

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)

P05.02.055. Undesignated Fund Balance.

Alaska Statute 37.25.010 (c) authorizes the university to carry over university receipts from the preceding fiscal year. These funds may not be expended without legislative appropriation. The chief financial officer shall monitor and advise the board on appropriate levels of undesignated fund balance. The chief financial officer shall annually report to the board the amount of undesignated fund balance.

(07-30-18)

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.
- C. Each department or unit that uses a corporate travel program that accrues university mileage or ticket credits must conduct accountability processes in accordance with University Regulation.

(04-04-14)

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)

P05.02.090. Financial Fraud, Waste and Abuse.

- A. The board, university administrators, faculty and staff are stewards of all resources entrusted to the university and are all responsible for creating an environment in which fraud, waste and abuse of university resources are not tolerated. To further this goal, the president shall adopt regulations providing for the identification, reporting, investigation, and appropriate resolution of allegations of fraud, waste and abuse of university resources.

- B. This policy and implementing regulations do not supersede federal or state laws or Regents' Policy or University Regulation governing specific matters, including but not limited to research misconduct, procurement, ethics, corrective action, discrimination, and harassment. In matters governed by specific laws, policies and regulations, this policy applies to the extent it is not contrary to, duplicative of or inconsistent with the terms of a more specific law, policy or regulation

(09-27-13)

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

These regulations provide detailed requirements and guidelines for implementation of Board of Regents' Policy, the Internal Revenue Code, State law and Federal Uniform Guidance (2 CFR 200) related to travel.

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. Summary and Scope

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

These regulations apply to travel outside the workstation, as well as travel that occurs within the same locale as the workstation, residence, or school.

Departments, units or colleges may have more restrictions than are required by these regulations.

All expenses should be necessary, prudent and as economical as possible. Economical means the lowest-price fare/cost within the bounds of the most efficient mode. An efficient mode is normally the most direct route that takes into consideration the business need, the traveler's time away from his/her work station, and safety. Throughout these regulations, this is referred to as the lowest logical cost.

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

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 the university's 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.

3. Roles and Responsibilities

a. Traveler

- (1) Responsible for complying with department and university policies and regulations, and for exercising good stewardship of university funds.
- (2) Obtain prior authorization for travel.
- (3) Select the lowest-price fare/cost within the bounds of the most efficient mode.
- (4) Pay costs and any additional expenses incurred for personal preference or convenience.
- (5) Verify that all travel arrangements are confirmed prior to departure.
- (6) Notify appropriate contact when there are changes/cancellations or if requesting refunds.
- (7) Obtain all proper documentation for each expense.
- (8) Ensure reimbursement is prepared and submitted with appropriate receipts in a timely manner.

b. Travel coordinator (arranger or delegate) - An individual other than the traveler who prepares travel documents on behalf of a traveler and assists with travel reservations and payment of expenses.

- (1) Understand travel regulations and provide guidance to traveler.
- (2) Prepare and/or ensure supporting documentation substantiates business purpose.
- (3) Aware of fiscal procedures and the accounting manual.
- (4) Should not arrange travel that is not related to business.

c. Authorized travel approver (or approving official) – An individual who is authorized to approve travel and time away from workstation. May also be the individual authorized to expend funds.

- (1) Verify expense is charged to the proper accounts.
- (2) Ensure validity of business need for travel.

(3) Responsible for approving ‘audit flags’ in the travel and expense management system. Examples are high dollar amount, missing fields, policy violations.

d. Travel auditor (central finance office function) – The individual responsible for reviewing expense reports for compliance with travel regulation and procedures.

(1) Authority to allow, reduce, or disallow reimbursements per these regulations.

e. Travel administrator – The individual designated by the chief financial officer of each university and statewide as the individual responsible for administration of the travel policies and procedures for each major administrative unit.

(1) Circumstances not addressed in these travel regulations are reviewed by the travel administrator for a final determination.

4. Approvals

a. Requiring appropriate levels of approval are important to help safeguard against unnecessary travel and/or unreasonable costs.

b. Each traveler, except for those individuals specifically authorized by the university president or the appropriate chancellor, must have approval by an authorized travel approver prior to commitment of university funds. An authorized approver is generally the supervisor, but will be the researcher or principal investigator in the case of grant funding.

c. All international travel must be approved by the supervisor, including international travel of those otherwise authorized to approve his/her own travel.

d. The chair of the Board of Regents shall approve regent travel, except for board meetings or commencement activities, which need no pre-approval.

5. Travel Status

a. A traveler is considered in travel status from the time the traveler leaves a work station/residence to when the traveler returns to from his/her work station (during work hours) or residence (outside of work hours).

b. A traveler’s work station is 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.

- c. A traveler's residence is the community within a 50 mile radius of 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.
 - d. A traveler is not in travel status for local travel within a 50 mile driving radius of his/her residence or work station. A mileage reimbursement form may be used to reimburse local transportation costs when the criteria for travel status are not met. However, the mileage representing the regular commuting mileage from personal residence may not be reimbursed.
 - e. Travel status sets the time frame of business travel for per diem, compensation, allowable business expense, and insurance.
 - f. Travel Status should be for the minimum amount of time required to conduct university business.
 - g. A traveler may travel the day prior to business if the only available scheduled flights depart prior to 7:00 a.m. and a traveler may stay an extra night after business concludes if the only available scheduled flights arrive after 10:00 p.m.
 - h. A rest period of 24 hours or less is allowable, at either an intermediate point or at the traveler's destination, if the scheduled business transit time exceeds 14 hours. When a rest stop is authorized the applicable per diem rate is the rate for the rest stop location.
 - i. If the traveler is on leave and is required to travel for university business, the leave location is considered the home/work station for the purpose of establishing travel status. This does not require a comparison itinerary.
 - j. If travel status is expected to be longer than one year, for stay in one location, it is considered a change in duty location and not university business travel.
6. Travel Request
- a. The traveler or traveler's delegate is required to submit a travel request for approval by the authorized approver. If the request is submitted after the trip took place a justification needs to be provided. If the traveler is also the expenditure authority the request must be submitted to his/her supervisor for approval, unless the traveler is authorized to approve his/her own travel.
 - b. The traveler shall use the travel and expense management system to submit the travel request and make reservations to realize university negotiated benefits/discounts, provide an electronic record and expedite reimbursement.

- c. Required elements of the travel request include:
 - (1) Time required for business travel;
 - (2) Estimated business expenses (e.g., lodging, transportation, meals);
 - (3) Funding source;
 - (4) Business purpose – include the work that will be completed and why it needs to be completed;
 - (5) Destination(s);
 - (6) Appropriate approvals - as defined in roles and responsibilities;
 - (7) Advance details – if applicable;
 - (8) Personal time – if applicable;
 - (9) Ethics due diligence;
 - (10) Export control compliance - if applicable.
- d. Completing a travel request does not enroll an individual in any additional University of Alaska insurance coverage.
- e. Travel that is paid partially or wholly by third parties should follow the same approval and request process as university-paid travel. All applicable travel regulations apply.

7. Non-reimbursable Travel Expenses

- a. Non-reimbursable travel is defined as personal, unallowable, or other expenses not subject to reimbursement such as those described below:
 - (1) Travel accident insurance coverage for UA employees or UA Regents;
 - (2) Vehicle repairs, towing services, lubrication, tire replacement, etc. for privately-owned vehicles;
 - (3) Child care or baby-sitting fees;
 - (4) Expenses for pets;

- (5) Fines or penalties for parking or other violations, whether in a personal vehicle or in a rented vehicle;
- (6) Laundry and dry cleaning, except when travel is in excess of four days;
- (7) Lodging and meal expenses (including the incremental cost of additional lodging or room charges) for family members, travel companions and others not on authorized university business;
- (8) Frequent flyer mileage charges associated with rental car or hotel participation;
- (9) Valet parking, unless this is the only viable parking option;
- (10) Alcohol, unless part of a representational entertainment expense reimbursed with a non-public funding source (such as UA Foundation funds);
- (11) Membership fees for airline board rooms, lounges, clubs and similar arrangements.

8. Personal Travel

- a. When a traveler extends his/her stay at the university business destination(s) for personal reasons, it is a personal deviation with an extended stay. This can be booked through the online booking tool.
 - (1) If adding personal time costs more than the comparison for the business timeframe, the additional cost will be first offset from any reimbursable expenses and the remaining amount will be paid back through payroll deduction.
- b. When a traveler goes to an additional destination outside of the university business routing or destination(s), it is considered a personal deviation with a routing change. The business portion of the trip is booked either through the booking tool (preferred) or by contacting the travel management company. The personal portion is then booked separately by the traveler. Fees incurred for personal travel are not reimbursable.
- c. Personal travel that is not associated with a business trip should not be booked through the online booking tool or arranged by university personnel.
- d. Any extra expenses resulting from travel that differs from the established business cost comparison will be borne by the traveler. Reimbursement will be based only on such charges as would have been incurred or reimbursed for traveling by the lowest logical cost for business purposes.

- e. When personal travel via airlines is being mixed with business travel, a cost comparison itinerary showing the lowest logical cost for the business purpose must be completed at the time the travel is requested through the booking tool.
 - (1) If there are delays in the approval process, new supporting documentation can be generated. The comparison must be attached to the travel expense report included in the travel supporting documentation.
 - (2) If a cost comparison is not secured before travel, the traveler will work with the travel management company to obtain a business comparison. The cost of this service will be borne by the traveler.
- f. Personal days must be identified on the travel request, and properly reported as leave, if appropriate.
- g. Any additional time away from work that may be required for indirect travel, or travel that is not the lowest logical cost, shall be charged to annual leave or leave without pay, unless it results in an overall savings to the university.
- h. If personal expenses are incurred in excess of authorized business expenses and paid by the university, reimbursement to the university will be offset first from the reimbursable expenses and then from payroll deduction.

9. Non-university Travelers

- a. Family members or companions are not authorized to accompany university employees on business trips at the university's expense. The university shall have no liability for family members or others who accompany authorized travelers on local or non-local travel.
- b. Employee candidate spousal travel for recruitment purposes. 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 request, and such travel request must be approved by the hiring authority. In these rare cases, spouses may be reimbursed for transportation costs only, by the most cost effective mode of travel.

10. Transportation

a. General

- (1) Transportation is the means by which a traveler gets from one location to another. It can include expenses for commercial air carriers, vehicle mileage allowance, taxi/bus/ferry/rail, and other essential transportation while conducting university business.
- (2) Airfare should be purchased through the booking tool.
- (3) Business justification will be required if the lowest logical rate is not utilized.
- (4) See Risk Management section for details about insurance coverage when using a rental car or other modes of transportation.

b. Air Travel

- (1) Scheduled commercial air carriers 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 for international travel, see below in item d. International Travel and Fly America Act.
- (2) The university requires that airfare for approved travel be purchased at least 14 days in advance of travel, unless there are extenuating circumstances. Booking under 14 days requires supervisor approval.
- (3) Personally-owned discounts, frequent flyer benefits, or no cost tickets (i.e., rewards/miles/credits) are reimbursed at the traveler's actual incurred expense, but the value of miles redeemed or value of a no cost ticket is not reimbursable.
- (4) Ticket cancellation insurance may be reimbursed when substantiated with a business need.
- (5) 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, unless deemed an ADA accommodation.
- (6) Fees associated with Global Entry, TSA Pre Check and priority boarding are not reimbursable.

- (7) Use of chartered flights may be permissible for official university business, when no scheduled commercial flight is available to meet the travel requirements. The chartered flight/carrier must maintain a valid Air Taxi Certificate and demonstrate the minimum required insurance for Aircraft Charter as outlined on the System Office of Risk Services webpage. Prior to commencing the charter flight, an approval is required by the purchasing officer and a certificate of insurance must be furnished to the university campus risk management.
- (8) Baggage charges paid or reimbursed by the university shall be limited to personal and university baggage necessary to carry out university business.

c. Credits/Discount Fare Savings/Reimbursement

- (1) When an airline ticket is unused, a credit/refund shall be requested directly from the carrier, travel agency, or other vendor.
- (2) If no refund is available, unused tickets should be retained for subsequent university travel or sold to the employee at actual cost.
- (3) Travelers are not entitled to any savings resulting from the use of lower fare credits/discount fares/credit vouchers.
- (4) 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 (less than \$25). 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.
- (5) Canceled and changed reservations
 - (a) The traveler is responsible to verify flight arrangements and ensure all bookings are correct.
 - (b) Change fees and difference in fare must be substantiated with a business need.
 - (c) The university will not be responsible for additional costs due to the traveler's negligence.
 - (d) Cancellation and change fees for family emergencies and factors outside traveler's control may be reimbursed, at the department's discretion.

d. International Travel and Fly America Act

- (1) All international travel (travel outside the 50 states, the District of Columbia and the territories and possessions of the United States), including travel of those individuals normally exempt from the requirement of supervisory approval, must be approved by the traveler's supervisor.
- (2) Federally funded travel must comply with 49 U.S.C. 40118, commonly referred to as the “Fly America Act”, to use U.S. flag air carrier service for all air travel. The requirements are further described in 41 CFR301-10.131 – 10.143. 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 his/her final destination. The university supports the use of American carriers on all legs of the trip where American carriers are available. Amendments to, or agreements with, the “Fly America Act”, such as the “Open Skies Agreements”, will be followed.

e. Vehicle Rentals

- (1) Automobile rental for employees on authorized university business may be utilized when such use is in the best interest of the university.
- (2) The traveler must obtain lowest logical rate offered to university or government agencies for the type of vehicle necessary to meet the business needs of the traveler.
- (3) Reasonable rental charges up to a full size car is allowable. Cars larger than full size and any other vehicle type requires business justification. It is permissible to rent a car larger than full size provided there is documentation to support that the cost is not more than a full size.
- (4) Where available, university employees are expected to secure rentals from a university negotiated vendor, which provides liability and physical damage insurance at no additional cost.

- (5) The rental of motorcycles for university business is not permitted.
- (6) University negotiated vendor contract rates cannot be used for personal travel.
- (7) The university provides liability and physical damage coverage for rental vehicles 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.
- (8) With respect to personal use, it is incumbent upon employees to ensure that his/her personal auto insurance will cover his/her personal use, purchase the insurance product offered by the rental company (at his/her own expense), or personally pay for any claims for damage or injury arising from personal use.
- (9) Insurance purchased for rental of passenger vans with seating capacity greater than 12 or other unusually high value (greater than \$75,000) vehicles is allowable.
- (10) Vehicle insurance should always be purchased for rentals by university employees in foreign countries (except for Canada), US territories and possessions.
- (11) If a rental vehicle will be used for both business and personal use, 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.
- (12) 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, 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.
- (13) 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.

- (14) 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.

f. Other Modes of Transportation

- (1) University or privately-owned mode of transportation such as auto, snowmobile, ATV, boat, and aircraft may be used if the use is in the best interest of the university.
- (2) Shuttle (bus or rapid transit or hotel transportation) services should be used whenever practical and time permits such use.
- (3) Parking, toll charges, ferry fees, bridge road and tunnel fees, aircraft parking, landing and tie down fees and docking and mooring fees are allowable transportation expenses.
- (4) Tips allowable up to 20 percent.
- (5) Reimbursement for vehicle transportation expense shall be limited to the lowest logical cost 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. Supporting backup when claiming mileage rate requires odometer readings or an online mileage calculation (such as MapQuest or Google maps).
- (6) When there is a business need for driving, reimbursement for mileage is allowed. Any extra expenses resulting from travel by an indirect route for the traveler's personal 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 for business purposes (see item 8. Personal Travel for more detail).
- (7) Acquisition of non-conventional transportation services, including but not limited to plane or vessel charter and use of personal boats or aircraft, shall be approved by the procurement office and risk management in advance.

- (8) Mileage reimbursement for private aircraft will be allowed at the General Services Administration or the dry rate. Mileage calculations need to be supported by the flight log or GPS readings.

11. Meals and Incidental Expenses (M&IE)

a. M&IE Rate

- (1) The M&IE allowance is the daily rate allocated to the traveler to cover the cost of meals and incidental expenses.
- (2) The M&IE reimbursement rates for travel shall be the rate authorized for payment by the federal government in the locality 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 M&IE claim.
- (3) For same-day travel greater than 12 hours, the per diem rate for the destination location shall be used. The M&IE allowance will not be paid when travel status is less than 12 hours.
- (4) The M&IE allowance is 75 percent of the meals rate for the first day based on government listed rate for the city where traveler lodges, and 75 percent of meals rate for the last day, based on the government listed rate for the last city traveler lodged.
- (5) When a trip includes more than one university business stop and the cities involved have different per diem rates, the per diem rate for each calendar day (beginning at 12:01 a.m.) is determined by the location where the lodging is obtained for that night.
- (6) It is the traveler’s responsibility to accurately report when a meal is provided (e.g., hotel breakfast, conference lunch) if the food/timing is sufficient to serve as a meal. The specific Alaska locations the university president has set for the M&IE rate will be set in the travel system, including the value of breakfast, lunch and dinner. Other locations will follow federal guidance.
- (7) The signature of the traveler certifies the facts on the expense report and is sufficient to process the claim for payment. The M&IE deduction breakdown will be calculated automatically by the travel system and is available on the university travel website.

- (8) Representational expenses incurred while on travel status are reimbursable via the travel system. A proportional reduction in the traveler's meal allowance is included on the expense report.
- (9) M&IE 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 cannot exceed a 24 hour day, regardless of time zones or elapsed transit time.
- (10) Incidental expenses include fees, gratuities and tips for services of cleaning staff, wait staff, baggage handlers, baggage carts, etc. Current rates are available from the university travel website.
- (11) 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.
- (12) 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.
- (13) The per diem rate shall be the same for Anchorage, Fairbanks, and Juneau and the surrounding communities within a 50-mile radius. This rate is set by the university president and will be posted on the university travel website. Alaska locations specifically identified in the federal per diem tables, other than Anchorage, Fairbanks, and Juneau and the surrounding communities, use the allowable federal per diem rate for that location.

b. Long-term M&IE Rate

- (1) When expected to be in travel status in a single location for more than 30 days, the long term per diem rate applies. The long-term per diem rate is calculated at 70 percent of the short-term per diem rate and applies on the 31st day forward. When staying more than 30 days a traveler can find less expensive accommodations than regular hotel rates, cook his/her own meals, and have limited incidental costs.
- (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.

c. Meals for Group Travel

- (1) One person is responsible for the meals and incidentals for a group.
- (2) Reimbursement to the responsible person will be at actual cost or at an authorized M&IE rate.
- (3) Supporting documentation such as a statement from group members is required.
- (4) When group members are advanced cash by the responsible person in order to pay for his/her own meals, individual receipts are not required; however, the responsible person is required to submit a list of names identifying the amount provided to each group member and individually signed by each member as backup documentation for such cash disbursements.

d. Lodging

- (1) Lodging expense is the cost incurred for an overnight stay while in travel status.
- (2) Reimbursement of lodging expenses is at actual cost.
- (3) The individual with expenditure authority has the responsibility to determine the most appropriate and cost-effective rates considering federal lodging allowances and the business need.
- (4) Reimbursement of actual costs for lodging in excess of 1.5 times the federal lodging allowance rate requires a business substantiation.

e. Non-commercial Lodging Allowance Rate

A non-commercial allowance equal to 15 percent of the short-term federal 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. Non-commercial lodging can be reimbursed at the actual cost incurred when a receipt is provided.

f. Travel Delays Beyond Traveler's 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.

12. Other Expenses

a. Phone Charges and Internet Connection Fees

(1) Phone calls and internet connection fees for business are reimbursable.

(2) International data fees on personal cell phones are reimbursable when incurred for business purposes.

b. Supplies and Miscellaneous

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

c. Wages Paid During Travel

(1) For non-exempt employees, if the travel takes place during the employee's normal work hours (even if the 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 eight hours). Compensated travel time shall be considered "worked time" for purposes of calculating overtime pay.

(2) For faculty, exempt and executive employees, regardless of when 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.

13. Commercial Travel Card Program

a. Airfare should be purchased through the booking tool using a university ghost card.

b. Travelers should use university-paid corporate cards issued in the traveler's name to incur travel expenses.

14. Travel Advances

- a. Cash advances should be only approved in special circumstances and when absolutely necessary. Other methods of payment should be utilized when possible.
- b. 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.
- c. Advances allowed when necessary but shall not exceed estimated expenses.
- d. As a general rule, travelers should use the corporate travel card to pay for lodging, meals, transportation and incidentals. If a cash advance is necessary, the corporate travel card may be used for cash advances. Cash advances in the form of a university-issued check are strongly discouraged and only available as a last resort.
- e. Advances secured through corporate travel cards shall not exceed \$1,200 per month and/or \$300 a day without approval of the university card administrator.
- f. Advances must be submitted or approved by the traveler and follow the request approval process.
- g. Advances shall not be disbursed any earlier than necessary for the business need.
- h. Unused advance funds must be repaid to the proper advance account within 15 days of trip completion.
- i. Uncleared advances may be deducted from an employee's pay, or from subsequent expense report if submitted within 3 months, if an expense report is not submitted or amounts due to the university on an expense report are not paid.
- j. Advances will not be given to traveler that has over \$2,500 of advances that have not been accounted for on an expense report.
- k. Advances may be issued to non-university employees if approved by the travel Administrator.

15. Travel Expense Reimbursement Process

- a. The travel expense report is the official document used by the traveler and the department to approve actual travel costs and travel dates associated with an authorized trip.

- b. Travel expenses shall be reimbursed upon completion of a travel expense report that is submitted by the individual requesting reimbursement. If the travel is over 10 percent and exceeds \$200 of the original request or if the funding source changes from the original request, the expense report must be approved by the individual with authority to expend the funds. If the traveler is the expenditure authority, supervisor approval is required.
- c. A travel expense report is required for all travel conducted under a travel request form, including travel for which all expenses are paid directly by the university.
- d. The travel expense report should be submitted to the campus business or travel office within 15 business days of completion of a trip.
- e. 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 travel request or expense report. Documentation must be attached showing no added cost to the university resulting from indirect routing.
- f. Expenses accrued while on personal travel are not reimbursable. For more detail see item 8. Personal Travel.
- g. Foreign receipts must be explained by type of expense in English. For example, if a traveler receives a taxi receipt in Russian, he or she should write "taxi" on the receipt. Currency exchange rates will be calculated by the travel expense tool.
- h. Travelers should utilize direct deposit as the means to receive reimbursement.
- i. All change fees and differences in airfare must have a business justification noted on or attached to the travel expense report, and are subject to disallowance.
- j. Actual, scanned or photographed pictures of receipts must be submitted for all travel expenses for which reimbursement is claimed. Individual expenses (except for air, lodging and vehicle rental) less than \$75 may be reimbursed without a receipt, in the event the receipt is lost, misplaced or inadvertently not obtained.
- k. 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) Reimbursements requested more than 90 days after the completion of the trip fall outside the reasonable time frame for IRS accountable plans, and therefore are subject to income tax and will be reported on the employee's Form W-2.

1. Travel around duty station or local mileage reimbursement may be made through petty cash.

16. Risk Management and Insurance

a. Transportation

(1) Due to risk management/insurance concerns, the use of boat, snowmobile, all-terrain vehicle (ATV), private motorcycle, private aircraft, or other non-conventional modes of transportation for the conduct of university business is not permitted unless specifically approved by the Statewide Office of Risk Services. When applicable, a pilot aircraft request form and/or skipper and vessel request form must be filed along with any necessary documents and proof of insurance for review and approval. The only exception is the university's aviation schools operating under FAA Part 141.

(2) The university provides liability and physical damage coverage for all university owned, leased, rented vehicles and non-owned vehicles for which university is contractually liable.

(3) For privately-owned vehicles driven on university business, the university provides liability insurance in excess of the private owner's liability insurance. The owner should have adequate insurance coverage including liability, physical damage and uninsured/underinsured motorist coverage. The university does not provide physical damage coverage to an employee's private vehicle or other personal property. The university does not assume liability for deductibles or other insured loss to the vehicle.

(4) If a university-owned vehicle is being used in a foreign country, the purchase of local admitted insurance is always required.

b. Travel Accident Insurance

1) 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 for employees. Contact the Statewide Office of Risk Services or see its web site for current program information.

2) Reimbursement of travel accident insurance is allowed for non-employees conducting university business.

c. Employees disregarding these regulations will be considered to be functioning outside the course and scope of his/her 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.

(11-01-19)

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. Only entertainment-type expenses \$200 or greater require approvals by the individual assigned a representational account or the regional chief financial officer (D.3.) with the following documentation:
 - a. The amount of each separate entertainment expense (invoice or receipt is 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. Entertainment-type expenses less than \$200 only require approval by the account manager with a valid receipt, and the business reason stated.

7. The following entertainment-type events are considered incurred for a bona fide business purpose and should be charged to non-representational accounts. These transactions only require approval by the account manager.
 - a. events which are traditional or ceremonial in nature (such as receptions for commencements, students, faculty, or employee award ceremonies, parents' day programs);
 - b. hosting advisory councils, boards, governance functions, 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 and public services programs.

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."

(09-24-12)

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)

R05.02.090 Financial Fraud, Waste and Abuse.

A. Definitions

1. “Fraud” means the intentional false representation, concealment, or failure to disclose a material fact for the purpose of personal financial gain or causing financial harm to another party.
2. “Waste” means the thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources owned or operated by the university to the detriment or potential detriment of the university. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls. Waste does not normally lead to an allegation of fraud, but it could.
3. “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, or noncompliance with provisions of laws, regulations, contracts, or grant agreements.
4. “Financial irregularities” means the intentional misstatements or omissions of information related to financial transactions in a manner detrimental to the interest of the university. These may include intentional efforts to conceal the nature of transactions or intentional violations of relevant federal or state laws or university policies, regulations, or procedures.
5. A “suspected fraud, waste, abuse or financial irregularity” means a reasonable belief or actual knowledge that fraud, waste, abuse, or financial irregularity is occurring or has occurred.
6. The terms fraud, waste, abuse, and financial irregularities include, but are not limited to:
 - Any dishonest or fraudulent act related to university resources
 - Misappropriation of funds, securities, supplies or other assets
 - Forgery or falsification of reports, documents or computer files to conceal transactions or misappropriate assets
 - Impropriety in the handling or reporting of money or financial transactions
 - Attempting to use insider knowledge of university activities for financial gain
 - Disclosing confidential and propriety information to outside parties
 - Failure to report gifts in excess of \$150 (AS 39.52.130(b))
 - Seeking or possessing an interest in a university contract that is prohibited by AS 39.52.150, Regents’ Policy, or University Regulation
 - Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the university
 - Granting unwarranted benefits

- Destruction, removal, or inappropriate use of university records, furniture, fixtures, or equipment
- Any similar or related irregularity

B. Scope

P05.02.090 and this regulation apply to any suspected fraud, waste, abuse or financial irregularity involving university employees and consultants, vendors, contractors, outside agencies and/or any other parties doing business with the university. Determinations regarding the need for and scope of investigations will be made without regard to length of service, position, title, or relationship to the university.

C. Responsibilities

1. Management

Management is primarily responsible for the detection and prevention of fraud, waste, abuse, and financial irregularities. Each employee in a management position should be familiar with the potential fraud, waste, abuse, and financial irregularities that could occur within his or her area of responsibility.

2. Employees

All university employees should be knowledgeable about the fraud, waste, abuse and financial irregularities policies and regulations. As provided further in this regulation, employees should report suspected fraud, waste, abuse, and financial irregularities.

3. Chief Audit Executive / General Counsel

The chief audit executive for the Office of Audit and Consulting Services coordinates all investigations with the Office of General Counsel and other affected areas, both internal and external. The Office of Audit and Consulting Services may also conduct investigations on behalf of and at the request of general counsel when determined to be appropriate by general counsel and the chief audit executive.

D. Reporting Requirements and Procedures

1. Obligation to Report

An employee who discovers or suspects fraud, waste, abuse, or financial irregularities is required to report the activity to the Office of Audit and Consulting Services. An employee who fails to report actual or suspected fraud, waste, abuse, or financial irregularity or who makes a bad faith report of such activity may be subject to disciplinary action.

2. Procedure

Reports may be made using university's third-party reporting system:

Toll-free hotline: 1-855-251-5719
Web: www.alaska.ethicspoint.com

Reports may also be made directly to the chief audit executive:

The Statewide Office of Audit and Consulting Services
Telephone: (907) 450-8094
Web: <http://www.alaska.edu/audit>

Reports may be anonymous. However, anonymous reports may limit the university's ability to investigate and request additional information. The university encourages employees making reports to include a name and contact information. Employees who make a good faith report are protected from retaliation in accordance with Regents' Policy 04.07.040, P04.08.040.A. and the Alaska Whistleblower Act AS 39.90.100 – 39.90.150.

Incidents involving federal funds with an imminent loss of funds exceeding an amount larger than \$50,000 must be reported to the Office of Inspector General by telephone and followed up with a written report in the form of an incident report (IR), no later than one working day after the telephone report. If the incident has been reported internally, describe as such on the IR.

Toll-free telephone: 1-800-347-3756
IR form:
http://wdr.doleta.gov/directives/attach/TEGL/TEGL_2_12_att_c.pdf
Mail: OIG Complaints Analysis Office (Hotline)
200 Constitution Avenue, NW
Room S-5506
Washington, DC 20210

E. Investigation Procedures

1. Investigation

The Office of Audit and Consulting Services is primarily responsible for investigating suspected fraud, waste, abuse and financial irregularities. Investigations will be conducted in accordance with principles of fundamental fairness, including any applicable collective bargaining agreement procedures, and will minimize to the extent possible the impacts on affected university operations.

- a. Within ten (10) days of receiving a report of fraud, waste, abuse, or financial irregularity, the chief audit executive or designee shall determine whether the report warrants further investigation.

- b. If the chief audit executive or designee determines that an investigation is not warranted, then the chief audit executive or designee shall document the determination and supporting reasons for the determination in writing.
- c. If the chief audit executive or designee determines that an investigation is warranted, then the chief audit executive or designee shall document that determination and supporting reasons in writing and proceed with an investigation, and notify the president and chief financial officer.

Investigations may be conducted in conjunction with general counsel, law enforcement, or other outside entities. At the conclusion of an investigation, the Office of Audit and Consulting Services shall prepare a written report detailing the investigation that includes findings and recommendation for further action.

During the course of an investigation, Office of Audit and Consulting Services staff shall have free and unrestricted access to all records and premises under university control. Audit and consulting services staff shall also have authority to examine, copy, and remove all or any portion of university records or property, including the contents of computers, files, desks, cabinets, and other paper and electronic storage devices or facilities on premises controlled by the university, without prior knowledge of or consent by any person(s) who might use or have custody of such items or facilities

2. Review and Action Following Investigation

The Office of Audit and Consulting Services shall provide a copy of the written report to general counsel. If the Office of Audit and Consulting Services and general counsel concur that the investigation substantiates a finding of fraud, waste, abuse or financial irregularities, then the chief audit executive shall immediately communicate such findings to the president and chief financial officer and to the board through its audit committee.

The Office of Audit and Consulting Services, general counsel, and senior management, as appropriate under the circumstances, shall consult and determine whether to refer the investigation results to law enforcement or other outside entities for independent investigation

Investigation shall be closed after review and a determination that closure is appropriate by the chief audit executive.

All inquiries regarding the investigation shall be directed to general counsel for response.

F. Confidentiality

The Office of Audit and Consulting Services, general counsel, and other university departments involved in an investigation shall treat all information received with discretion. The university cannot keep all information confidential since some information will necessarily be disclosed during the course of the investigation; however, information will only be disclosed or discussed as needed to conduct the investigation or take corrective action, or to those with a legitimate need to know. Employees who make reports of fraud, waste, abuse, or financial irregularities and those employees interviewed or contacted during the course of an investigation should similarly use discretion with regard to the investigation

G. Corrective Action

The Office of Audit and Consulting Services does not have authority to take action regarding any employee's employment with the university. However, where appropriate, the Office of Audit and Consulting Services will provide a copy of its investigative report to appropriate managers and human resources representatives for further action.

If the investigation concludes that fraud, waste, abuse, or financial irregularities involved third parties (not university employees), general counsel, in consultation with the Office of Audit and Consulting Services, shall take appropriate legal action.

H. Administration

The chief audit executive is responsible for the administration, revision, interpretation, and application of P05.02.090 and these regulations.

(05-20-14)