduct games of chance or contests of skill in accordance with state regulations. The conditions and limitations regarding such games of chance and skill shall be governed by university regulation.

(09-30-94)

UNIVERSITY REGULATION
PART V - FINANCE AND BUSINESS MANAGEMENT
Chapter 05.02 - Accounting and Fiscal Reporting

R05.02.030. Compliance Reporting.

A. Status: Independent Contractor, Honorarium, or Employee

The University shall report all payments to the Internal Revenue Service as required by law and regulation. There shall be a determination of the status as an independent contractor, honorarium, or employee prior to initiating work or payment for such work. All payments shall be reported in accordance with Internal Revenue Service (IRS) Regulations.

1. General

- a. For purposes of federal tax reporting requirements, individuals performing professional or other services for the University shall be considered employees, unless a determination is made that such individuals are appropriately classified as independent contractors.
- b. Determinations of independent contractor status shall be made by the MAU's chief financial officer, or his/her designee, or the controller for statewide administration, in accordance with IRS Regulations and rulings and the guidelines for independent contractor status determinations provided below. Exceptions to the guidelines may be authorized in writing by the vice president for finance.
- c. Agreements or contracts with partnerships, corporations or other organizations requiring the exclusive services of named individuals are also subject to the independent contractor determination guidelines.
- d. All independent contractors regardless of their status as individuals, corporations or other organizations will be required to provide a social security or federal employer identification number.
- e. Responsible EEO/AA employment and contracting practices shall be considered in the selection of contractors.

2. Guidelines For Independent Contractor Status Determinations

The following guidelines shall be used for independent contractor status determinations and documentation.

- a. A determination that an individual is an independent contractor must include clear and convincing evidence supporting such a conclusion.

- b. All determinations of independent contractor status for individuals, except for those individuals engaged as guest speakers or entertainers as described in item g below, shall be evidenced by completion of an "Independent Contractor Determination Form." A copy of the appropriate form is included in the University of Alaska Procurement Manual and is also available at the regional procurement offices.
- c. Individuals engaged as instructors for credit courses (and, in general, for continuing education credit courses) shall be classified as employees.
- d. Individuals engaged as instructors for noncredit courses (and certain continuing education credit courses for which the institution has minimal rights to control course content or course conduct) may be classified as independent contractors, if the facts and circumstances surrounding such engagement clearly indicate that a bona fide independent contractor relationship exists.
- e. Individuals engaged as instructors for noncredit who teach, or are intended to teach programs, seminars or workshops for periods exceeding 40 cumulative contact hours over a 2-year period, even on an irregular or intermittent basis, should be classified as employees.
- f. Individuals employed half time or more by the University as employees may not be treated as independent contractors, even if the new service requested differs significantly from those services currently provided by the individual as an employee.
- g. Individuals who are engaged as guest speakers or performers to provide short-term non-recurring services for a fee and who are not otherwise employed by the University shall be treated as independent contractors. This provision does not include workshop instructors, presenters or coordinators.
- h. All material terms and conditions for performance of the services to be provided shall be drafted, in writing, and attached to the "Independent Contractor Determination Form."
- i. No payment may be made to an independent contractor unless the University has been provided with the contractor's social security or federal employer identification number.
- j. Contracts with corporations, governmental agencies, professional organizations, and other colleges and universities shall be treated as contracts with independent contractors.
- k. A private determination made by the IRS shall supersede internal determinations, unless there is reasonable cause to believe that the facts,

upon which the IRS determination was based, were incomplete or inaccurate or are no longer applicable to the current arrangement.

3. Criteria For Independent Contractor Status Determination

A statement of the criteria for independent contractor status determination and a discussion of relevant Internal Revenue Service Rulings, examples and illustrations are included in the University of Alaska Procurement Manual. Since many factors must be considered in the evaluation of independent contractor/employee status, generally, no one factor in itself can be considered conclusive.

4. Insurance Requirements for Independent Contractors

- a. Independent contractor applicants must provide a certification of workers' compensation coverage, as required by law; and other insurance coverage, as applicable, such as general liability, auto liability, and professional liability, with minimum limits to be established by the Statewide Office of Risk Management.

The University of Alaska Procurement Manual, Appendix I, includes a reproduction of the Statewide Office of Risk Management standard insurance and indemnity provisions for professional service and other contracts.

- b. All contracts shall include a provision that failure to provide evidence of insurance coverage shall be considered a material breach and grounds for termination of the contract.
- c. Waiver of insurance requirements for independent contractors may be approved by the statewide director of risk management or designee, if the exposure to loss is substantially limited by the nature of the work performed or availability of other coverage.

5. Written Contracts Required For Independent Contractors

Contracts for professional and other services must contain insurance coverage requirements, provision of federal identification numbers and other terms and conditions required by statute and University procurement regulations. Insurance provisions are generally not required for contracts with guest speakers. Prescribed standard form contracts are available from regional procurement offices.

6. Honoraria

An honorarium is a gift provided to an individual or organization as a display of gratitude or custom, for services for which no fee was established or agreed upon, and for which there is no legal obligation or entitlement to payment.

An honorarium may not be paid to an employee of the University, unless such payment is included on the individual's payroll earnings record.

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

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

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

7. Employee, All Others Payments

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

(11-01-04)

R05.02.040. Management, Cash Flow, and Fiscal Reporting.

A. Aging of Billed and Unbilled Accounts Receivables; Related Considerations

1. The age status record maintenance and reporting of all billed and unbilled accounts receivable shall be the responsibility of all administrative units within the university system.
2. Aging reports on both billed and unbilled accounts receivable shall be maintained current and reported by all administrative units in strict alignment with instructions emanating from the office of the vice president for finance.
3. It shall be the responsibility of all administrative units within the university system to appropriately monitor their respective accounts receivable liquidations/receipts and to ensure that such receipts are maintained on as current a basis as any and all federal/state agency regulations permit.
4. It shall be the responsibility of all administrative units within the University system to consistently avail themselves of all appropriate means of expediting the liquidation of accounts receivable. To this end, where regulation permits, advanced billings and letters of credit shall be obtained on all grants and contracts.
5. Where agency regulation(s) prohibit advanced billings and/ or letters of credit, billing submittals shall be for the least period of time allowed (e.g., one month or two months).

(11-03-94)

R05.02.050. Financial Obligations and Commitments.

A. Expenditures and/or Encumbrances

1. All expenditures and/or encumbrances shall be confined to and occur strictly within prescribed operating expense classifications, as included in approved annual budgets for administrative units.
2. Operating expense classifications, for expenditure control purposes, shall be understood to be confined to state prescribed objects of expenditures (line items), as described in the following typical major categories:
 - a. Personal Services (including Labor Pool)
 - b. Travel
 - c. Contractual Services
 - d. Commodities
 - e. Equipment
 - f. Grants
 - g. Miscellaneous
3. No personnel shall be employed by any administrative unit that are not authorized by the unit's annual budget. No person shall be placed on the University's payroll without first having been processed through the prescribed personnel employment procedure and the appropriate payroll documentation properly processed.

B. Leases

Persons authorizing leases are responsible for ensuring that appropriate comparisons of the advisability of making purchases or lease-purchases, rather than simply leasing, have been made, before leases are executed.

Additionally, such persons are responsible for obtaining a legal review by the university counsel of (1) proposed lease-purchases, to preclude the possibility of incurring illegal debt, as specified in Regents' Policy, and (2) all other leases except those for equipment. Copies of executed leases which will be in effect at the end of the fiscal year must be submitted to the office of the vice president for finance. Also, see Equipment Lease Purchases under Regents' Policy and University Regulations on Debt and Credit.

(11-03-94)

R05.02.060. Travel and Relocation

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A. Travel

1. Purpose and Scope

a. Purpose

(1) General

These regulations provide detailed requirements and guidelines for implementation of Board of Regents Policy, Internal Revenue Service (IRS) Regulations and OMB Circular A-21 (federal cost principles for institutions of higher education) related to travel.

Many of the regulatory and documentation requirements are intended to assure compliance with IRS regulations regarding "accountable plans."

Failure to comply with these regulations by administrators, supervisors or travelers may result in the recipient being subject to income tax on travel reimbursements, billings and cost allocations being disallowed for direct and indirect cost purposes, and/or the university being subject to fines and penalties for failure to withhold taxes or properly account for travel costs.

(2) Administration

In administering these regulations and related procedures, the Travel Administrator shall take into consideration that:

- (a) some travel is conducted solely for the benefit and convenience of the university, while other travel is mutually beneficial to the traveler in terms of professional development, convenience, or other factors;
- (b) some travel occurs at the exclusive direction of the traveler's supervisor with the traveler having minimal control over the travel circumstances, while others exercise full control over all aspects of their travel; and
- (c) some travelers have little or no experience with university travel regulations and procedures, while others travel frequently and can be expected to have a comprehensive understanding of the travel regulations and related procedures.

b. Scope

(1) General

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

(2) Persons Authorized to Travel

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

(3) Persons Authorized to Travel for Recruitment

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

(4) Bargaining Unit Agreements

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

(5) Grants and Contracts

Procedures identified in this regulation may be modified to conform to conditions and stipulations in specific grants, contracts and agreements negotiated with other entities as long as university liability and insurance are not impacted by those changes. A copy of the document or relevant sections of the document which authorize such modifications must be attached to the affected expense reports.

2. Definitions

- a. Non-reimbursable expenses - personal, unallowable, or other expenses not subject to reimbursement such as those described below:
 - (1) Travel accident insurance coverage outside of that provided to employees and Regents by the university. Reimbursement of travel accident insurance is allowed for non-employees conducting university business.
 - (2) Vehicle repairs, towing services, lubrication, tire replacement, etc. for privately-owned vehicles;
 - (3) Meals at the traveler's work station or residence;
 - (4) Child care or baby-sitting fees;
 - (5) Personal telephone calls, including calls to the traveler's home or family;
 - (6) Fines or penalties for parking or other violations, whether in a personal vehicle or in a rented vehicle;
 - (7) Laundry and dry cleaning;
 - (8) Entertainment and representational expenses (entertainment or representational expense may be claimed only through submission of a separate payment request with proper justification, receipts and authorization); and
 - (9) Subsistence expenses (including the incremental cost of additional lodging or room charges) for family members, travel companions and others not on authorized university business.
 - (10) Frequent flyer mileage charges associated with rental car or hotel participation.
- b. Other Reimbursable Expenses - charges for business and local telephone calls, parking and vehicle toll charges, cash advance fees, emergency purchases of supplies, conference and registration fees, and other necessary costs related to a trip.
- c. Per-diem - the daily rate of payment to a traveler in lieu of reimbursement for actual costs of subsistence expenses including lodging and/or meals, tips and other incidental expenses incurred while traveling. Per-diem is based on place of destination, regardless of start of transit time, and is based on a 24-hour day clock regardless of time zones. Payments are not to exceed 4 quarters per day.
- d. Residence - the community where the traveler maintains a dwelling. If a traveler maintains more than one residence, the residence most clearly related to the traveler's work station will be considered the traveler's principal residence.

- e. Subsistence Expenses - charges for lodging, meals, tips and other incidental expenses incurred while traveling.
 - f. Transportation Expenses - commercial carrier fares, vehicle mileage allowance, taxi and bus fares, and other essential transportation costs.
 - g. Transportation Request Form (TR) - a formal order, similar to a purchase order, to purchase transportation services which will be billed directly to the university.
 - h. Travel Administrator - individual designated by the MAU's Chief Financial Officer, or the Statewide CFO, as the individual responsible for administration of the travel policies and procedures and corporate travel card issuance for a regional campus or other unit.
 - i. Travel Authorization Form (TA) - the official approval form designated for documentation of all costs associated with a specific trip to meet federal income tax, and internal reporting requirements, encumbrance of funds, and approval of related advances.
 - j. Travel Expense Report (TER) - the official document used by the traveler to account for all travel costs associated with authorized trips, as well as any related costs to be reimbursed to the traveler.
 - k. Work Station - the community where the traveler spends the major portion of working time, or the place to which the traveler normally returns upon completion of assignments.
3. Travel Approvals
- a. General
 - (1) Each traveler, except for those individuals specifically authorized by the university president or the appropriate chancellor, must have the approval of his or her supervisor documented on a Travel Authorization Form prior to commitment of university funds.
 - (2) The chair of the Board of Regents shall approve regent travel for other than Board meetings or commencement activities.
 - (3) Any level of authority over the supervisor may limit who is authorized to approve travel authorization, transportation request and expense report forms or related transactions for their administrative unit.
 - (4) Approval of Travel Authorization forms may not be delegated to a level of authority lower than the traveler (e.g. administrative

assistants or support staff) without the specific written approval of the university president or the chancellor.

- (5) Supervisors and travelers shall familiarize themselves with and adhere to the risk management practices and procedures relating to transportation safety requirements at their campus and/or department.

b. Out-of-state Travel

The university president or chancellors may designate individuals authorized to approve out-of-state travel. Approval for out-of-state travel, including international travel, may not be delegated below dean/director level.

c. International Travel and Fly America Act

- (1) In addition to the requirements in b. above, all international travel (travel outside the 50 states and the District of Colombia), including travel of those individuals normally exempt from the requirement of supervisory approval, must be approved by the traveler's supervisor.

- (2) Use of a foreign air-carrier for federally funded travel requires specific documentation and approval by the Travel Administrator (contact your university Travel Administrator for specific requirements). The university supports the Fly America Act by requiring all travelers using federal funding to be on an American air carrier into and out of the United States regardless of cost and/or travel times. In cases where there are no direct flights by an American carrier, travelers must fly to a gateway city for connecting flights to their final destination. The university supports the use of American carriers on all legs of the trip where American carriers are available.

d. Reimbursement of Lodging Expenses at Actual

- (1) Reimbursement of actual costs for lodging in excess of the authorized per diem allowance must be approved by the supervisor prior to commencement of travel.
- (2) Reimbursement of actual costs for lodging in excess of 1.5 times the authorized per-diem rate is subject to disallowance and requires an explanation of price reasonableness of the charge or the reason for incurring costs in excess of 1.5 times the authorized rate and approval of the Travel Administrator or designee. In addition, when 1.5 rates are approved travelers are encouraged to offset the

higher cost for lodging by avoiding car rentals and/or accepting lower per-diem rates.

- (3) Lodging reimbursement is limited to the business days with consideration of one day before and/or one day after. Any deviation requires the advance approval of the Travel Administrator.

e. Use of Boat, Snowmobile, ATV, Motorcycle, Private Aircraft, or Other Non-Conventional Modes of Transportation

Because of risk management/insurance concerns, planned use of boat, snowmobile, all terrain vehicle (ATV), motorcycle, private aircraft, or other non-conventional modes of transportation for the conduct of university business requires prior approval of the Travel Administrator or designee. The rental of motorcycles for university business is not authorized. With the exception of the university's aviation schools, piloting of aircraft by employees for university business is not allowed except as specifically approved by the Statewide Office of Risk Management.

Use of the above referenced modes of transportation, that are owned or operated by a University of Alaska employee, to carry any passengers, including other university employees, also requires the prior approval of the Statewide Office of Risk Management, or designee.

Employees disregarding these regulations will be considered to be functioning outside the course and scope of their employment for any loss reimbursement or liability purposes. This means that an employee who incurs a loss or a claimed or actual liability as a result of a violation of these regulations will not be entitled to any loss reimbursement or to defense and/or indemnification by the University of Alaska in any action taken against him/her.

f. Delegation

- (1) Except for the approvals and limitations noted in this section, approval authority may be delegated as approved by the Travel Administrator.
- (2) Specific approvals identified in this section may be delegated only for purposes of absence or non-availability of the authorized individuals.

4. Mode of Travel

- a. Scheduled Commercial Air Carrier - this service shall be utilized for long distance individual travel, unless there is a compelling reason for use of

another mode of travel, such as medical necessity, less costly charter flights, or inadequate time schedules. When federal funding is being used all flights into and out of the United States must be on an American carrier. The university will only reimburse for coach class tickets. Any additional cost for business or first class airline tickets must be paid by the traveler.

- b. Chartered Aircraft - use of chartered aircraft, with pilot, may be authorized when no scheduled transportation is available to meet the travel requirements and the aircraft chartered has a valid Air Taxi Certificate and the required insurance. Prior approval is required by the Travel Administrator and Purchasing.
- c. University and Private Vehicles
 - (1) University or private vehicles may be used, if the use is in the best interest of the university, such as when the overall cost including travel time is less expensive or its use is a medical necessity for the traveler.
 - (2) Reimbursement for vehicle transportation expense shall be limited to the lower of commercial airfare or the standard vehicle mileage rate allowable for IRS purposes. When mileage rates are claimed, they cover all the traveler transportation costs. Fuel costs are not to be claimed in addition to the standard mileage rate.
 - (3) The use of seat belts by all occupants when riding in university owned or other vehicles in the performance of university business is mandatory.
 - (4) The university's liability coverage shall only be effective for the portion of a valid claim over and above the driver's and/or owner's insurance, if a non-owned vehicle driven on university business by a University of Alaska employee in the course and scope of their official duties is involved in an accident. The university provides no insurance coverage for physical damage to privately owned vehicles or other personal property.
- d. Automobile Rental
 - (1) Automobile rental for employees on authorized university business may be utilized when such use is in the best interest of the university and approved in advance on a Travel Authorization. (See item (6) of this sub-section regarding prohibition of renting vehicles for guests or non-employees in the name of the university.)

- (2) The traveler must obtain the lowest and most economical rate offered to university or government agencies for the type of vehicle necessary to meet the business needs of the traveler. However, based on safety considerations, use of vehicles smaller than mid-size ("economy" or "subcompact" class vehicles) is not required. (See R05.02.06A.15(8) regarding expense reporting for full size or luxury vehicles.) A standard sized car is to be rented or the business justification for a larger class vehicle must be attached to the expense report.
- (3) The cost of vehicle insurance, generally called "collision damage waiver insurance," offered by car rental agencies will not be paid or reimbursed for automobile rentals for university business by employees because the university is self-insured for vehicle damage. However, such coverage may be purchased for the rental of vans or unusually high value vehicles. Vehicle insurance should be purchased for rentals by employees in foreign countries except for Canada.
- (4) Rental vehicles, paid for by the university, are provided for university business purposes only. The university's insurance of rental vehicles is effective only when the vehicle is being used by an authorized employee while acting in the course and scope of the employee's official duties. Any other use will be considered personal use. With respect to personal use, it is incumbent upon employees to:
 - (a) ensure that their personal auto insurance will cover their personal use,
 - (b) purchase from the auto rental company, at the employee's own expense, the insurance product offered by the rental company, or
 - (c) personally pay for any claims for damage or injury arising out of personal use.
- (5) If a rental vehicle will be used for both business and personal use, the vehicle may not be rented under a Transportation Request Form and the traveler's reimbursement request should be adjusted for any incremental personal costs related to the extended term of the contract, mileage driven, insurance, or fuel charges incurred.
- (6) Motor vehicles for guests or non-employees must not be rented in the name of the University of Alaska with a university charge card, purchase order, transportation Request Form (TR) or other means. If payment or reimbursement of such costs is authorized, such payment should be covered as an after the fact reimbursement or based on an agreed upon or quoted cost, up front. In this case,

insurance coverage purchased from the car rental agency is reimbursable.

- (7) Motor vehicle rental agencies are not allowed to be named as an insured party or additional insured party under the university's insurance and self-insurance plan. University employees and agents are not authorized to enter into an agreement that would make a rental agency, related entities, or others named or additional insured under the university's insurance or self-insurance programs.

Any certificate or statement required by a motor vehicle rental agency that adds them as an insured or additional insured is unauthorized and of no legal force or effect with respect to the University of Alaska and its insurance or self-insurance programs.

e. Shuttle Service

Shuttle (bus or rapid transit or hotel transportation) service should be used whenever practical and time permits such use.

f. Non-conventional Mode of Transportation

- (1) The traveler may be reimbursed for an authorized non conventional mode of transportation (see 3.e) at rates which are based on the cost of providing or obtaining the service, are reasonable in amount, and are approved by the Travel Administrator. An explanation of the facts and circumstances documenting the necessity to use, and the basis of the rates to be charged for, such non conventional modes of transportation must accompany the related Travel Authorization Form, unless the circumstances of travel preclude obtaining such information in advance.
- (2) Acquisition of non conventional transportation services in excess of \$5,000 shall be approved by the procurement office in advance.

5. Transportation Expenses

a. Travel for Employee Convenience

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

cost comparison itinerary showing the most direct routes and/or efficient modes must be attached to the expense report. Personal days must be identified on the Travel Authorization form, and properly reported as leave, if appropriate.

- (2) Any additional time away from work that may be required for such indirect travel or less efficient mode shall be charged to annual leave or leave without pay, unless an overall savings is documented with the traveler's travel expense report.
- (3) Payment arrangements for the personal portion of the expenses should be made directly with the travel agency, airline or other vendor. Costs applicable to the personal portion of travel should not be processed through the university's accounting records.
- (4) **Change Fees**
All change fees must have a business justification noted on the expense report, and are subject to disallowance.

b. **Interruption or Extension of Travel**

- (1) Per-diem or reimbursement allowances may be paid for periods of interruption or extension of travel incurred for the benefit of the university or circumstances beyond the control of the traveler.
- (2) If travel is interrupted or extended for the personal convenience of the traveler, the per diem or reimbursement allowed may not exceed that which would have been incurred by uninterrupted travel.
- (3) Personal portions of the travel costs incurred in connection with authorized travel may be charged to the employee's corporate travel card.
- (4) Travelers must utilize the most economical transportation available, unless such transportation is not available within a reasonable time period, will result in a higher overall cost, or is otherwise not in the best interest of the university.

c. **Economical Accommodations**

Travelers are encouraged to stay at accommodations that meet the federal standard lodging rate for the area. Any lodging that exceeds the rate by 1.5 times must be preapproved by the Travel Administrator or his/her designee. When higher rates are approved, travelers are encouraged to save costs by avoiding vehicle rentals or accepting lower per diem rates.

d. Discount Fare Savings/Reimbursement

- (1) Travelers are not entitled to any savings resulting from the use of discount fares. If a traveler exchanges or modifies a university paid ticket, any cost savings must be remitted to the university.
- (2) Travel by university employees utilizing personally owned discount, frequent flyer, or no cost airline tickets will be reimbursed at the traveler's direct cost for incurred fees.

e. Acceptance of Gratuities

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

f. Baggage Charges

Baggage charges paid or reimbursed by the university shall be limited to personal and university baggage necessary to carry out university business. The reason for incurring excess baggage charges must be explained on the traveler's expense report.

g. Travel Accident Insurance

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

h. Ticket Cancellation Insurance

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

i. Canceled Reservations

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

j. Unused Tickets

- (1) For tickets purchased with a Transportation Request Form, any unused ticket, or portion of a ticket, for travel which was canceled or terminated short of the scheduled destination shall be attached to an expense report. Documentation should clearly note that a refund is due, and that the department must obtain the refund from the carrier, travel agency, or other vendor.
- (2) For tickets purchased with a personal or corporate credit card, the traveler shall request a credit directly from the carrier, travel agency, or other vendor.
- (3) If no refund is available, unused tickets should be retained for subsequent university travel or sold to the employee at actual cost.

6. Subsistence Expenses

a. General

- (1) Employees and others authorized to travel may be reimbursed for subsistence expenses at actual cost for lodging plus per diem rates for meals and incidental expenses, or at actual costs for all expenses. Reimbursement for the actual cost of meals may not exceed the per diem allowance for meals and incidental expenses.
- (2) The Travel Administrator may authorize reimbursement for lodging at the short-term lodging per diem rate in unusual or extraordinary circumstances.
- (3) In accordance with IRS regulations, a single method of reimbursement shall be used consistently for any individual trip. However, a combination of the approved methods may be utilized, if the total reimbursement for subsistence is less than would result from using the per diem rate for meals and incidental expenses for the entire trip, or if a reasonable basis for such treatment is documented on the travel authorization form or travel expense report, and is approved by the Travel Administrator.
- (4) Reimbursements at the lower of actual cost or per diem for meals and incidental expenses may be required only if the traveler is informed of the requirement in advance of the travel.
- (5) Reimbursements at actual may be limited to the costs expected to be incurred at moderately priced establishments catering to the general public.

b. Short-term Per Diem Rate

(1) The short-term per diem allowance is the rate utilized for trips of short duration (30 days or less). The short-term allowance may not be used after 30 consecutive days (including weekends or other short-term breaks in travel) on travel status in a single location, unless a continuation of the rate has been approved in advance by the Travel Administrator.

(2) The short-term per diem reimbursement rates for travel outside of Alaska shall be the rate authorized for payment by the federal government in the locality (including international travel) in which the traveler spends the night. If the location is not listed on the federal list, the traveler must use the rate for “other” as the amount for the per diem claims.

(3) For the day travel begins or ends: The traveler shall be allowed one-fourth (1/4) of the basic M&IE allowance for each quarter-day period during which the traveler was on travel status for a minimum of one hour. The quarter-day periods are as follows:

| | | |
|-----------|----|-----------|
| Midnight | to | 6:00 a.m. |
| 6:00 a.m. | to | Noon |
| Noon | to | 6:00 p.m. |
| 6:00 p.m. | to | Midnight |

(4) Same Day Travel

Per diem reimbursements for travel increments of less than one day are allowable, and shall be reimbursed in quarter-days. The rules in 6.b(3) above apply. The traveler must be in travel status for a minimum of one hour in a quarter day in order to qualify for reimbursement in that quarter.

(5) Current per diem and mileage rates are available from the campus travel office website.

(6) U.S. and Foreign Per Diem Rates

Links to the appropriate per-diem rates may be found at the campus Travel Office website.

(7) Alaska Per-diem Rates

Reimbursement for travel in Alaska shall be at the rates established by the Statewide CFO. Current rates may be found at the campus Travel Office website.

c. Long-Term Per Diem Rate

- (1) The long-term per diem rate allowance is the rate used for trips of long duration (greater than 30 days). The long-term per diem rate may not be used after six consecutive months in one location, unless a continuation has been approved in advance by the Travel Administrator.
- (2) A long-term per diem allowance equal to 70 percent of the short-term meal and incidental allowance rounded up to the nearest dollar (or other rate as approved by the Travel Administrator) shall be utilized when the circumstances of travel are such that the traveler can reasonably be expected to incur expenses comparable to those arising from the use of establishments catering to the longer-term visitor. Lodging expenses shall be reimbursed at cost, or such other rate, as approved by the Travel Administrator.

d. Non-Commercial Per-diem Rate

- (1) A non-commercial per diem allowance equal to 100 percent of the short-term meal and incidental expense allowance plus 15 percent of the short-term lodging allowance rounded up to the nearest dollar may be utilized when the circumstances of travel are such that the traveler can reasonably be expected to incur expenses comparable to those arising from the use of non-commercial subsistence facilities such as field camping, state camps, university facilities, staying with friends or relatives, or other accommodations, and the rate reasonably approximates the cost of obtaining the service.
- (2) If the non-commercial per diem rate does not reasonably approximate the cost of obtaining the service, the traveler shall be reimbursed at rates which are: (1) based on the cost of providing or obtaining the service; (2) reasonable in amount; and (3) approved by the Travel Administrator.
- (3) The non-commercial per diem rate may not be used after 30 consecutive days (including weekends or other short-term breaks in travel) on travel status in one location, unless a continuation has been approved in advance by the Travel Administrator.

e. Higher/Lower Reimbursement Allowances

- (1) The maximum allowable authorization for actual costs of meals and incidental expenses is the authorized M&IE per diem rate. Lower per diem rates than the standards defined in these regulations may be approved (or required, if requested in advance)

by the Travel Administrator if the circumstances of the travel so warrant.

- (2) Reimbursement of actual expenses for lodging up to 1.5 times the authorized lodging per diem allowances may be approved by a supervisor when the circumstances of the travel are such that the established per diem rate is not adequate to obtain reasonable lodging. Except in unusual or extraordinary circumstances such approvals should be in advance of travel. Such requests may occur in communities with limited lodging facilities, or where lodging has been prearranged, such as for conferences or seminars.
- (3) Reimbursement requests in excess of levels authorized in advance are subject to disallowance and require approval of the Travel Administrator or designee prior to reimbursement.

f. Board of Regents' Reimbursement Allowance

Regents may request a full per diem allowance for any portion of a day spent attending a board meeting or other official activity, even if the meeting or activity takes place in their own community. Such per diem payments are required to be reported to the Internal Revenue Service on Form 1099. Alternatively, Regents may request reimbursement for travel costs on the same basis as university employees without special tax reporting requirements.

g. Contracting for Subsistence

Arrangements may be made with restaurants, hotels, or other vendors to furnish subsistence to groups of travelers if such arrangements are in the best interest of the university. Such services or commodities are to be secured through the procurement office in accordance with university purchasing regulations and procedures.

h. Group Travel

All group travel will be reported at actual cost; however, cash meal and incidental expense allowances may be paid to members of the group for some or all meals or periods. Supporting documentation, including receipts for cash allowances provided to members of the group, will be required. Approval of the Travel Administrator will be required for the payment of meal allowances at rates lower than those authorized by these regulations.

7. Computation of Allowances

a. Time in Travel Status

A traveler shall be considered in travel status from the time the traveler leaves or returns to his or her immediate work station if travel begins or ends during assigned work hours, or from the time the traveler leaves or returns home if travel begins or ends outside assigned working hours. When employees modify direct routing and deviate from university business for personal or other reasons, injuries, death, claims, damages, liabilities, or other losses incurred may not be covered by university insurance programs or resources. It is incumbent upon the employee to recognize that they may be financially responsible for any costs resulting from deviations from direct routing for personal or other reasons.

b. Leave of Absence (includes holiday, sick, annual and LWOP)

If an employee begins or ends a period of leave while on travel status, the following guidelines shall apply:

- Expense reimbursement stops at the hour an employee deviates from university business or goes on annual leave or LWOP and resumes at the hour the employee returns to duty or recommences travel status on university business.
- Expense reimbursement is allowed on non-work days provided the employee is required to be on travel status.
- Expense reimbursement is allowed when an employee is granted sick leave while required to be on travel status.

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

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

d. Meals Available Under Special Circumstances

If meals are made available at no cost to the traveler (other than airline meals and snacks), such as meals provided at conferences or by others at meetings, or if meal costs are reimbursed from other sources or reimbursed as representational expenses, the per diem allowance shall be adjusted by reducing the daily meal and incidental expense allowance by

one-fourth (1/4) for each meal provided or reimbursed by other means. Exceptions to these reductions must be justified in writing.

e. Travel Delays Beyond Travelers Control

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

8. Other Expenses

a. Phone Charges and Computer Connection Fees

Business phone calls must be documented as to date, person called, phone number, and reason for the call. Access charges and local phone calls are considered reimbursable expenses. Computer connection fees and phone calls must be reasonable in amount. Travelers are encouraged to use discount phone cards to avoid excess hotel long distance/connection fees.

b. Cash Advance Charges

Fees charged for cash advances obtained for purposes of university travel are allowable expenses.

c. Parking and Toll Charges

Parking and toll charges are allowable transportation expenses.

d. Supplies and Miscellaneous Expenses

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

9. Wages Paid During Travel

a. Travel shall be scheduled at the mutual convenience of the employer and the traveler during periods commercially and personally reasonable based on the circumstances of travel.

b. For non-exempt employees, if the travel takes place during the employee's normal work hours (even if travel occurs on the employee's normal day off), the employee is eligible for payment of wages for the travel time during normal work hours (not to exceed 8 hours). Compensated travel time shall be considered "worked time" for purposes of calculating overtime premium pay.

- c. For faculty, exempt, and executive employees, regardless of when the travel takes place, the employee shall receive his or her normal pay. There shall be no payment or compensatory time provided for travel on weekends or other non-work periods.

10. Individual Corporate Charge Cards

- a. All corporate travel or charge card agreements shall be approved by the Statewide CFO.
- b. Each traveler who is authorized to obtain or utilize an individual corporate travel card shall be personally responsible for full payment of all billings. Cardholders who fail to pay their card billings in full may have their pay garnished.
- c. Corporate travel cards may only be used for cash advances reasonably required for business travel. Use of a corporate travel card for personal purchases is expressly prohibited and may be cause for disciplinary action.
- d. Upon termination of employment, the traveler's corporate travel card shall be cut in half and returned to the traveler's supervisor for transmittal to the Travel Administrator. The supervisor shall be responsible for notifying the Travel Administrator of the termination of any individual who was authorized to obtain or utilize a corporate travel card.
- e. Each traveler who is authorized to obtain or utilize a corporate travel card, to the extent practical, shall utilize the card for business travel expenses.
- f. Each traveler who is authorized to obtain or utilize a corporate travel card, to the extent practical, shall utilize such travel card for all cash advances necessary for university travel. Checks will not be issued for travel advances unless pre-approved by the Travel Administrator.

11. Departmental Charge Cards

- a. All corporate travel or charge card agreements shall be approved by the Statewide CFO.
- b. Departmental corporate card usage is encouraged for all types of business expenses authorized by the universities credit card agreement.
- c. Payment arrangements for the personal portion of the expenses should be made directly with the travel agency, airline or other vendor. Costs applicable to the personal portion of travel should not be processed on departmental charge cards.

12. Travel Advances

a. Non-Corporate Travel Card Advances:

- (1) Advances for individual or group travel may be issued to the traveler, at the discretion of the Travel Administrator, if the anticipated reimbursable expenses exceed \$100. Travel advances should be for out of pocket expenses only such as meals and incidentals.

Advances are not to be given for transportation and or lodging unless pre-approved by the Travel Administrator. Travel advances are to be limited to 80% of the expected out of pocket expense and unused advance funds must be repaid to the proper advance account within 15 days of trip completion. Employees of the university should always use the corporate travel card for cash advances unless special approval is given from the Travel Administrator.

- (2) Advances may be issued for special expenditures in the field if approved by the Travel Administrator.
- (3) Advances may be issued to non-university employees if approved by the Travel Administrator.
- (4) Advances shall not exceed the lesser of \$2,500 or 80 percent of estimated reimbursable expenses, unless approved by the Travel Administrator.
- (5) Advances shall not be disbursed any earlier than five working days prior to the date of departure, without the approval of the Travel Administrator.
- (6) Advances must be requested on a Travel Authorization Form and the request must be signed by the traveler, unless the Travel Administrator approves processing without the traveler's signature.
- (7) Separate advances must be processed for each trip and cannot be retained for subsequent travel.
- (8) Uncleared advances may be deducted from an employee's pay, if an expense report is not submitted or amounts due to the university on an expense report are not paid.

b. Corporate Travel Card Advances

Advances secured through corporate travel cards shall not exceed \$1,200 per month and/or \$300 a day unless a higher cash advance limit is reasonably needed for business purposes and approved for the traveler by the Travel Administrator.

13. Travel Authorization Forms

- a. A Travel Authorization Form must be completed, approved and dated by the appropriate individuals before any financial commitment of university resources is made and before travel begins, regardless of the method of payment (corporate travel card, TR or personal funds) or the source of reimbursement (departmental funds, grants, or third party reimbursements). Failure to do so may be cause for disallowance; written justification and corrective action by the traveler and the traveler's department head is required.
- b. The business purpose or reason for travel must be clearly explained. Supporting documentation should be attached.
- c. Personal travel destinations and annual leave periods to be taken in conjunction with business travel must be clearly identified. A cost justification is required to ensure that personal travel has no adverse effect on cost to the university.
- d. An explanation of the facts and circumstances documenting the necessity to use non conventional modes of transportation such as an automobile, boat, aircraft, or other conveyance must accompany the form.
- e. The estimated costs for the travel should be encumbered prior to incurring corporate travel card charges, issuance of a Transportation Request Form, or payment of a travel advance.

14. Transportation Request Forms (TRs)

- a. Transportation Request Forms may be used only for official travel and must be justified as to why they are being used instead of the corporate travel card. The use of the university travel card is preferred to using Transportation Requests.
- b. The heads of departments or units issued TRs shall be responsible for the control and authorized issuance of TRs distributed to their department or administrative unit.
- c. Lost or stolen TRs must be reported to the Travel Administrator as soon as possible to allow proper notification of local vendors.

- d. TRs are not to be used to rent vehicles for non-UA employees.

15. Travel Expense Reimbursement Process

a. General

- (1) Travel expenses shall be reimbursed only upon completion of a properly approved Travel Expense Report that is signed by the individual requesting reimbursement.
- (2) A Travel Expense Report is required for all travel conducted under a Travel Authorization Form, including travel for which all expenses are paid directly by the university.
- (3) The Travel Expense Report must be signed by the traveler, unless processing without the traveler's signature is approved by the Travel Administrator.
- (4) The Travel Expense Report must be approved by the claimant's supervisor; however, if the trip does not deviate from the originally approved travel authorization, approval may be delegated to the supervisor's designee.
- (5) The Travel Expense Report should be filed with the campus business or travel office within 15 days of completion of a trip.
- (6) Personal travel routing and leave time during the period of travel must be clearly noted on the expense report and a cost comparison itinerary showing the most direct routes and/or efficient modes for the basis of reimbursement must be attached to the expense report. Documentation must be attached showing no added cost to the university resulting from indirect routing.
- (7) Foreign receipts must be itemized by type of expense in English. Currency exchange rates must be provided for transactions not converted to or reported in U.S. dollars by the vendor, charge card company, or bank. Currency exchange rates must be attached to the expense report when submitted.
- (8) Costs incurred for full-size, luxury or premium rental vehicles are not reimbursable unless an acceptable statement or explanation, including business justification, is included with the expense report.
- (9) Costs incurred for luxury or first class accommodations, or for lodging where the required receipts are not available, are not reimbursable unless an acceptable statement or explanation,

including business justification, is attached to the expense report. Reimbursement for such costs requires the approval of the Travel Administrator.

b. Receipts Required

- (1) Original receipts or receipted invoices are required for all travel expenses for which reimbursement is claimed except as noted below in (2).
- (2) Individual expenses less than \$25 may be reimbursed without a receipt. Total unreceipted expenses will not exceed \$25 per expense report.
- (3) Exceptions to the receipt requirements noted above are subject to disallowance and documentation must be attached or noted on the expense report for approval by the Travel Administrator.

c. Disallowed Expenses

The Travel Administrator has the final authority to reduce or disallow reimbursements per these regulations. The Travel Administrator may disallow any expense which, in his or her opinion, is not in compliance with these regulations, is not adequately documented, or is lavish, excessive, unnecessary or unreasonable.

d. General Reimbursement

- (1) Reimbursement of travel expenses will be made to the traveler within 15 business days after receipt of a properly completed and approved travel expense report by the business or travel office.
- (2) No payment will be made for reimbursements requested more than 90 days after the due date of the expense report, unless approved by the Travel Administrator.

e. Petty Cash Reimbursement

- (1) Travel expenses (except for lodging and meals or subsistence allowances) for local or non-local travel, including parking expenses and vehicle mileage allowances, may be reimbursed through a petty cash fund if total reimbursable expenses for a particular trip do not exceed \$25 dollars.
- (2) For travel conducted under a Travel Authorization form (non-local travel), an expense report noting a description of the expenses incurred and the receipt of a petty cash reimbursement must be filed with the campus travel office. The petty cash reimbursement

should be included on the expense report in the same manner as a travel advance.

(05-15-06)

B. Relocation Allowance

1. Scope

These regulations apply to the payment of employee moving and relocation expenses.

Because of federal withholding tax and record keeping requirements, payment of relocation costs is restricted to payment of Relocation Allowances at authorized levels rather than direct payment or reimbursement of moving and relocation expenses.

Classified staff residing in Alaska, faculty members, and exempt staff who are employed under a contract for full-time appointment for the equivalent of one year or longer are eligible to receive Relocation Allowances.

Relocation Allowances paid to employees with a term of less than one year are not recoverable expenses under OMB Circular A-21, and require the advance written approval of the vice president for finance and planning. Payment of a Relocation Allowance is not mandatory. Such payments are a condition of employment subject to negotiation.

If this regulation conflicts with a collective bargaining agreement, the provisions of the bargaining unit agreement shall take precedence over this regulation in application to members of such bargaining unit.

2. Definitions

"Authorized Relocation Expenses" mean all costs associated with moving and relocation of an employee which are considered deductible under Internal Revenue Service (IRS) regulations by an employee in connection with his/her moving or relocation to a new place of employment. Effective January 1, 1994, IRS limited deductible moving expenses to the cost of moving household items and personal effects of the employee and his/her dependents and their travel costs.

IRS approved travel costs include lodging, but exclude meals and incidental expenses. The cost of pre-move house hunting trips, temporary living expenses, and the purchase, sale or lease of a residence are not deductible. See IRS publication 521 "Moving Expenses" for more information on deductible expenses.

"Relocation Allowance" means a negotiated lump-sum payment provided to an employee in lieu of reimbursement for Authorized Relocation Expenses.

3. Approvals

At a minimum, each Relocation Allowance request shall include budget approval (departmental or other depending on the source of funding) and approval of the hiring authority.

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

Payment of Relocation Allowances, including payments for transfer of duty station, in excess of the monthly salary limit established by this regulation or payment to an ineligible employee shall require written justification and the advance approval of the appropriate chancellor or the vice president for finance (approvals may be delegated only for purposes of absence or non-availability of authorized individuals).

Payment of Relocation Allowances in excess of two times the monthly salary limit established by this regulation shall also require the advance approval of the university president or his/her designee.

4. Allowance Amount

The negotiated Relocation Allowance amount or rate will depend upon such factors as the job market for the position, estimated relocation costs, and funds available.

The allowance amount shall be limited to an amount equal to the employee's monthly salary (calculation based on the employee's salary rate, including any applicable geographic differential, scheduled for payment during his/her first full month of employment with the university or at the new location), unless specifically approved in accordance with these Regulations.

Under no circumstances shall the Relocation Allowance exceed the employee's reasonably anticipated Authorized Relocation Expenses as determined by the hiring authority. Exceeding such amount may result in significant tax penalties to the employer and the responsible department.

5. Transfer of Duty Station

An employee who transfers to another duty station within the university system is entitled to a Relocation Allowance on the same basis as a new employee relocating to the university, unless such transfer is for the exclusive convenience of the university.

An employee that is transferred for the exclusive convenience of the university shall, to the extent feasible, receive a Relocation Allowance. The Relocation

Allowance shall not exceed the amount reasonably justifiable based on IRS regulations and the facts and circumstances necessitating the transfer.

6. Request For Payment

a. The hiring authority shall submit a Relocation Allowance Request Form (available at the regional personnel office) to the regional payroll office, or such other office so designated by the Chief Financial Officer of the MAU, to request payment of a Relocation Allowance.

b. Each payment request shall include the following "statement of responsibility for repayment" signed by the employee, unless the statement was submitted separately:

"In consideration of the payment of a Relocation Allowance in connection with my employment by the University of Alaska, I agree to repay the university the full amount of such allowance if I voluntarily terminate employment with the university within a period of one year, unless such termination is a result of death, prolonged illness, disability, or a decision by the university not to renew or continue my employment. Any amount due under this provision may be recovered from me as a debt due to the University of Alaska; and I hereby authorize such amount to be withheld from my final pay check or other monies due me."

c. Relocation Allowances may be paid prior to the respective individual commencing employment with the university or incurring relocation costs. A copy of an accepted appointment letter or other hire documents must accompany the payment request. In those instances where an accepted appointment letter has not been received or the employee is not available to sign the statement of responsibility for repayment, the hiring department's acceptance of the financial risk and approval of the regional campus chief financial officer (or designee) or financial vice president is required.

d. Relocation Allowances paid to employees with terms of less than one year are not recoverable expenses under OMB circular A-21. Requests for waiver of the 1-year provision contained in the statement of responsibility shall be approved in writing and in advance by the vice president for finance and planning.

e. Requests for Relocation Allowances in excess of the monthly salary limit shall include written documentation as to the reasonableness of such amount and the reason for exceeding the authorized guidelines.

f. All relocation payments shall be reported on the employee's wage and tax statement (IRS Form W-2) for the calendar year.

g. An employee receiving a Relocation Allowance shall generally not be required to report actual expenditures for relocation expenses to the

university. However, such records should be retained by the employee to support deductions claimed on his/her personal income tax return. In order to control expenditures or to prevent abuses, the regional campus chief financial officer or financial vice president may require or specify conditions for submission of detailed relocation expense reports and supporting documentation.

7. Direct Payment of Invoices

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

8. Relocation Allowance Request Form

This form is available at all regional personnel offices.

(11-01-04)

R05.02.070. Representational Expenses

A. Scope and Purpose

1. This regulation applies to those individuals authorized to maintain representational accounts and to all persons incurring representational expenses on behalf of the university.
2. Representational expenses include discretionary business charges which are generally not allowable under normal procurement procedures, such as entertainment-type expenses, Christmas cards, office decorations, and coffee, refreshments and foodstuffs provided to employees.
3. Representational accounts are authorized for bona fide university business expenses. Representational expenditures are not intended as a perquisite for any individual, and are not to be utilized for such purposes. Representational expenditures will be charged only to authorized accounts and will require strict compliance with documentation standards.
4. Representational expenses are subject not only to the requirements of this regulation, but also to considerations of public perception and the appearance of impropriety.

B. Taxation of Expenditures

In accordance with Internal Revenue Service (IRS) regulations, entertainment expenses which are not adequately documented or are determined not to be "ordinary and necessary" business expenses may be included in the income of the individual incurring such expenses. In addition, unless reimbursements or expenditures for entertainment-

type expenses are made under an "Accountable Plan," such reimbursements will be subject to federal income tax withholding and must be included on the recipient's wage and tax statement (Form W-2). IRS regulations, limitations, and penalties apply not only to university expenditures but to expenditures of agency and University of Alaska Foundation funds as well.

C. Definitions

1. Ordinary and Necessary - An "ordinary" expense is an expense of a type which is customary and usual in the individual's field of business, trade, or profession. A "necessary" expense is an expense which is appropriate and helpful to the conduct of such business.
2. Accountable Plan - An Accountable Plan is an arrangement which requires the employee to adequately account to the employer for all expenses incurred and to return any excess reimbursement or allowance which is not an "ordinary and necessary" business expense or not adequately documented.
3. Adequate Records - Adequate Records consist of evidence in the form of account books, diaries, expense reports, or similar records, corroborated by documentary evidence (such as receipts, canceled checks, and invoices) which together support all elements of an expense. Written evidence and records created at or near the time an expense is incurred have more value than oral evidence or statements prepared at a later date.

D. Responsibilities and Authority

1. The university president or his/her designee will authorize the creation and funding level of all representational accounts.
2. The chancellors are responsible for the prudent selection and recommendation of those individuals authorized to maintain campus representational accounts and the level of funding for each.
3. The individual assigned a representational account is responsible for the propriety and prudent use of public funds, compliance with these regulations, and documentation of all expenditures. This individual or the MAU chief financial officer will approve all expenditures from such accounts. This approval may not be delegated unless approved by the vice president for finance.
4. The MAU chief financial officer is responsible for determining the appropriateness of funding sources for all representational expenditures which are not allowable charges to public funds and the appropriateness of representational expenditures which are not specifically addressed in these regulations.

E. Entertainment-Type Expenses

1. Entertainment-type expenses include expenses for any activity providing hospitality, recreation, amusement, meals, or other service, benefit, or commodity generally considered entertainment. It includes satisfying personal needs (such as providing food, lodging, or transportation) of individuals or guests. Consistent with Internal Revenue Service guide-lines, entertainment expenses may only be reimbursed or paid if such expenditures qualify as "Directly Related To" or "Associated With" the conduct of the university's business or if such expenses are specifically excepted from that requirement by this regulation.
2. "Directly Related To" means that the active conduct of business is the main purpose of the entertainment or meal; that business is actually conducted during the entertainment or meal period; and that there is more than a general expectation of receiving some specific current or future business benefit (other than the general goodwill of the person entertained).

The employee responsible for the expense must document that he or she actively engaged in substantial business discussions, negotiations, or some other business activity for some identifiable business benefit or purpose in order for an expenditure to be considered as "Directly Related To."

Expenses incurred in a clear business setting, such as a hospitality or conference room or where there is no significant personal or social relationship with the persons entertained, will generally be considered as "Directly Related To."

3. "Associated With" means directly preceding or following the active conduct of a bona fide business activity or substantial business discussion which has a clear business purpose. Entertainment or meals provided to out-of-town business guests the evening before or after a major business meeting will generally be considered as "Associated With."
4. Situations which qualify as reimbursable exceptions to the "Directly Related To" or "Associated With" requirements outlined above include meals, refreshments, and related activities of university sponsored instructional, research, public, or student services' programs; receptions for the general public, donors, community members, or distinguished guests; and recreational, social, or similar activities for the benefit of students or employees.
5. General guidelines for reimbursable entertainment-type expenses:
 - a. Expenses may only be reimbursed or paid if such expenditures are "ordinary and necessary" for the conduct of the university's business.
 - b. Expenses are not reimbursable if they are lavish or extravagant or are reciprocal activities (regular activities paid for by participants on a cyclical or rotating basis).

- c. Expenses for alcoholic beverages are not reimbursable from public funds. However, these costs may be funded through non-public funding sources, such as agency funds, restricted funds or private contributions if such expenditures are appropriate from the specified funding source, and are "ordinary and necessary" for the conduct of the university's or the agency's business.
 - d. Expenses incurred for meals and refreshments in connection with taking co-workers or employees to lunch, dinner, etc. in a public restaurant, dining establishment or private home are not reimbursable unless such expenses are incurred in connection with representation of the university to external parties, such as meetings with dignitaries or personnel recruitments.
 - e. Entertainment-type expenses must be segregated or allocated into both business and non-business portions. If an entertainment expenditure applies to both business and social guests, only the portion which is applicable to the business guests is reimbursable.
 - f. Travel expense reimbursement or per diem allowances may not be claimed for any meal or other cost reimbursed or paid for as a representational expense.
 - g. The cost of expenses associated with entertainment at home are reimbursable only to the extent of any incremental or increased costs directly related to the entertainment.
 - h. Expenses incurred for spouses may be reimbursable, if there is a clear business purpose (rather than a social or personal purpose) or if it is impractical to exclude your spouse or the spouse of a business guest.
 - i. Expenses for the portion of meals or entertainment costs applicable to the employee himself or herself are reimbursable if incurred in connection with providing otherwise reimbursable entertainment.
 - j. See R05.02.06.A.4.e.(6) for directions regarding the rental of motor vehicles for guests or other non-employees.
6. Documentation required for entertainment-type expenses:
- a. The amount of each separate entertainment expense (invoice required for each item in excess of \$25);
 - b. The date the activity took place;
 - c. The name, address or location, and type of entertainment or meal, if not apparent from the name or other documentation;
 - d. The business reason or business benefit gained or expected to be gained (generally requires a written statement unless it is obvious from surrounding circumstances);
 - e. The nature of any business discussion or activity that took place (generally requires a written statement unless it is obvious from surrounding circumstances or other documentation);

- f. The occupation or other information about the person(s) entertained which indicates his/her/their business relationship to the university, such as name, title, or other designation sufficient to establish the business relationship (names of all participants are generally necessary unless individuals can be specifically identified by groups);
 - g. That you or another employee was present for the meal or entertainment; and
 - h. Certification of benefit to the university or the respective funding agency.
7. Entertainment-type expenses chargeable to nonrepresentational accounts:

The following entertainment-type expenses are not required to be charged to representational accounts: Expenses for refreshments, meals, and similar costs incurred in connection with:

- a. events which are traditional or ceremonial in nature (such as receptions for commencements, student, faculty, or employee award ceremonies, parents' day programs, and other events requiring similar protocol);
- b. hosting advisory councils, boards, and fundraising events;
- c. sponsoring work sessions where participants are required to work through the meal period or the majority of participants are on travel status for the university; or
- d. providing instructional, research, public, and student services programs.

These expenses must be documented as entertainment-type expenses with regard to business purpose and certification of university benefit; however, such costs are not required to be charged to representational accounts. The MAU chief financial officer or his/her designee will approve all entertainment type charges to nonrepresentational accounts.

F. Gifts

Gifts represent voluntary transfers of money or property for which no consideration is received.

Gifts include awards and tokens of appreciation or recognition to students, employees, dignitaries, community leaders, visitors, guests, and other associates, and may be based on achievement, service to the university, cultural traditions, or contributions to the mission, purposes or goals of the university or its community.

Except for issuance of modest cost (less than \$25) plaques or similar tokens of appreciation or recognition which may be charged to non-representational accounts, all gifts and awards will be subject to the following.

1. Gifts may not be purchased or charged to accounts supported by public funds. However, these costs may be funded through non-public funding sources, such as agency funds, restricted funds or private contributions, if such expenditures are appropriate from the specified funding source and are "ordinary and necessary" for the conduct of the university's or the agency's business.
2. Gifts and awards to employees represent compensation which is subject to federal withholding requirements and will only be awarded and recorded under criteria established or approved by the Statewide Office Of Human Resources.
3. Gifts and awards which represent honoraria are compensation for non-employee services and will be awarded and governed by the procurement regulations and procedures.
4. The purchase of, or reimbursement for, gifts costing more than \$100 require approval of the MAU chief financial officer regardless of funding source.
5. Documentation required for gifts:
 - a. Cost of the gift (invoice required for any item in excess of \$25);
 - b. Date of the gift;
 - c. Description of the gift;
 - d. Business reason or benefit gained or expected to be gained (generally requires a written statement unless it is obvious from surrounding circumstances);
 - e. Name, occupation, title or other information about the person receiving the gift which establishes his or her business relationship with the university or the respective agency; and
 - f. Certification of benefit to the university or the respective funding agency.

G. Other Discretionary Expenditures

1. Expenses for other discretionary expenditures which are generally not allowable under normal procurement procedures (such as coffee, refreshments, and foodstuffs provided to employees, Christmas cards and office decorations) may only be reimbursed or paid, if such expenditures are "ordinary and necessary" for the conduct of the university's business.
2. Expenditures for personal memberships in, or donations to, civic, community, service and social clubs, or organizations are not reimbursable expenses.
3. Documentation required for other discretionary expenditures:
 - a. Amount of the expenditure (invoice required for each item in excess of \$25);
 - b. Date of the expenditure;
 - c. Description of the commodity or service;

- d. Business reason or benefit gained or expected to be gained by the university (generally requires a written statement unless it is obvious from surrounding circumstances); and
- e. Certification of benefit to the university.

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

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

"I certify that the expense(s) included in this request for reimbursement or payment was (were) incurred for the benefit of the university or the respective funding agency in connection with the performance of official duties and obligations, and that, in my opinion, such expenditure(s) represent(s) an appropriate use of public or other funds used to support the expenditure."

(11-01-04)

R05.02.080. Games of Chance and Skill

A. Authority

- 1. Each University seeking to conduct games of chance or contests of skill is authorized to obtain one State of Alaska Games of Chance and Skill Permit.

The vice president for finance may approve application for additional permits, based on written justification and an affirmative recommendation by the appropriate MAU's chief financial officer. All gaming activities will be conducted in accordance with state regulations contained at 15 AAC 105 and as further amended.

B. Gaming Activity Coordinator

- 1. The chancellor or designee of the University seeking to conduct a gaming activity will appoint a gaming permit activity coordinator to authorize and monitor activities conducted under the permit and to be responsible for completing the quarterly and annual statements required by the state of Alaska for each permit. Each activity conducted under the gaming permit must be separately authorized and approved by the gaming activity coordinator prior to the beginning of an event.
- 2. The gaming activity coordinator will be responsible for ensuring:
 - a. that a separate restricted sub-fund is established to group and report all activity under the regional gaming permit;
 - b. that a separate restricted fund/org combination is used to capture the detailed transactions for each activity conducted under the permit;

- c. that the org number used for the gaming activity fund identifies the department conducting the gaming activity;
- d. that each gaming permit activity is authorized prior to beginning the event;
- e. that the appropriate quarterly and annual activity reports are filed with the state of Alaska and that appropriate records are maintained for public inspection;
- f. that regulations relating to the conduct of the gaming be communicated to the individuals responsible for the gaming activities; and
- g. that conflicting gaming activities do not occur simultaneously.

C. Allowable Gaming Activities

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

D. Reportable Activities

- 1. If a door prize has more than a nominal value and is considered an incentive to attend the event and a chance must be purchased to be eligible to win, the activity is reportable under the gaming permit.
- 2. Intramural and other student activities will not be considered games of chance and skill subject to the reporting requirements, if prizes offered are nominal in value. For purposes of this section, under \$25 is considered nominal in value.

(11-03-94)