

<b>OREGON ACCOUNTING MANUAL</b>	
Subject: Accounting and Financial Reporting	Number: 40.20.00
Program: Chief Financial Office	Effective date: July 1, 2012
Chapter: <b>Travel</b>	
Part: <b>Travel Advances</b>	
Section:	
Approved: George Naughton, Chief Financial Officer	Signature on file

**PURPOSE:** This policy outlines the process and assigns responsibility for issuing travel advances for authorized business travel.

**AUTHORITY:** **ORS Chapter 291**  
**ORS 292.220**  
**ORS 292.230**  
**ORS 292.250**  
**ORS 292.495**  
**ORS 292.280 through 292.288**  
**ORS 240.250**  
**ORS 243.650**  
**ORS 244.040**

**APPLICABILITY:** This policy applies to all state agencies that issue travel advances.

**POLICY:**

101. Agencies must establish a system of internal controls for tracking, substantiating, and reconciling travel advances.
102. The State Corporate Travel Charge Card (state travel card) is the preferred mechanism for paying travel-related expenses incurred while conducting official state business. However, travel advances may be issued to employees authorized to travel on behalf of the state if a travel card has not been issued, has been canceled, or does not otherwise meet the traveler's needs.
103. Do not issue permanent travel advances for frequent travelers. Frequent travelers should apply for and use the state travel card to pay for travel-related costs and submit periodic requests for travel expense reimbursement. If a frequent traveler has been denied a state travel card, the agency may issue periodic travel advances, provided each travel advance is timely substantiated.
104. Do not issue a subsequent advance to an employee with an outstanding, unreconciled, and/or past due balance from a previous travel advance unless approved in writing by the agency head or delegate.
105. Report advances that are not timely substantiated or excess amounts not timely repaid as taxable income to the employee, *even if substantiated or repaid later*. The following time periods

meet the requirements of the Internal Revenue Service (IRS) for timely substantiation and repayment of excess funds:

- a. Issue travel advances no more than 30 days before the date of travel.
- b. Require the traveler to substantiate travel expenses within 60 days after the travel expenses occur.
- c. Require the traveler to repay any excess amount to the agency within 90 days after the travel expenses occur.

Process any adjustments to increase year-to-date earnings and taxes withheld no later than the following payroll period.

106. Ensure that individuals who issue or receive travel advances understand:
  - a. Issuance of an unauthorized travel advance or the use of a travel advance for any purpose other than to pay for official travel-related expenses is a misappropriation of state funds.
  - b. Employees who receive travel advances are fully liable to the state for loss or theft of the funds.

#### **PROCEDURES:**

107. When issuing travel advances, maintain the following documentation for audit purposes:
  - Information identifying the employee
  - Amount requested
  - Travel dates
  - Destination
  - Reason for travel
  - Agency coding
  - Traveler's signature
  - Authorizing signature
108. Upon completion of the travel, instruct the employee to timely complete a Travel Expense Detail Sheet.
  - a. Reconcile the employee's travel advance issued to the Travel Expense Detail Sheet.
  - b. If reported travel expenses exceed the amount of the travel advance, reimburse the employee the additional amount due.
  - c. If reported travel expenses are less than the amount of the travel advance, ensure the employee repays the unused amount. The repayment should accompany the Travel Expense Detail Sheet unless the employee has received permission to repay the unused travel advance through a payroll deduction.
109. Process any necessary payroll adjustments to include unsubstantiated travel advances or past due balances in taxable income according to IRS requirements.