

IUPUI Overseas Study Accounting Administration – BEST PRACTICES

Due to the complex nature of paying program expenses, this document has been created to support study abroad program directors as they lead programs abroad.

Goals of this document:

- Outline best practices for financial management of study abroad programs
- Assist program directors in managing the financial aspects of leading a study abroad program by **eliminating or substantially reducing the need for program directors to use personal funds for program expenses** and providing clear guidance on university financial policies
- Serve as a tool for the discussion of program expenses between program directors and fiscal officers

Program directors are encouraged to meet **with their fiscal officers early** as they are developing a program and then at **least six months before program departure** each year a program will run. Fiscal officers will assist program directors in navigating the IU systems necessary for making payments related to programs. Policies and procedures change so it is important to talk with your fiscal officer in advance of each program offering. Schools are free to develop additional policies and procedures to fit individual circumstances of the program and school.

Operating a successful study abroad program in addition to the educational and safety components requires good coordination between program leaders and those responsible for financial management in their units. Building a strong, cooperative relationship between these groups will provide the basis for a well-managed program which complies with university policies and reduces challenges and frustration of all those connected to the program.

Leading a study abroad program involves a great deal of planning and commitment and IUPUI leadership recognizes and appreciates all efforts to internationalize the campus and provide challenging international educational experiences for IUPUI students.

Definitions

Travel meeting card - A university issued credit card specifically for use with student group travel.

Custodial fund – The University may authorize funds to be used by a designated custodian to meet a specific operational need within the custodian's area of responsibility. In order for a custodial fund to be authorized, circumstances must be such that normal payment procedures, including the use of purchase orders, departmental purchase orders, or disbursement vouchers, are not adequate to meet the operating needs of the department involved.

Disbursement Voucher (DV) –The Disbursement Voucher (DV) is a document that is used to reimburse Indiana University employees, non-employees, and other vendors for expenses incurred while conducting university business, performing a service, or providing material goods for the university. Most often this reimbursement is in the form of a check (although occasionally another method of disbursement might be used such as a direct deposit or wire transfer).

Group travel expenses – Expenses related to all participants of a study abroad program (examples include - group meal, charter bus)

Program leader travel expenses- Travel expenses related to the individual travel of an IU employee program leader (expenses related only to the program leader's travel not for the entire group).

Programmatic expenses – Expenses which are generally physical items purchased to support the program and its work such as copies, books, cell phone, service site supplies, etc.

Travel expenses – Generally are expenses related to the physical act of travel or experiential activities of a program (plane, bus, hotel, museum entrance, etc.)

Trip Cancellation Insurance - Insurance that protects the financial investment for travel costs should a trip or program need to be canceled.

I. ACCOUNTING MECHANISMS – Planning ahead is critical to a successful program!

The fiscal officer or delegate should review and seek training for unfamiliar processes listed here. This review and any necessary training should be completed at least five months before departure. Policies and procedures may change so fiscal officer and program directors should remain in close contact.

1) Contract for host country program expenses

The simplest way to manage program expenses is to identify a vendor (i.e. study abroad program provider or university host) who can manage all of the host country and/or travel expenses for the program. These costs could include bus costs, supplies, tour guides, etc.)

Contracts with vendors are managed through IU Purchasing using a Professional Services Contract. If the vendor is new allow sufficient lead time to establish the vendor in the IU system. The process should be started **at least three months before payment is expected**. Vendor start up paperwork can be started before the final program expenses are known. Please note that the vendor information (name, address, bank account, etc.) must match exactly in the vendor set up, contract and invoice.

<http://www.indiana.edu/~purchase/policies/services.php>

2) Group Travel Pre-payments

When the program is arranging group travel expenses such as buses, hotels, trains etc. you can use the **Group Travel pre-payment process** through IU Travel Management. This is a preferred process. The process should be started **at least three months before payment is expected**. Vendor start up paperwork can be started before the final program expenses are known. Travel Management encourages Individual student travel authorizations.

<http://www.indiana.edu/~travel/policies/grouppolicies.shtml>

Object code: 4088 TRAVEL - TEAM/STUDENTS

3) Travel Meeting Card for Group Travel

Another option to pay group travel costs onsite is the **Travel Meeting Card** through IU Travel Management. This can only be used for group travel expenses not individual travel or program expenses. The card cannot be used to obtain a cash advance. The application for a card should be started **at least two months before travel**. Use of a travel meeting card is subject to the approval of the school fiscal officer and Budget Office. Travel Management requires a minimum of 3 students on a program to use this card. Also, Travel Management prefers not to issue a meeting card for one-time trips, but Travel will work with fiscal officers on a case-by-case basis to determine if the meeting card is the most sensible option to avoid less desirable methods such as a large custodial fund or out-of-pocket, even for a one-time trip. Cards issued after October of 2014 will be Visa chip

cards with globally recognized microchip technology to help protect from fraud. This technology is considered standard in many countries.

<http://www.indiana.edu/~travel/resources/meetingcards.shtml>

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4) Program Leader Travel Expenses

Individual travel expenses (not program expenses) for a program leader will be managed through IU Travel.

This can include a partial cash advance and post-travel reimbursement. Request the advance at least **one month before traveling**.

Allowable items: <http://www.indiana.edu/~travel/policies/foreignpolicies.shtml>

Advance: <http://www.indiana.edu/~travel/traveling/prepaidexpenses.shtml#advances>

Object code: 6200 FOREIGN TRAVEL (EMPLOYEE ONLY)

5) Custodial Funds

Custodial Funds (**cash advances**) for programmatic and/or group travel expenses can be established. Use of a custodial fund is subject to the approval of the school fiscal officer and Budget Office. The custodial fund should be for the smallest amount possible, only for expenses that cannot be paid after options 1-4 above are fully explored. The fiscal officer should contact the IUPUI Budget Office to arrange a custodial fund. Begin the process **at least a month before departure**.

6) Out-of-pocket Reimbursement

If all of the items above are followed then out of pocket expenses by a program director will be minimized.

Reimbursement of out-of-pocket expenses in excess of \$500 are generally not allowed. In order to be reimbursed a program director must submit original receipts to the fiscal officer upon return from the program. Program director and fiscal officer should discuss expected out of pocket reimbursement expenses before travel to ensure the expenses are allowable and reasonable for the program.

II. PROBLEM AREAS - The FO/delegate and program leader should review this together **at least six months before departure**.

It is very important that the fiscal officer/delegate understand what is categorized as a TRAVEL expense versus a PROGRAMMATIC expense. Also, the program director should carefully track his or her individual travel expenses separate from group travel expenses. **All program leaders should carry a receipt book**, which may be ordered through Guy Brown for less than \$5.

Expenses Crisis Response

All financial liability for the study abroad program lies with the sponsoring IUPUI responsibility center. Expenses related to crisis management or emergency situations are handled on a case by case basis.

Contingency Fund

In the program budget, Program Directors should allow for a contingency amount for unexpected expense or fluctuations in costs. Program directors should consult with their Fiscal Officer to determine the appropriate amount. All cost over-runs are the responsibility of the sponsoring department or school.

Trip Cancellation Insurance

IU has an arrangement with Insure My Trip to provide trip insurance for IU travel. This insurance could be used to cover the expenses related to a canceled or interrupted trip. It may not make sense to purchase this insurance in all cases. Please read the IU description and plan details carefully to determine if this coverage makes sense for your program.

IU description of the insurance and questions to consider when determining whether or not to purchase this type of insurance: <http://rmweb.indiana.edu/orm/TripInsurance.cfm>

Trip Cancellation Insurance description: <http://edu.insuremytrip.com/indiana/>

Currency conversions

Payment to IU travelers can only be made in U.S. dollars. Receipts are required for reimbursement. When claiming expenses for reimbursement, state the amount and type of currency used. The traveler is responsible for providing the actual exchange rate that was charged. A program director can do this in one of two ways. First, directors could itemize each expense and find the conversion rate for each day. Or, it is allowable to pick one rate (e.g. the first day of the program or last day of the program) and use that rate for all expenses. Consistent application of whichever method is chosen is the most important part of the calculation. Send a Foreign Expense Worksheet (http://www.indiana.edu/~travel/pdf/foreign_expense_worksheet.pdf) listing separate expenses, the conversion rate and U.S. dollar equivalent.

III. Generally Not Allowable- The FO/delegate and program leader review this together at least six months before departure.

Gifts, flowers, birthday cards, or taking a host out for a thank you meal

University funds are not allowed to be used for the purchase of gifts of any kind to any individual, including employees and those contributing to the academic mission. See policy "Gifts to Employees or Non-Employees FIN-ACC-I-590". <http://policies.iu.edu/policies/categories/financial/accounting-administration/FIN-ACC-I-590-gifts-to-employees-or-non-employees.shtml> The only way to be reimbursed for gifts is if the program has unrestricted IU Foundation funds available.

Suggested alternatives: 1) student participants could be warned and the faculty director may pass the hat to have everyone contribute from personal funds for a modest gift such as flowers 2) small dollar value IUPUI promotional items are not considered gifts and are allowable under university policy.

Alcohol

Reimbursement for the cost of alcohol is never allowed with university funds and alcohol consumption is generally not appropriate in study abroad programming.

Student loans

Do not make loans to students. Student participants should be advised to bring an appropriate amount of personal funds to cover miscellaneous expenses. University funds cannot be loaned to a student for personal expenses, and it is not advisable for faculty instructors to lend personal funds to students. Contact the IUPUI Study Abroad Office if this situation arises. These are not reimbursable expenses.

Program Leader/Student Personal Expenses

Personal expenses for students or program leaders are not reimbursable. Items purchased abroad specific to one individual, such as aspirin, laundry costs, souvenirs, etc. are not reimbursable and should be paid for by personal funds.

ATM/Bank Withdrawal Fees for Personal Expenses or Individual Travel

ATM charges, even if associated with a legitimate personal or individual travel expense, are considered incidental and included within the program leader's per diem and are not separately reimbursable.

Tips for Individual Traveler Expenses

For individual expenses for a traveler that is receiving per diem, the only reimbursable tips are for a taxi or limo. In general, tip costs are considered to be part of the “miscellaneous” portion of the per diem. The default position is that the tips are not allowable so extra documentation and justification would be necessary.

III. Generally Allowable - The FO/delegate and program leader review this together **at least six months before departure.**

Physician Recommended Travel Medicine for Individual Program Leaders and Travel Documents

Original receipts are required. Reimbursement would be through DV preferably before trip.

Meals

Generally, program leader individual meals are covered through per diem except for separately organized group meals. Group meals can be pre-paid through a contract or paid onsite using a corporate meeting card, funds from a custodial account or personal funds. Original, itemized receipts must be obtained under all circumstances. Meals paid by personal funds can be reimbursed upon return using a DV. Any meals that are provided to a program leader must be subtracted from the per diem. A standard hospitality form would need to be completed.

<http://www.ofs.iupui.edu/forms/HospitalityForm.pdf>

Miscellaneous Programmatic Expenses

Instructional supplies or items needed to facilitate the program (such as duplicating, memory cards, batteries and local maps) are considered allowable under most circumstances. These are PROGRAMMATIC expenses – object code 4080 TEACHING SUPPLIES. Do not use meeting card or submit the receipts from these items with your Travel reimbursement.

Tips related to Group or Program Expenses

Tips for group and/or program expenses should only be made when necessary and the amount should be conservative. If possible, arrange for the tip to be added to the bill. If this is not possible and the tip is being paid for in cash, please make your own receipt and have the vendor sign it at the time it is paid. All program leaders should carry a receipt book, which may be ordered through Guy Brown for less than \$5. If the tip is related to group travel it is a travel expense and a corporate meeting card, funds from the custodial account or reimbursement through travel reimbursement can be used. If it is a programmatic expense you cannot use the corporate meeting card or be reimbursed through travel management. You could use funds from a custodial account or pay out of pocket and be reimbursed.

ATM/Bank Withdrawal Fees for Group Travel or Programmatic Expenses

ATM/bank fees related to programmatic or group travel are potentially reimbursable through the custodial fund or after the trip by DV.

Object code 5010 BANK SERVICE CHARGE.

Mobile phone

Review IU Policy I-480. The fiscal officer has discretion to authorize a supplemental pay allowance before travel for an existing phone, or international phone rental or minute receipts may be reimbursed. Mobile phone receipts are a PROGRAMMATIC expense – object code 4083. Do not use meeting card or submit receipts with Travel. International Devices may be acquired via purchase orders (PO) provided the expense is a bona fide business expense before traveling. Similarly, the expenses for the above items that are bona fide

business expense and documented as such are potentially reimbursable using the disbursement voucher (DV). Some items, based on the expense, may be reimbursed as additional pay, although this must be discussed first with the Unit Fiscal Officer.

<http://policies.iu.edu/policies/categories/financial/accounting-administration/FIN-ACC-I-480-mobile-devices-and-internet-access.shtml>

Local Personnel

Short-term services of local personnel paid in cash, such as a translator or guide on-site, plus travel for local personnel are potentially PROGRAMMATIC expenses. Any such payments greater than \$100 require a basic contract and should be done in advance of the trip through Purchasing. Payments less than \$100 may be reimbursed through a custodial fund or post-travel using a DV. Do not submit these expenses with your Travel Reimbursement.

This document is intended to be an on-going reference to program directors and their fiscal officers. It is expected to be reviewed and updated at least annually. If you become aware of a change in policy or to information contained in this document please share these changes with Stephanie Leslie (sleslie@iupui.edu).