The purpose of travel advances is to minimize the financial burden on employees while traveling on behalf of the state. This objective can be accomplished either by the issuance of corporate charge cards or by cash advances to the employees. To track and recover cash advances issued to employees for travel and other expenses.

**Primary Position Responsible:** Accounts Payable Supervisor

**Secondary Position Responsible:**

**Reviewed By <or> Reviewed By:** Voucher Auditor

**Process Frequency:** As needed

**Prerequisite Process:**
- SSUHLP00001 – Authorization to Travel
- SSUAPY00001 – Standard Voucher Processing

**Subsequent Process:** SSUAPY00006 – Travel Cash Advance Clearing

**Documentation Used:**

<table>
<thead>
<tr>
<th>Item</th>
<th>From</th>
<th>To</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Cash Advance Form</td>
<td>Employee</td>
<td>AP</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Requisition (Standard Voucher)</td>
<td>Employee</td>
<td>AP</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Authority to Travel</td>
<td>Employee</td>
<td>Business Office</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

**Outline of Process:**

Authority to travel form, requisition, and travel advance form completed and submitted for travel cash advance processing.

**Files Retained:**

**Potential Exceptions & How to Resolve:**

<table>
<thead>
<tr>
<th>Exception</th>
<th>Resolution</th>
</tr>
</thead>
</table>

Date Process Last Updated: Friday, October 23, 2009
Introduction

Savannah State University is committed to timely employee reimbursement of expenses incurred on official university travel provided that the submission of the employee travel expense statement is timely, accurate, and complete. However, cash travel advances may be provided for official employee travel on an exception basis with proper approval by the immediate supervisor and budget unit head. The purpose of travel advances is to minimize the financial burden on employees while traveling on behalf of the state. This objective can be accomplished either by the issuance of corporate charge cards or by cash advances to the employees (BOR Procedure 4.9.2).

Policy

Travel regulations, as developed and approved by the Board of Regents (BOR), are published and distributed periodically to various operating units as part of its Business Procedures Manual, Volume 3A, and constitute the office Policy of the Board governing travel by University System employees (BR Minutes, 1980-81, pp. 55-59).

The Business Procedures Manual of the BOR, as a general provision, authorizes the payment of travel advances to employees of all state agencies, commissions, and authorities according to OCGA 45-7-25 and 47-7-26.

As it specifically pertains to cash advances, cash advances will be considered for the following circumstances:

- For justifiable reason(s), the employee has not received a corporate charge card;
- For employees who generally do not travel and are making a one time trip; or
- For special exceptions approved by the institution head.

The designated personnel within the Division of Fiscal Affairs are authorized to advance state funds to employees traveling on behalf of the state. Funds may be advanced for anticipated subsistence (meals and lodging), and other transportation cost that are reimbursable under these travel regulations (see BOR Business Procedures manual for detail). The amount of the Travel Cash Advance will be based on the approved Authorization to Travel form. Travel advances are not required by state law or by these regulations, but are left to the discretion of each institution (BOR Procedure 4.9.4).

Procedure

In certain situations, employees are allowed to obtain an advance to pay business travel, team and group travel, and certain program expenses. When a travel advance is deemed necessary for an employee who has received prior authority to travel on behalf of the University, the advance, if permitted, must be limited to estimated expenses. Advances are not provided for expenses (such as registration fees) that can be charged on a
University direct billing, credit plan, P-Card, or corporate card. Departments are encouraged to book air travel with the Purchasing Office via the P-Card. Advances are not to be provided more than 3 working days prior to the beginning of the trip without written justification or in certain situations, and are subject to the guidelines outlined below.

Eligibility for Cash Advance

Faculty and staff - Employees may receive advances for all foreign travel. Employees may also receive advances for extended domestic travel of three days (3) or more consecutive calendar days.

Group and team travel – Employees may obtain travel advance for group and team travel. The employee to whom the advance is issued is responsible for the distribution of the funds, substantiation of the funds, return of excess funds and the clearing of the advance. Group and team travel advances may be issued in the form of a check.

Non-employees - Students, guests, non-salaried appointees, members of boards and committees, interviewees, or others, do not normally receive advances, even though all or some of their travel expenses may be reimbursed.

Prerequisite to Travel Cash Advance: Authority (Authorization) To Travel Form

Employee completes this form and submits to his/her supervisor for approval with necessary attached documentation (i.e. travel itinerary, anticipated lodging, etc…). The supervisor approves or disapproves the form. If the supervisor approves the form, the form is then forwarded to Budget Unit Head for approval, if supervisor is not the Budget Unit Head, otherwise the form is forwarded to either the Business Office or to Title III dependent upon the funding source identified. Once the Authorization to travel form has all externally required signatures, the form is received in the Business Office (the Division of Fiscal Affairs) for processing. The form is processed for budget verification, and accounting/accounts payable for supporting documentation verification. The Approved form is forwarded to the Fiscal Affairs help desk for logging and authorization number assignment. For authorization to travel forms requiring flight reservation, a copy of the form is forwarded to the Purchasing/Procurement Office. The original copy of the Authorization to Travel with all the required signatures and approvals is returned to the employee.

Note: If foreign travel is involved, additional approval are required by the Office of the President.

Receiving a Travel Advance
BUSINESS PROCESS (SAS 112 Compliance)

Travel advances must be requested using the Travel Advance Form. The form is available on the Fiscal Affairs website at http://www.savannahstate.edu/fiscal-affairs/comptroller-forms.shtml. The form must be completed and signed by the employee traveling and submitted to the immediate supervisor and the department budget unit head for approval. Cash advances funded by federal funds require additional signatures from the Title III Office and/or Grants & Contracts dependent upon the funding source. A copy of the approved Authorization (Authority) to Travel form must be attached.

Travel advances cannot be made for items that are prepaid or billed directly to the University. Travel advance request must be submitted in enough time to allow the Office of Fiscal Affairs 7-10 days to process the request.

The Internal Revenue Service (IRS) requires that the expense must be incurred within 30 days of the issuance of the advance. The University has elected to issue travel cash advances to employees no more than 3 working days in advance of the travel departure date and is expected to be used only for the approved trip and related expenses within the 30 days time frame stipulated by the IRS. For continuous travel (consecutive trips), the travel cash advance may be issued for each trip prior to departure to the first trip of the continuous travel.

When the employee picks up his/her travel cash advance, the employee must, in the presence of Fiscal Affairs staff, sign the Travel Cash Advance Authorization form verifying the receipt of the travel cash advance (BOR Procedure 4.9.5). The employee must also sign or have on file a signed Travel Cash Advance Policy & Procedure agreement on file. This agreement stipulates that the employee receiving the advance has received, reviewed, and understands all Travel policy and procedure, travel cash advance policy and procedure, and agrees to abide by all written rules, regulations, and policies of the Board of Regents (BOR), the University System of Georgia (USG), the State of Georgia, and the Internal Revenue Service (IRS) regarding travel cash advances.

Each employee receiving a cash advance shall sign and date the travel advance authorization form acknowledging receipt of the funds. All employees are fully responsible for funds advanced to them and shall account for the funds in accordance with the statewide travel regulations. Employees are liable for any advanced funds that are lost or stolen (BOR Procedure 4.9.7).

Repaying a Travel Advance

The IRS requires substantiation of the expenses within 60 days of being paid or incurred. To ensure IRS compliance, travel advances must be repaid no more than 30 calendar days after the completion of the travel, except in certain situations (i.e. when multiple advances have been received for continuous travel or consecutive travel – in which case, the 30 day time period starts upon the completion of the ending travel date of the last trip).
In the event of cancellation or indefinite postponement of authorized travel, any cash advances that were made shall be refunded immediately.

Shown below is section 10.1.2 Employee Receivable from the University System of Georgia Business Procedures section:

**10.1.2 Employee Receivables**

**Travel**

1. **Granting of Credit:** Normally, an employee should not have more than one advance outstanding at a time. Each advance should be accounted for before another advance is granted.

2. **Aging and Analysis:** Data similar to that needed for miscellaneous debtor bills is required in the case of travel advance claims. Aging will be based on the date travel is completed plus ten (10) days.

3. **Collection:** USG travel regulations require that all outstanding advances be settled within ten (10) days after completion of the trip. The amount of an advance that exceeds the allowed travel expenditures shall immediately be refunded to the institution. Immediate refund of a travel advance is also required when an authorized trip is cancelled or indefinitely postponed.

If an outstanding advance has not been recovered by the time the accounting for the trip is due, institutions should, in the absence of extenuating circumstances, initiate action for recovery. See Section 10.7.4, Table 1, on page 10-22.

**Failure to Repay**

Employees that do not adhere to the 30 calendar day repayment requirement will receive an email notification from the Accounts Payable department reminding the employee that the travel advance is past due. The approving official will be copied on the email notification. The employee will be given 10 calendar days, from the date notified by Accounts Payable, to make payment in full.

If an advance is not cleared or the expenses substantiated within 40 days (30 day allotted time; 10 day collection period) of issuance of the advance, and/or within the 10 days after AP notification to the employee, whichever is later, the Comptroller, with information received from the Accounts Payable Supervisor, will approve and authorize on behalf of the University the deduction of the amount of the advance not cleared or substantiated from the employee’s pay check, on the first pay day thereafter to ensure advance substantiation in compliance with the IRS 60 day time frame. The payroll deduction
request will be submitted to the Payroll Support Analyst for entry. The only approval and review required is the Comptroller, once in receipt of the necessary information from Accounts Payable. Further, once payroll deduction has been initiated, no payments will be accepted in the Bursar’s Office to prevent the possibility of double payment. If payroll deduction is required for a traveler, no future travel advances will be granted.

If a terminated employee has an outstanding travel advance, the amount of the unpaid travel advance will be considered indebtedness to the University and will be subject to collections procedures administered by the University. Such unpaid travel advances may be withheld from last paycheck, and have billing and collection costs added, may be placed with a third party collection agency, and may be reported to a credit bureau.

A report of those individuals requiring payroll deduction for repayment will be provided promptly to the respective Vice President for their information, and to University Legal Counsel for legal prosecution. Again, violation of the Travel Cash Advance Policy is subject to progressive discipline action for willful violation of written rules, regulations or policies.

House Bill 1113, effective 5/14/2008, clearly states, “It shall be unlawful for any person to use any travel advance received from public funds, for nongovernmental purposes or to submit or approve, knowingly or through willful and wanton neglect, a fraudulent request to the state for reimbursement of expenses.” It is, thus, assumed that failure on the part of the employee to clear or substantiate a travel cash advance within the allotted 30 day clearance period denotes that all or a portion of the funds advanced were used for inappropriate, nongovernmental purposes.

The penalties for misuse and/or failed clearance of a travel cash advance are as follows:
- ☑ Misdemeanor of a high and aggravated nature for amounts less than $500 punishable by no more than 12 months imprisonment and a fine not to exceed $5000.
- ☑ Felony prosecution for aggregate amounts of $500 or greater punishable by no more than 20 years imprisonment and a fine not to exceed $50,000 or triple the amount of such unlawful expenditures, which ever is greater.
- ☑ Subject to immediate termination of state employment and shall owe restitution equal to the amount of such misappropriated travel advances or fraudulent reimbursements, plus interest to be assessed at a rate of 12 percent per annum to be calculated from the date each misappropriated travel advance or fraudulent reimbursement payment was made.

Reimbursement of Over Expenditure
BUSINESS PROCESS (SAS 112 Compliance)

When the actual travel expenditures reported on the travel expense statement exceed the amount of the cash advance, the employee shall be reimbursed for the additional travel costs incurred.

**Department Budget Unit Heads**

It is the responsibility of the department heads or authorized delegates to review and approve the requests for travel cash advances and the reimbursement of over expenditures to ensure that the requested amount is reasonable and expended properly. Travel advances should be limited to per diem and any anticipated authorized reimbursement of miscellaneous business expenses.

Note: Negligence on the part of approvers will subject the approver and reviewers to the same penalties previously mentioned in this document.
FLOW CHART:

Authority (Authorization) To Travel Form -> Approval of Form

If not approved, it will go back to the Employee

Accounting/accounts payable for supporting documentation verification

Processed by budget for budget verification

If approved, forward to either the Business Office or to Title III, dependent upon the funding source identified

Forward to the Fiscal Affairs help desk for logging and authorization number assignment

For authorization to travel forms requiring flight reservation, a copy of the form is forwarded to the Purchasing/Procurement Office

Have on file a signed Travel Cash Advance Police & Procedure agreement on file

Employee picks up his/her travel cash advance

Check Processing

Standard Voucher Procedure

Repaying a Travel Advance

Repaid in no more than 30 days

Expense Reimbursement or Clear advance against Returned Funds

If not repaid, employee will receive an e-mail notification from Accounts Payable

A payroll deduction will be approved and authorized

A report of those individuals requiring payroll deduction for repayment will be provided promptly to the respective Vice President for their information, and to University Legal Counsel for legal prosecution.