Expenditure

Policies and Procedures

These Expenditure Policies and Procedures set forth requirements and guidelines to ensure that university funds allocated toward official business are appropriately used.

Disbursement Control and Accounts Payable

General Information: (213) 740-2281
Website: www.usc.edu/dc
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INTRODUCTION

PURPOSE OF POLICIES AND PROCEDURES

These Expenditure Policies and Procedures explain how university funds may be used to pay for the reasonable and necessary costs of the university’s activities. Detailed in this policy are the requirements and guidelines to ensure that university funds allocated toward official business are:

- Appropriately used;
- Properly authorized;
- Supported by a business purpose;
- Substantiated by applicable receipts;
- Supported by sufficient funds;
- Correctly processed for payment; and
- In compliance with IRS, Sponsored Project, and State Board of Equalization requirements.

All expenses incurred using university funds are subject to these Expenditure Policies and Procedures. Federal, state, and local agencies may mandate additional restrictions on sponsored project accounts. Such restrictions will take precedence if at variance with university policy.

These policies and procedures articulate the university’s minimum requirements. Additional expenditure constraints may be imposed by a Senior Vice President, Vice President, Dean, or Director within his/her organizational unit. These constraints should be monitored by internal controls within the department.

It is the responsibility of each employee who spends funds and for each Authorized Signer who approves use of funds to be aware of and to follow these and all other expense-related university policies and procedures. The university assumes no financial responsibility for expenditures incurred by employees who fail to adhere to these policies and procedures.

No set of policies can contemplate every possible scenario that may arise. Therefore, when in the best interest of the university, Disbursement Control and Accounts Payable may impose requirements that are not articulated here. Furthermore, it is expected that in all dealings university employees will act in an ethical manner that is consistent with the university’s Code of Ethics (www.policies.usc.edu), regardless of whether a particular rule or policy statement addresses a specific situation.

SERVICES PROVIDED BY THE DEPARTMENT OF DISBURSEMENT CONTROL AND ACCOUNTS PAYABLE

Disbursement Control and Accounts Payable is a department within Business Services, and performs the following functions:

- Administers the university’s Expenditure Policies and Procedures;
- Establishes the university’s Maximum Rates for certain expenses;
- Issues reimbursements and payments through the Check Request (Paper and Form) and Quick Expense (QE) Report processes;
- Monitors compliance to expenditure policies and maximum rates through pre-and post-payment audits; and
- Pays supplier invoices.
University departments should utilize Disbursement Control and Accounts Payable for the following:

Forms of Payment:
- Direct deposit and electronic funds transfers
- Cash advances
- Cashier’s checks
- Foreign drafts
- Petty cash replenishments
- Wire transfers

Payment Requests for:
- Advertisements
- Foundations (not associated with a government subcontract)
- Governmental agencies (DMV, DWP, etc.)
- Human subject fees
- Independent Contractors
- Group hotel blocks / event venues (TravelPlus Card is preferred)
- Membership fees (P-Card is preferred)
- Prizes and awards
- Registration and membership fees (P-Card is preferred)
- Reimbursements (travel and non-travel)
- Relocation
- Subscriptions (P-Card is preferred) and Telecommunication agencies (AT&T, Verizon, etc.)
- Supplier invoice payments
- Supplier invoice payments

Supplier Invoice Payments:
- California sales tax
- Non-California resident income tax withholding
- Supplier invoice payments

TIPS FOR FACILITATING A PAYMENT REQUEST THROUGH DISBURSEMENT CONTROL AND ACCOUNTS PAYABLE

Processing expenses and payments in a timely and accurate manner is of the utmost importance to Disbursement Control and Accounts Payable. Although many provisions are stated in this policy document, the list below highlights the most common reasons why expense and payment requests are returned (bounced) to the department, causing delays in processing.

- Insufficient funds
- Missing Expenditure Card imprint
- Missing signature from the person who incurred the expense(s)
- Missing additional approvals
- Missing receipts
- Missing business purpose
RELATED SERVICES PROVIDED BY TRAVEL MANAGEMENT AND CORPORATE CARD SERVICES

Travel Management and Corporate Card Services (Appendix A) is a department within Disbursement Control and Accounts Payable. It oversees USC’s travel management program and administers two convenient MasterCard® programs to facilitate official university buying.

University departments should contact Travel Management and Corporate Card Services for the following:

- Procurement Card
- TravelPlus Card
- Contract travel supplier information
- Internal Requisitions and Paperless Requisitions/Purchase Orders with contract travel agencies
- Form Requisitions and Form Check Requests for hotel room blocks / event venues

RELATED SERVICES PROVIDED BY THE DEPARTMENT OF PURCHASING SERVICES

Purchasing Services (Appendix A) is a department within Business Services. It operates a centralized resource to ensure that goods and services are procured at the maximum value, in compliance with university and governmental policies, and in accordance with best practices.

University departments should utilize Purchasing Services for the following:

- Conduct bids for supplier selection
- Obtain forms required of suppliers
- Investigate the qualifications of potential suppliers
- Establish new suppliers
- Review supplier insurance requirements
- Review and sign all procurement agreements, regardless of dollar value, funding source, or form of payment
- Fulfill a Requisition / Purchase Order
- Process Purchase Order changes
- Ensure purchases are in compliance with Equipment policies
- Ensure purchases are in compliance with Sponsored Project Accounting’s (SPA) requirements

TECHNICAL REFERENCE

These policies and procedures are not intended to be a technical manual on how to use the university’s Budget Administration System (WEBBA). Rather, this document explains under which circumstances a WEBBA application should be used and why. Technical Assistance with WEBBA is provided through the university Comptroller’s Office (Appendix A).
EXPENDITURE POLICIES AND PROCEDURES
SECTION 1
SENIOR BUSINESS OFFICER AND AUTHORIZED SIGNER RESPONSIBILITIES

1.1 SENIOR BUSINESS OFFICER RESPONSIBILITIES

Each academic and administrative unit has a “Senior Business Officer” who directs the department’s business operations, including accounting, finance, and budgeting. Where indicated in these policies and procedures, approval will be required from the applicable Senior Business Officer.

1.2 AUTHORIZED SIGNER RESPONSIBILITIES

“Authorized Signers” are university employees who have been given the authority by the department’s Senior Business Officer or Dean to approve the use of funds allocated to one or more university accounts. The term “Expenditure Authority” is used to describe the permissions granted to an Authorized Signer.

Authorized Signers are responsible for establishing and subsequently monitoring department-level procedures to ensure that expenses charged to their accounts are:

- Processed in a timely and accurate manner (Section 1.5);
- Supported by sufficient funds (Section 1.6);
- Properly posted to the applicable Account Status Reports (ASRs) (Section 1.7);
- Reasonable, necessary, and supported by a written business purpose (Section 2.1);
- Supported by receipts (Section 3);
- Signed by the person who incurred the expense (Section 2.2);
- Approved by the supervisor of the employee who incurred the expense (Section 2.3);
- Approved by the Authorized Signer if a non-employee incurred the expense (Section 2.3);
- Co-approved by the Authorized Signer’s supervisor, if the Authorized Signer benefited from the expense (Section 2.3);
- Approved, when an exception to policy is warranted, by a Dean or Vice President (Section 2.3);
- Approved, where noted expense requires additional scrutiny, by a Dean, Vice President, Senior Vice President, or President (Section 2.3);
- In compliance with all expense-related university policies; and
- In compliance with all applicable sponsored project policies (Section 4).

1.3 EXPENDITURE CARD

Upon receiving an Application for System Access from the Senior Business Officer, an “Expenditure Card” is issued to each Authorized Signer by the Comptroller’s Office (Appendix A). An Expenditure Card is credit-card-like in style and has the cardholder’s name and seven-digit employee number embossed on it (the employee number is also called an access number). Because of the Expenditure Card’s significance it:

- Must be kept in a secure location; and
- May be used only by the Expenditure Cardholder.

To denote the Authorized Signer’s approval, the Expenditure Card’s information must be clearly imprinted on all paper payment request forms (Section 10.4 and 10.6), where specified, using an Expenditure Card embosser. Handwritten, typed, or other alterations to the Expenditure Card’s imprint will not be accepted.
Because the Expenditure Card denotes approval from the Authorized Signer, imprinted forms do not require the Authorized Signer’s signature. Note, however, that expense requests that directly benefit the Authorized Signer must have co-approval (Section 2.3). If an embosser is not available or is broken, departments can use an embosser in Business Services. New embossers can be ordered through an office supply vendor under contract with Purchasing Services (Appendix A).

1.4 PAPERLESS EXPENDITURE ACCESS

Upon receiving an Application for System Access from the Senior Business Officer, access to the university’s paperless WEBBA processes (Paperless Check Request and Paperless Requisition) will be granted by the Comptroller’s Offices (Appendix A). In these paperless processes, expenditure authority is obtained electronically.

1.5 TIMELY AND ACCURATE PROCESSING

Authorized Signers are responsible for ensuring that payment requests are processed in a timely manner. Authorized Signers are also responsible for ensuring that processors of payment requests have been trained through the Comptroller’s Office (Appendix A). Training will help reduce the number of payment requests submitted with errors to Disbursement Control and Accounts Payable.

- **SUPPLIER PAYMENTS** -- For payments to suppliers, timely processing is important in order for departments to benefit from applicable fast-payment discounts and in order for the university to be in compliance with agreed-upon payment terms.

- **TRAVEL PLUS CARD PAYMENTS** -- For Travel\textsuperscript{Plus} Card payments, timely processing is critical in order to avoid late fees. Expenses incurred on the Travel\textsuperscript{Plus} Card should be processed and submitted to Disbursement Control and Accounts Payable upon incurring the expense. Travel\textsuperscript{Plus} Cardholder’s do not need to wait until trip return to claim expenses (Section 6.7).

- **REIMBURSEMENTS** -- For reimbursements to individuals who used personal funds to pay for university expenses, timely processing is important in order to avoid financial hardship to an employee. Expenses incurred using personal forms of payment should be processed and submitted to Disbursement Control and Accounts Payable within 60 days of trip or event completion.

1.6 SUFFICIENT FUNDS AND ACTIVE ACCOUNTS

Authorized Signers are responsible for ensuring that accounts selected on each payment request have sufficient funds and, with regard to sponsored project accounts, are still active. Funds must be available and accounts active in order for Disbursement Control and Accounts Payable to issue a payment.

For information on when Disbursement Control and Accounts Payable will overdraw an account due to insufficient funds, reference Section 13.2. For information on when Disbursement Control and Accounts Payable will debit a Dean’s account due to closed accounts, Reference Section 13.3.

1.7 ACCOUNT STATUS REPORTS (ASRs)

The Authorized Signer is responsible for reviewing the Account Status Reports (ASRs) associated with the accounts for which the Authorized Signer has responsibility. ASRs must be reviewed often to ensure that debits and credits are posted correctly.
SECTION 2  
BUSINESS PURPOSE AND APPROVALS

2.1 BUSINESS PURPOSE

All university expenses must be considered reasonable in terms of price, purpose, and necessity and must be in the best interest of the university. For sponsored project accounts, an expense is only allowed if it directly benefits the specific project associated with the account (Section 4.4).

Therefore, each university payment request must be supported by a written business purpose, regardless of the item, type of service, amount, or form of payment. Even expenses that inherently imply having a business purpose, such as toner, paper, pens, business cards, letterhead, lab supplies etc., require a written business purpose. For these types of transactions, a written business purpose should identify the general location or project within the department for which the merchandise was purchased.

Additionally, names of the people who benefited from the transaction must be included on the payment request, regardless of source of funds, venue location (on or off campus), and form of payment used. In lieu of individual names for groups larger than ten (10), the approximate number of persons, and the group’s identity, along with the business purpose, will be accepted.

Material misstatements, misuse, or omissions with respect to business purpose disclosures may be grounds for disciplinary action, including termination.

2.2 SIGNATURE FROM PERSON WHO INCURRED THE EXPENSE

The person who incurred the expense must sign his/her own reimbursement request, regardless of the type of purchase, amount, or form of payment used. Original signatures are expected. Faxed signatures will be accepted when an original signature cannot reasonably be obtained.

By signing a payment request, the person who incurred the expense certifies that:

- The amount shown is the amount actually paid;
- He/she has not and will not submit a duplicate claim; and
- He/she has not and will not seek a claim for these expenses from any other source(s).

Disbursement Control and Accounts Payable will accept a Senior Business Officer’s signature in lieu of a signature from the person who incurred the expense when at least one of the following conditions applies to the payee:

- On disability-status;
- On long-term travel status (more than 60 consecutive days);
- Is a candidate for employment; or
- Has terminated his/her employment.
2.3 PAYMENT REQUEST APPROVALS

Each payment request must be approved of the Authorized Signer. This authorization is obtained either electronically (for Paperless Check Requests) or via an Expenditure Card imprint (for all Form Check Requests and Quick Expense Reports).

Additionally, each payment request must be approved as specified below, regardless of the type of purchase, amount, or form of payment used. Once a payment request has been approved, the applicable approver shall be responsible for defending the reported expense against any subsequent challenges. An approver (supervisor, Vice President, Dean, etc.) may delegate the required review of a payment request to a direct subordinate; however, the actual approver will remain personally responsible for all delegated authorizations.

- **SUPERVISORY APPROVAL FOR EMPLOYEE EXPENSES** -- Any request to reimburse an employee must have the approval (via signature) of that employee’s immediate supervisor. A staff member’s supervisor is typically the person who hires, reviews, and oversees the work of the staff member. A faculty member’s supervisor is typically the academic director, chair, or dean.

- **DIRECTOR OR SBO APPROVAL FOR NON-EMPLOYEE EXPENSES** -- Any request to reimburse a non-employee must have the approval (via signature) of the department’s director or Senior Business Officer.

- **CO-APPROVAL** -- Any payment request that contains an expense that directly benefits the Authorized Signer of the account, even if the expense was not incurred by the Authorized Signer, must have the co-approval of the Authorized Signer’s supervisor (via signature).

- **ADDITIONAL APPROVALS** -- Certain expenses are permitted by the university but, where indicated, require additional approvals (via signature).

- **VICE PRESIDENT OR DEAN EXCEPTIONS** -- Any exception to an expenditure policy statement must be approved by a Vice President or Dean (via signature). Lists of Vice Presidents and Deans are posted on the university’s website (About / Administration: www.usc.edu). Those with titles, such as associate vice president, associate dean, etc., are not authorized to make an expenditure policy exception.
SECTION 3
RECEIPT DEFINITION / RECEIPT RETENTION & SUBMISSION REQUIREMENTS

3.1 RECEIPT DEFINITION

The university’s definition of a receipt applies to all expenditures and to all forms of payment, including but not limited to:

- TravelPlus Card
- Procurement Card
- Personal forms of payment
- Cash advances
- Petty cash replenishments
- Departmental Debit Cards
- Internal Requisitions (or any other intra-campus charge back)
- Paperless Requisitions/Purchase Orders (for contract travel agency purchases).

For information about supplier invoices that are to be paid against a Purchase Order, reference Section 11.

The university expects that the original receipt be used to substantiate a business purchase. When the original receipt is not available and all means to obtain the original receipt have been exhausted, the following alternative document types will be accepted, so long as the alternative document includes the information required in Section 3.2.

- Fax of receipt
- Copy of receipt
- Email receipt
- Scanned image of receipt
- Conference brochure
- Print screen receipt
- Order form
- Letter from provider indicating ‘paid’
- Invoice
- Packing slip
- Itinerary

Important notes about receipts:

- CASH RECEIPT -- If cash was used, only a cash register generated receipt with the word “CASH” imprinted on it will be accepted. A receipt with “CASH” handwritten on it needs Senior Business Officer approval.

- WHAT IS NOT A RECEIPT -- Neither a credit card statement nor a cancelled check is considered a receipt.

- COMMINGLED RECEIPTS ARE NOT ACCEPTED FOR ANY UNIVERSITY FORM OF PAYMENT -- Receipts that commingle personal and business transactions are not accepted for documentation of Procurement Cards, Departmental Debit Cards, Internal Requisitions (or any other intra-campus charge back), or Paperless Requisitions/Purchase Orders (for contract travel agency purchases). Note: The Comptroller’s Office does not accommodate a ‘reduction of expense,’ whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal purchase.

- COMMINGLED RECEIPTS ARE DISCOURAGED FOR REIMBURSEMENTS AND TRAVELPLUS CARD TRANSACTIONS -- Receipts that commingle personal and business purchases are discouraged for TravelPlus Cards, reimbursements, settlement of advances, and replenishment of...
petty cash. If such a payment request is supported by a commingled receipt, it is expected that all business transactions be clearly identified on the receipt, and that applicable sales taxes and other service charges be accurately applied to the business portion.

3.2 RECEIPT DETAIL AND CONTENT

Each receipt is expected to detail sufficient and reasonable information to support the transaction and may not just provide a total. At a minimum, receipts should provide the following content.

- Name of merchant
- Amount of charge
- Transaction details (what was purchased)
- Form of payment used
- Transaction Date
- Tax and delivery charges

Note the following about receipt detail / content:

- **FOREIGN CURRENCY RECEIPTS** -- All foreign currency receipts must be converted and reported in U.S. dollars before submitting payment or reimbursement requests to Disbursement Control and Accounts Payable (Section 20.6).

- **HOTEL TRANSACTIONS** -- For hotel transactions, it is imperative that receipts separate room and tax from meals and other ancillary services, such as parking, Internet, etc.

3.3 RECEIPT THRESHOLD REQUIREMENTS

Under the circumstances charted below, receipts must be submitted with reimbursement requests or retained within the department.

<table>
<thead>
<tr>
<th>When Receipts Are Required</th>
<th>Federal, State, and Local-Agency Sponsored Project Accounts Receipt Amounts</th>
<th>Unrestricted Accounts Receipt Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Form of Payment</strong></td>
<td><strong>Procurement Card</strong></td>
<td><strong>TravelPlus Card</strong></td>
</tr>
<tr>
<td></td>
<td>All amounts</td>
<td>All amounts, when commercially available</td>
</tr>
<tr>
<td></td>
<td><strong>Departmental Debit Card</strong></td>
<td><strong>All amounts</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Internal Requisition (or other intra-campus charge back)</strong></td>
<td><strong>Paperless Requisition / Purchase Order (travel)</strong></td>
</tr>
<tr>
<td></td>
<td>All amounts</td>
<td>All amounts</td>
</tr>
<tr>
<td></td>
<td><strong>Personal Funds</strong></td>
<td><strong>Cash advances</strong></td>
</tr>
<tr>
<td></td>
<td><strong>All amounts, when commercially available</strong></td>
<td><strong>Petty cash replenishment</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Single expense $75 or more</strong></td>
<td><strong>All hotel transactions</strong></td>
</tr>
<tr>
<td></td>
<td>All hotel transactions</td>
<td></td>
</tr>
</tbody>
</table>

Notes about receipt threshold requirements:

- **RECEIPTS ALWAYS PREFERRED** -- Even if the above chart indicates that a receipt is not required, such as for a single expense that is less than seventy-five dollars ($75) and is on an unrestricted account, receipts for all amounts are still strongly encouraged.
• **COMMERCIALY AVAILABLE** -- Receipts for tolls and tips are examples of transactions that do not generally produce a commercially available receipt. These are typically incurred when using cash and can be justified for reimbursement by providing a written business purpose. Procurement Card transactions must always be accompanied by a receipt.

• **RECEIPT SUBMISSION** -- For TravelPlus Card payments, check request reimbursements, advances, and petty cash replenishments, receipts must be submitted to Disbursement Control and Accounts Payable. Receipts and submitted support documentation will be scanned and are retrievable through the WEBBA process. Internal Requisitions for Travel are also scanned and retrievable through WEBBA.

3.4 RECEIPT RETENTION LOCATION AND TIMELINE

Receipts must be submitted to Disbursement Control and Accounts Payable or retained within the department, according to the chart below.

<table>
<thead>
<tr>
<th>Form of Payment</th>
<th>Location</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement Card</strong></td>
<td><strong>Within Department</strong></td>
<td>Minimum of four (4) years (for unrestricted accounts)</td>
</tr>
<tr>
<td><strong>TravelPlus Card</strong></td>
<td><strong>Disbursement Control and Accounts Payable</strong></td>
<td>Scanned and stored in WEBBA (indefinitely)</td>
</tr>
<tr>
<td><strong>Departmental Debit Card</strong></td>
<td><strong>Within Department</strong></td>
<td>Minimum of four (4) years (for unrestricted accounts)</td>
</tr>
<tr>
<td><strong>Internal Requisition (or other intra-campus charge back)</strong></td>
<td><strong>Within Department</strong></td>
<td>Minimum of four (4) years after final project payment and completion of final audit (for sponsored project accounts that begin with the number '5').</td>
</tr>
<tr>
<td><strong>Paperless Requisition and Purchase Orders (for contract travel agency purchases)</strong></td>
<td><strong>Disbursement Control and Accounts Payable</strong></td>
<td>Scanned and stored in WEBBA (indefinitely)</td>
</tr>
<tr>
<td><strong>Personal Funds</strong></td>
<td><strong>Disbursement Control and Accounts Payable</strong></td>
<td>Scanned and stored in WEBBA (indefinitely)</td>
</tr>
<tr>
<td><strong>Cash advances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Petty cash replenishment</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.5 RECEIPT MOUNTING

To facilitate scanning, submit receipts to Disbursement Control and Accounts Payable by mounting receipts smaller than 8 ½ x 11 via tape to one side of an 8½ x11 sheet of white paper. Receipts that are 8½ x 11 do not need to be mounted; they can be attached as is. Receipts that are too long for an 8½ x11 sheet of paper should be cut so that they fit on one side of an 8 ½ x 11 sheet of paper. Do not staple, fold, or wrap receipts; use one side only.
3.6 MISSING RECEIPTS

When a receipt is required and cannot be obtained or has been lost and all measures to obtain it have been exhausted, a Missing Receipt Declaration should be completed and signed by the person who incurred the expense according to the guidelines below. The Missing Receipt Declaration is available on the Disbursement Control and Accounts Payable website (Forms, Documents & Processes: www.usc.edu/dc).

<table>
<thead>
<tr>
<th>Form of Payment</th>
<th>Sponsored Project Account Missing Receipt</th>
<th>Unrestricted Account Missing Receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Card</td>
<td>All amounts</td>
<td>All amounts</td>
</tr>
<tr>
<td>Department Debit Card</td>
<td>SBO needs to sign Declaration if expense missing receipt was $15 or more</td>
<td>SBO needs to sign if expense missing receipt was $15 or more</td>
</tr>
<tr>
<td>Internal Requisition (or other intra-campus charge back)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paperless Requisition/ Purchase Order (travel)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel Card</td>
<td>All amounts</td>
<td>SBO needs to sign if single expense missing receipt was $75 or more</td>
</tr>
<tr>
<td>Personal Funds</td>
<td>SBO needs to sign Declaration if expense missing receipt was $15 or more</td>
<td>SBO needs to sign Declaration for each hotel expense missing a receipt (all amounts)</td>
</tr>
<tr>
<td>Cash advances</td>
<td>SBO needs to sign Declaration for each hotel expense missing a receipt (all amounts)</td>
<td></td>
</tr>
<tr>
<td>Petty cash replenishment</td>
<td>SBO needs to sign Declaration if expense missing receipt was $75 or more</td>
<td>SBO needs to sign Declaration for each hotel expense missing a receipt (all amounts)</td>
</tr>
</tbody>
</table>

Notes about Missing Receipt Declaration:

- **ONE DECLARATION PER EXPENSE ITEM** -- Each expense for which a receipt is missing must be itemized on a separate Declaration. Do not bundle multiple expenses that are missing receipts onto a single Declaration.

- **OVERUSE OF DECLARATION** -- The Declaration was designed to accommodate the rare occasion when a receipt is lost or misplaced. The Declaration may not be completed on a routine basis. Frequent use of the Declaration may revoke one’s privilege to use the Declaration.

- **JUSTIFICATION** -- Each expense supported by a Declaration requires a business purpose and an explanation as to why the receipt is not available.

- **SENIOR BUSINESS OFFICER APPROVALS** -- When indicated in the above chart, a Senior Business Officer signature is required to sign the Declaration. If the expense was incurred by the Senior Business Officer, then the applicable Dean or Vice President must sign the Declaration.

- **SUPERVISOR APPROVAL** -- Because expense reports and P-Card statements already require the supervisor’s signature, the supervisor does not need to sign the Declaration.

- **RETENTION / SUBMISSION OF DECLARATION** -- The Declaration should be treated like a receipt and submitted with a reimbursement or retained within the department, according to the chart in Section 3.4.
SECTION 4
SPONSORED PROJECT FUNDED EXPENSE PROVISIONS / NON-USC FUNDING SOURCES

4.1 SPONSORED PROJECT POLICY PRECEDENCE

When expenses are to be charged to a sponsored project account, the terms of the applicable contract or grant will take precedence over university expenditure policies.

To facilitate compliance, common sponsored project policies are noted throughout this expenditure policy document. However, it is the responsibility of the person incurring the expense to consult the Department of Contracts and Grants to confirm allowability (Appendix A).

4.2 SEPARATION OF UNALLOWABLE (G/U) EXPENSES

Because the majority of sponsored project funding received by the university is from the U.S. government, the university must comply with requirements imposed by the Office of Management and Budget (OMB) and the U.S. Congress.

Government unallowables (G/U) are those expenses that, although potentially appropriate and reimbursable from unrestricted funds, are not allocable to government activities per Federal government regulations. The university is required by the Federal government to separate “allowable” and “unallowable” costs as prescribed in OMB Circular A-21, regardless of funding source. The reason unallowable expenses must be identified on unrestricted accounts is to avoid government unallowable (G/U) expenses from being re-allocated to various government indirect cost categories.

4.3 LIST OF GOVERNMENT UNALLOWABLE (G/U) EXPENSES

An expense associated with any of the following business functions is considered a government unallowable (G/U) expense and must be identified as such and separated from allowable expenses, regardless of the account type.

- Alumni events, including fund-raising expenses;
- Commencement, including student graduation parties;
- Development, including promotional gifts to donors;
- Public relations, including banquets and advertisements; and
- Student activities, including contributions to student organizations and events.

The following specific expenditures, regardless of business purpose, are considered government unallowable (G/U) expense and must be identified as such and separated from allowable expenses, regardless of the account type.

- Alcoholic beverages;
- First and business class airfare;
- Flowers and gifts;
- Sponsorships; and
- Donations to charities.
4.4 DIRECT BENEFIT TO SPONSORED PROJECT

If a sponsored project account that begins with the number '5' was used to purchase a good or service, the good or service must have been ordered and received before the contract or grant's budget period end date.

A good or service ordered within thirty (30) days before contract or grant termination must be purchased with the understanding that the good or service will be received before termination of the budget period, and that the purchase will directly benefit the project.

Therefore, Requisitions and Payment Requests (Check Requests and Quick Expense Reports) submitted to Purchasing Services or to Disbursement Control & Accounts Payable for a purchase or expense incurred within the last thirty (30) days before the termination date must be supported by a written justification. The justification must explain why the purchase or expense was necessary and how it directly benefits the project.

Requisitions and Payment Requests for a good or service ordered within the last thirty (30) days before termination that are submitted to Purchasing Services or Disbursement Control and Accounts Payable without a justification may be delayed. Last month purchases may also be delayed if consultation by Purchasing Services or Accounts Payable with the Department of Contracts and Grants and Sponsored Projects Accounting is required.

4.5 NON-USC FUNDING RESTRICTIONS

Money received directly by a USC employee from a third-party, such as NIH, Co-Sponsors, etc., is considered a "non-USC funding Source." Such funding may have been obtained to offset or pay expenses associated with a university business trip. A payment or reimbursement request must i) disclose the name of any non-USC funding source, ii) identify the amount received, and (iii) reduce the received or requested amount from the total to be paid or reimbursed by the university.
SECTION 5
PERSONAL FORMS OF PAYMENT

5.1 PERSONAL FORMS OF PAYMENT OVERVIEW

For liability and tax compliance reasons, employees are discouraged from using personal funds to pay for university business expenses. The university offers several university-issued forms of payment that should be used whenever possible instead of personal funds (reference Sections 6 - 10).

5.2 REIMBURSEMENT AFTER TRIP OR EVENT

Employees who use personal funds for university business travel will not be reimbursed in advance of a trip or event. All reimbursement requests for expenses incurred using personal funds must be submitted to Disbursement Control and Accounts Payable upon trip return or event completion.

5.3 REIMBURSEMENT LIMITED TO AMOUNT UNIVERSITY WOULD HAVE PAID

Use of contract suppliers is strongly encouraged when personal funds are used to transact university business (Contract Rates and Services: www.usc.edu/travel and About Us: www.usc.edu/purchasing). According to Purchasing Services Policies and Procedures (www.usc.edu/policies), employees who use personal funds to purchase goods and services on behalf of the university will only be reimbursed the amount that Purchasing Services could have paid for the same item or service (www.edu/policies).

5.4 ADDITIONAL RESTRICTIONS

The following additional restrictions should be noted when personal funds are used:

- **EQUIPMENT RESTRICTIONS** -- Personal funds may not be used to purchase Equipment. Reference Purchasing Services Policies and Procedures (www.usc.edu/policies) for Equipment definition and purchasing requirements.

- **PROMOTIONAL AND PRINT RESTRICTIONS** -- When personal funds are used to purchase promotional items or printed material that bear the university’s name, logo or seal, the purchase must be made in compliance with policies governing proper use of the university’s trademarks (Purchasing Services Policies and Procedures: www.usc.edu/policies).

- **AGREEMENT SIGNING RESTRICTIONS** -- When personal funds are used to purchase items or services subject to a written procurement agreement, the agreement must be executed by an approved procurement agreement signer (Purchasing Services Policies and Procedures: www.usc.edu/policies).

- **THIRD PARTY PAYMENT RESTRICTIONS** -- Under no circumstance may an employee pay a third party for services rendered (e.g. independent contractor, caterer, photographer, human subjects, etc.) and then seek reimbursement for the amount. This practice is not allowed, principally for tax reporting and insurance reasons (Purchasing Services Policies and Procedures: www.usc.edu/policies).
TAX REQUIREMENTS -- Transactions subject to California sales tax that were not charged tax on the personal form of payment will assessed the tax by Disbursement Control and Accounts Payable using the USC account number associated with the expense report. The tax will post on journal entry (XX-025R). Reference Section 25.2.
SECTION 6
UNIVERSITY CORPORATE CARD PAYMENTS

6.1 UNIVERSITY CORPORATE CARD PROGRAM OVERVIEW

The university offers employees two time-saving and convenient MasterCard® programs:

- The Procurement Card (P-Card)
- TravelPlus Card

Both card programs are administered through USC Travel Management and Corporate Card Services (Appendix A). Policies governing use of the P-Card and TravelPlus Card are in two separate policy documents. These detailed policies should be referenced and followed as they are only summarized herein (Procurement Card Policies and Procedures and TravelPlus Card Policies and Procedures (available October 2007): www.usc.edu/policies).

6.2 P-CARD AND TRAVELPLUS CARD RESTRICTIONS

Note the following important restrictions that apply to both the P-Card and TravelPlus Card.

- **PERSONAL USE RESTRICTIONS** -- Under no circumstances may the P-Card be used for personal expenses, including expenses that are part business and part personal. The TravelPlus Card may not be used for personal expenses, except when necessary while a cardholder is en route or coordinating an event. Personal charges incurred on the TravelPlus Card are considered personal in nature and will not be paid for by the university.

- **EQUIPMENT RESTRICTIONS** -- Neither the P-Card nor the TravelPlus Card may be used to purchase Equipment. Reference Purchasing Services Policies and Procedures (www.usc.edu/policies) for Equipment definition and purchasing requirements.

- **PROMOTIONAL AND PRINT RESTRICTIONS** -- When either the P-Card or the TravelPlus Card is used to purchase promotional items or printed material that bear the university’s name, logo or seal, the purchase must be made in compliance with policies governing proper use of the university’s trademarks (Purchasing Services Policies and Procedures: www.usc.edu/policies).

- **AGREEMENT SIGNING RESTRICTIONS** -- When either the P-Card or the TravelPlus Card is used to purchase items or services subject to a written procurement agreement, the agreement must be executed by an approved procurement agreement signer (Purchasing Services Policies and Procedures: www.usc.edu/policies).

- **TAX REQUIREMENTS** -- Transactions subject to California sales tax that were not charged tax on the P-Card or the TravelPlus Card will assessed the tax using the USC account number associated with the P-Card or TravelPlus Card’s expense report. The tax will post on journal entry (XX-025P for P-Cards and XX-025R for TravelPlus Card’s). Reference Section 25.2.
• **INSURANCE AND LICENSE REQUIREMENTS** -- Certain suppliers, such as caterers, equipment repairers, etc. are required to have specific types of insurances and industry licenses, given the high-risk nature of their services. Individuals using the P-Card and/or Travel\textsuperscript{Plus} Card are responsible for ensuring that suppliers performing work for the university have the required licenses and insurances (Purchasing Services Policies and Procedures: www.usc.edu/policies).

6.3 **P-CARD LIMITS**

The P-Card has a maximum single purchase limit of $4,500. The overall P-Card spending limit is unique to each cardholder and is established by the Senior Business Officer either during the application process or after card issuance.

Because of the P-Card’s efficiencies, the university prefers use of the P-Card to pay for all non-travel related university goods and services that cost less than $4,500. Use of the P-Card is expected for transactions costing $500 or less.

6.4 **P-CARD PAYMENTS AND RECEIPTS**

Expenses transacted using the P-Card are paid directly by the university. Cardholders and their departments are responsible for retaining receipts and other support documentation within the department for a minimum of four (4) years (unrestricted accounts) or for four (4) years after final project payment and completion of final audit (sponsored project accounts that begin with the number ‘5’). Additional receipt information is provided in Section 3.

6.5 **P-CARD RECOMMENDED USE**

The following goods and services are ideal purchases made on the P-Card. Note: Restrictions apply to P-Cards associated with sponsored project accounts that begin with the number “5.” Reference the Procurement Card Policies and Procedures for details (www.usc.edu/policies).

**RECOMMENDED USE OF P-CARD**
- Books, subscriptions, and periodicals;
- Camera and photo supplies;
- Catered events;
- Conference and membership fees, excluding hotel and travel accommodations;
- Electronics and computers;
- Flowers, gifts, and decorations;
- Groceries;
- Lab supplies;
- Mailing establishments, including postage and overnight courier services;
- Office supplies;
- Photocopies; and
- Restaurant deliveries.

6.6 **TRAVEL\textsuperscript{PLUS} CARD LIMITS**

Each Travel\textsuperscript{Plus} Card is subject to three limits. Each limit is unique to each cardholder and is established, up to each maximum, by the Senior Business Officer either during the application process or after card issuance:
There is no single purchase limit within the travel limit since travel, venues, and meal-related purchases are not considered Equipment and are, therefore, not subject to the university’s bid requirements (Purchasing Policies and Procedures: www.usc.edu/policies).

6.7 TRAVEL PLUS CARD PAYMENTS AND RECEIPTS

The university prefers use of the TravelPlus Card to pay for expenses related to business travel, meals, and events. Expenses incurred on the TravelPlus Card can be processed upon being incurred. TravelPlus Cardholders do not need to wait until trip completion in order to process expenses.

Business expenses transacted using the TravelPlus Card are paid directly by the university when expenses are properly reported, approved, and submitted along with applicable receipts to Disbursement Control and Accounts Payable via the Quick Expense (QE) Report process (Section 10.4).

6.8 TRAVEL PLUS CARD RECOMMENDED USE

Use of the TravelPlus Card is ideal for the following types of travel and non-travel related expenses. Note: Restrictions apply to expenses incurred on sponsored project accounts that begin with the number “5.” Reference the TravelPlus Card Policies and Procedures (available October 2007) for details (www.usc.edu/policies).

RECOMMENDED USE OF TRAVEL PLUS CARD – TRAVEL EXPENSES
- Air, rail, bus, taxi, and shuttle transportation;
- Car and van reservations and rentals;
- Hotel deposits, including those for employees, groups, or university guests;
- Hotel reservations, guarantees, and accommodations, including those for employees, groups, or university guests;
- Gasoline (Note: the university reimburses mileage when a personal vehicle is used for business purposes; the university reimburses receipts when gasoline is used for a business rental);
- En route meals; and
- Incidental, including phone calls, faxes, hotel parking, and Internet connections.

RECOMMENDED USE OF TRAVEL PLUS CARD – NON-TRAVEL EXPENSES
- Decorations, flowers, and gifts;
- Conference and membership fees;
- Local business meals;
- Catered events;
- Restaurants; and
- Venues for events, such as hotels and other facilities.
SECTION 7
PETTY CASH / CASH ADVANCE PAYMENTS

7.1 PETTY CASH AND CASH ADVANCE OVERVIEW

Because the university offers several payment options that are more secure and less expensive for all parties to administer, such as the P-Card and TravelPLUS Card (Section 6), petty cash and cash advances will only be issued with Senior Business Officer approval (Sections 7.3 and 7.5).

All expenses incurred using petty cash or cash advance funds must be substantiated by receipts (Section 3) and submitted to Disbursement Control and Accounts Payable via a Quick Expense (QE) Report (Section 10.4).

7.2 PETTY CASH AND CASH ADVANCE RESTRICTIONS

Note the following important restrictions that apply to both petty cash and cash advances.

- **PERSONAL USE RESTRICTIONS** – Under no circumstances may petty cash or cash advance funds be used to pay for personal expenses, including expenses that are part business and part personal. Note: The Comptroller’s Office does not accommodate a 'reduction of expense,' whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal purchase.

- **LOST OR STOLEN FUNDS** -- Replenishment of a petty cash fund or settlement of a cash advance due to theft must be accompanied by a copy of the police report and approved by the applicable Senior Vice President.

- **EQUIPMENT RESTRICTIONS** -- Neither petty cash nor cash advance funds may be used to purchase Equipment. Reference Purchasing Services Policies and Procedures (www.usc.edu/policies) for Equipment definition and purchasing requirements.

- **HUMAN SUBJECT FEES** -- Funds required for human subject fees should be requested in the form of a cash advance request. Petty cash may not be used to pay for human subject fees.

- **AIRFARE RESTRICTIONS** -- Neither petty cash nor cash advance funds may be used to purchase airline tickets. This practice is not allowed, principally for insurance reasons. Travelers who need the university to direct-pay airline tickets should use an Internal Requisition through a Contract Travel Agency (Section 10.9).

- **THIRD PARTY PAYMENT RESTRICTIONS** -- Neither petty cash nor cash advance funds may be used to pay a third party for services rendered (e.g. Independent Contractor, caterer, photographer, etc.). This practice is not allowed, principally for tax reporting reasons (Purchasing Services Policies and Procedures: www.usc.edu/policies).

- **PROMOTIONAL AND PRINT RESTRICTIONS** -- When petty cash or money from an advance is used to purchase promotional items or printed material that bear the university’s name, logo or seal, the purchase must be made in compliance with policies governing proper use of the university’s trademarks (Purchasing Services Policies and Procedures: www.usc.edu/policies).
AGREEMENT SIGNING RESTRICTIONS -- When petty cash or money from an advance is used to purchase items or services subject to a written procurement agreement, the agreement must be executed by an approved procurement agreement signer (Purchasing Services Policies and Procedures: www.usc.edu/policies).

INSURANCE AND LICENSE REQUIREMENTS -- Certain suppliers, such as caterers, equipment repairers, etc. are required to have specific types of insurances and industry licenses, given the high-risk nature of their services. Individuals using petty cash or cash advance funds are responsible for ensuring that suppliers performing work for the university have the required licenses and insurances (Purchasing Services Policies and Procedures: www.usc.edu/policies).

7.3 PETTY CASH FUND ESTABLISHMENT AND MAXIMUM RATE

Petty cash is money advanced to a department, issued in the name of an individual who is to be the custodian, and in the form of a university check (there is no direct deposit option when establishing the petty cash fund).

Employees are eligible for petty cash, when approved by the department’s Senior Business Officer. Petty cash may not be established in the name of a

- Student; or
- Non-employee.

Petty cash is intended to cover small-dollar university purchases and expenses. The petty cash funds should always be kept in a locked drawer or safe.

An initial request to establish a petty cash fund is made via a Form Check Request (Section 10.6) that is mailed or delivered to Bank Reconciliation (Appendix A). The initial Form Check Request should include a request “to establish petty cash.”

A sponsored project account that begins with a ‘5’ may not be used to establish a petty cash fund. However, such a sponsored project account may be used to replenish a petty cash fund (Section 7.4). A petty cash request may not exceed the maximum petty cash rate (Maximum Rates: www.usc.edu/dc). Petty cash requests that exceed the maximum rate require approval from a Dean or Vice President.

Petty cash amounts do not debit the department’s account until closure / settlement or when expenditures are submitted to Disbursement Control and Accounts Payable for replenishment.

7.4 PETTY CASH CLOSURE, SETTLEMENT, AND REPLENISHMENT

Instructions for closing, settling, and replenishing petty cash funds are provided on the Disbursement Control and Accounts Payable website (Cash Advances & Petty Cash: www.usc.edu/dc). Upon termination of employment or upon changing departments within the university, the employee must either close or settle all petty cash accounts.

More than one departmental account may be charged to replenish petty cash, including accounts different from the one initially established. Replenishment can be made via direct deposit.
7.5 CASH ADVANCE REQUESTS AND MAXIMUM RATES

A cash advance is money advanced to a department, issued in the name of an individual who is to be the custodian, and in the form of a university check or via a direct deposit transfer (if a direct deposit application has been submitted to Disbursement Control and Accounts Payable).

The following individuals are eligible for a cash advance, when approved by the department’s Senior Business Officer:
- Employees;
- USC students on payroll status; and
- Non-Employees.

Cash advances are intended to cover anticipated expenses associated with (i) a university business trip, (ii) a university-sponsored event, or (iii) human subject fees on a sponsored project account.

A cash advance request is made via a Paperless Check Request (Section 10.5). The Paperless Check Request’s explanation should include a request for a “cash advance.”

Cash advances will not be issued more than ten (10) calendar days prior to the date of departure or event. A minimum of five (5) business days is required to process a cash advance request, and it is the responsibility of the requestor to submit a Paperless Check Request to Disbursement Control and Accounts Payable in sufficient time for processing.

Cash advance request amounts may not exceed the maximum cash advance rates (Maximum Rates: www.usc.edu/dc). Cash advance requests that exceed the maximum rates require approval from a Dean or Vice President. Cash advances are subject to the following maximum rates:

- **MAXIMUM RATE FOR TRIPS** -- Cash advance maximums for business trips are subject to two rates: (i) per day maximum and (ii) per trip maximum.

- **MAXIMUM RATE FOR EVENTS** -- Cash advance maximums for events are subject to two rates (i) per person maximum and (ii) per event maximum.

7.6 CASH ADVANCE SETTLEMENT

Instructions for returning unused cash advance funds are provided on the Disbursement Control and Accounts Payable website (Cash Advances / Petty Cash: www.usc.edu/dc).

A cash advance must be settled within fifteen (15) business days of returning from a trip, from completing an event, or from arriving at USC (for relocation).

A cash advance that is not settled within fifteen (15) business days is considered past due and Disbursement Control and Accounts Payable will contact the employee to request a settlement. If a second settlement request must be sent by Disbursement Control and Accounts Payable, the applicable Senior Business Officer will receive a copy of the request.

A past due advance must be settled before the individual will be eligible for additional advances.
Failure to settle a cash advance within three (3) months of trip return, event completion, or relocation will result in the entire amount of the cash advance being reported to the Internal Revenue Service as income on the employee's W-2 or as income on a non-employee's 1099. Additionally, if a sponsored project account that begins with a "5" was associated with the unsettled advance, the sponsored project account will be replenished the unsettled funds using the Dean's account. This replenishment will be initiated by Disbursement Control and Accounts Payable via a Journal Voucher.

At Disbursement Control and Accounts Payable's discretion, individuals who repeatedly have past due advances will not be permitted to receive future cash advances from the university. Under no circumstances may an individual who failed to settle a cash advance before the three (3) month period be permitted to receive future cash advances from the university.
SECTION 8
ELECTRONIC PAYMENTS

8.1 DIRECT DEPOSIT FOR EMPLOYEES

Employees located in the U.S. who are expecting reimbursements should establish direct deposit with Disbursement Control and Accounts Payable. Domestic direct deposit payments are processed by USC through the Automated Clearing House (ACH), a secure and fast payment transfer system that electronically connects USC's bank to all other U.S. financial institutions.

A Direct Deposit Application can be obtained and completed according to the instructions posted on the Disbursement Control and Accounts Payable website (Electronic Payments: www.usc.edu/dc). Direct deposit ensures the highest level of security and expedites the speed with which a reimbursement is issued.

Employees with bank accounts located outside of the U.S. will receive their reimbursements via university check, foreign draft (Section 9.1), or wire payment (Section 8.3).

8.2 ELECTRONIC FUNDS TRANSFER (EFT / ACH) FOR SUPPLIERS AND ENTITIES

All suppliers located in the U.S., other than construction-related suppliers and Independent Contractors, are required to be set up to be paid via Electronic Fund Transfer (EFT). Domestic EFT payments are processed by USC through the Automated Clearing House (ACH), a secure and fast payment transfer system that electronically connects USC’s bank to all other U.S. financial institutions.

An Electronic Funds Transfer Application can be obtained and completed according to the instructions posted on the Disbursement Control and Accounts Payable website (Electronic Payments: www.usc.edu/dc).

Suppliers and independent contractors with banks located outside the U.S will receive university checks, foreign drafts (Section 9.1), or wire payments (Section 8.3).

8.3 WIRE PAYMENTS

Outbound wire payments are processed through Disbursement Control and Accounts Payable. (Inbound wires are processed through the Treasurer’s Office.) Outbound domestic wire transfers should only be used when the supplier does not accept a university check, Procurement Card, or electronic deposit (ACH) payment. Outbound international wire transfers should only be used when the supplier does not accept a university check, Procurement Card, or foreign draft.

When requesting a wire payment, either a Domestic or an International Wire Instruction Form (Electronic Payments: www.usc.edu/dc) must accompany the Form Check Request (Section 10.6).

Wire transfers should be submitted to Disbursement Control & Accounts Payable with a minimum of five (5) days notice.

Under no circumstances may a wire transfer be used to pay for personal expenses, including expenses that are part business and part personal.
SECTION 9
MISCELLANEOUS FORMS OF PAYMENTS

9.1 FOREIGN DRAFTS

When a foreign entity requires payment in a foreign currency, a Form Check Request (Section 10.6) should be submitted and either mailed or delivered to Disbursement Control and Accounts Payable.

The Form Check Request for a foreign draft should include all of the following:

- A request for a “foreign draft” (in explanation section);
- A business purpose (in explanation section);
- The name of the entity needing the payment; and
- The amount in the applicable foreign currency.

Do not prepare a Form Check Request in which the foreign amount has been converted to U.S. dollars. The foreign draft will be prepared in the amount and currency requested. The department’s ASR will reflect the U.S dollar amount, according to exchange rates provided by the university’s bank.

A minimum of ten (10) business days is required to process a foreign draft request, and it is the responsibility of the requestor to submit a properly prepared and authorized Form Check Request (Section 10.6) to Disbursement Control and Accounts Payable in sufficient time for processing.

All foreign drafts must be picked up from Disbursement Control and Accounts Payable. They cannot be mailed directly to the entity.

Under no circumstances may a foreign draft be used to pay for personal expenses, including expenses that are part business and part personal.

9.2 CASHIER’S CHECKS

When an entity requires payment via a cashier’s check, a Form Check Request should be submitted and either mailed or delivered to Disbursement Control and Accounts Payable.

The Form Check Request for a cashier’s check should include all of the following:

- A request for a “cashier’s check” (in explanation section);
- A business purpose (in explanation section); and
- The name of the entity needing the payment.

A minimum of five (5) business days is required to process a cashier’s check request, and it is the responsibility of the requestor to submit a properly prepared and authorized Form Check Request to Disbursement Control and Accounts Payable in sufficient time for processing.

All cashier’s checks must be picked up from Disbursement Control and Accounts Payable. They cannot be mailed directly to the entity.

Under no circumstances may a university cashier’s check be used to pay for personal expenses, including expenses that are part business and part personal.
9.3 CHECKS TO USC STUDENT ORGANIZATIONS

A university check may not be issued directly to a student organization. Departmental support of a recognized student organization may be provided, with approval of the Authorized Signer, by one of the following methods:

- Transfer of expense via journal entry between the department's account and the organization's account administered through Student Affairs (Appendix A);
- Intradepartmental budget transfer to the applicable student account within the organizational unit;
- Reimbursement to a member of the organization; or
- Payment to the service provider (caterer, musician, printer) on the basis of invoice(s) and completed independent Contractor Agreement (Section 22).

9.4 CHECKS TO U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS)

Check Requests to the U.S. Citizenship and Immigration Services (USCIS) must include the name of the student or scholar in the business purpose section of the Request. The Rate Sheet provided by the Office of International Services must be attached to the Request (Appendix A).

Checks for the USCIS are available for pick up only.
SECTION 10
PAYMENT REQUESTS

10.1 CHECK REQUEST - OVERVIEW

There are three (3) different types of payment request processes administered by Disbursement Control and Accounts Payable. They are described in detail in the following sections. All payment requests are processes in WEBBA.

- **WEBBAQ.QUICK** -- Quick Expense (QE) Report / Check Request;
- **WEBBA.REQUEST** -- Paperless Check Request; and
- **WEBBA.FORM.CHK.U** -- Form Check Request.

Access to WEBBA is limited to those employees whose Senior Business Officers have completed an Access Form and have received a login from the Comptroller’s Office (Appendix A).

All payment requests facilitated in WEBBA are stored in the university’s financial system as a permanent record, including all support documentation submitted with the request to Disbursement Control and Accounts Payable.

10.2 CHECK REQUEST RESTRICTIONS

Note the following restrictions that apply to Paperless Check Requests, Form Check Requests, and Quick Expense (QE) Reports:

- **EQUIPMENT RESTRICTIONS** -- Equipment must be purchased through Purchasing Services’ Requisition Process. Payments for Equipment purchases may not be processed through the Check Request or Quick Expense (QE) Report process (Purchasing Services Policies and Procedures: [www.usc.edu/policies](http://www.usc.edu/policies)).

- **PROMOTIONAL AND PRINT RESTRICTIONS** -- Payment requests for promotional items or printed material that bear the university’s name, logo or seal, should be made through the Requisition process to ensure compliance with policies governing proper use of the university’s trademarks (Purchasing Services Policies and Procedures: [www.usc.edu/policies](http://www.usc.edu/policies)).

- **AGREEMENT SIGNING RESTRICTIONS** -- Payment requests that require a signed agreement must be executed by an approved procurement agreement signer before payment can be issued (Purchasing Services Policies and Procedures: [www.usc.edu/policies](http://www.usc.edu/policies)).

- **TAX REQUIREMENTS** -- Transactions subject to California sales tax that were not charged tax on the Check Request’s invoice will assessed the tax using the USC account number associated with the payment request. The tax will post on journal entry (XX-025R). Reference Section 25.2.

- **INDIVIDUAL HOTEL STAYS** -- The university does not process Check Requests to hotels for individual night stays. Check Requests (or Requisitions) will be processed only for group accommodations with 10 or more people. The TravelPlus Card should be used to make individual hotel arrangements and payments. As an alternative, personal funds can be used for individual hotel stays, and receipts submitted for reimbursement.
10.3 TURNAROUND TIME AND RUSH PAYMENTS

Payment requests that are associated with a properly approved and submitted Check Request or Quick Expense (QE) Report are typically processed by Disbursement Control and Accounts Payable within five (5) business days of receipt.

If a payment is needed sooner, the requestor should inform the front desk. To prevent unnecessary delays, do not mail or place rush requests in the general inbox.

Before visiting or calling Disbursement Control and Accounts Payable to pick up or inquire about a check or direct deposit payment, requestors should look up the check's status: www.usc.edu/dc/paymentstatus.

10.4 QUICK EXPENSE (QE) REPORTS

The WEBBA.QUICK Expense Report process, referred to as either the Quick Expense Report or QE Report, facilitates requests for the following expenses, regardless of the amount, source of funds, form of payment used, or payee type (employees, former employees, students, etc.):

- Travel reimbursements;
- Non-travel reimbursements;
- All TravelPlus Card expenses;
- Petty cash replenishments; and
- Cash advance settlements.

Programmed into the Quick Expense (QE) process are many of the university’s business rules, including the university’s maximum rates. These programmed business rules help reduce the number of bounced expense reports and facilitate quick payment.

The Quick Expense (QE) process is the only process that can be used to direct-pay the TravelPlus Card (Section 6.7).

A finished version of the QE must be printed and submitted along with applicable receipts, signatures, and an Expenditure Card embossment to Disbursement Control and Accounts Payable.

10.5 PAPERLESS CHECK REQUESTS

The Paperless Check Request (WEBBA.REQUEST) facilitates request for the following expenses:

- Cash advance requests (Section 7);
- Human subject fees ($25 or less); and
- Travel and non-travel reimbursements ($75 or less and not funded by a sponsored project account that begins with the number ‘5’).

Because the Paperless Check Request has an electronic approval process, it does not require the submission of support documentation (e.g. receipts, signatures, or an Expenditure Card embossment).

10.6 FORM CHECK REQUESTS

A Form Check Request (WEBBA.FORM.CHK.U) facilitates requests for the following:
Forms of Payments:
- Cashier’s checks;
- Foreign drafts;
- Petty cash establishment (send to Bank Reconciliation per Section 7.3); and
- Wire transfers.

Payment Requests for:
- Advertisements;
- Foundations (not associated with a government subcontract);
- Governmental agencies (DMV, DWP, etc.);
- Hotel room blocks and/or venues (if hotel or venue is not a supplier in the university’s vendor system)
- Human subject fees greater than $25;
- Independent Contractors;
- Prizes and awards;
- Registration and membership fees;
- Relocation;
- Subscriptions; and
- Telecommunication agencies (AT&T, Verizon, etc.).

Form Check Requests must be printed and submitted along with support documentation (e.g. applicable receipts, signatures, and an Expenditure Card embossment) to Disbursement Control and Accounts Payable. If the Form Check Request is used to reimburse travel or non-travel expenses, though it is not the recommended method, an itemized Report of Expenses must accompany the Form Check Request (Forms, Documents, & Processes: www.usc.edu/dc).

10.7 REQUISITIONS

Check Requests should not be issued for payment to suppliers, other than for the specific supplier-related purposes identified in Sections 10.6. To ensure compliance with the university’s insurance and licensing requirements, Form and Paperless Requisitions should be used to issue payments to vendors (Purchasing Policies and Procedures: www.usc.edu/policies).

Note the following restrictions regarding use of Requisitions for Travel:

- **NO PURCHASE ORDERS FOR AIRFARE** -- The university does not issue Purchase Orders for the purpose of buying airline tickets at non-contracted travel agencies. Internal Requisitions or Paperless Requisitions/Purchase Orders should be used with Contract Travel Agencies (Section 10.9) or the Travel Plus Card can be used with Contract Travel Agencies or for airline tickets purchased directly from airlines and Internet sites (Section 6.8). Departments that want to purchase airfare through a non-contracted travel agency must use personal funds and subsequently seek reimbursement upon trip return.

- **EXCEPTIONS TO POLICY** -- Departments with documented proof that airfare costs are lower through a non-contracted travel agency can complete a Non-CTA Exception Form and submit the request and evidence of cost savings to Travel Management and Corporate Card Services (Policies and Procedures: www.usc.edu/travel). Based on the information provided, a Purchase Order may be issued to a non-contract travel agency on an exception basis (i) for group reservations composed of five (5) or more passengers traveling on a like itinerary and (ii) when the
cost difference is seventy-five dollars ($75) or more per passenger.

- **NO PURCHASE ORDERS FOR INDIVIDUAL HOTEL STAYS** -- The university does not issue Purchase Orders to hotels for individual night stays. Requisitions (or Check Requests) will be processed only for group accommodations with ten (10) or more people. The TravelPlus Card should be used to make individual hotel arrangements and payments. As an alternative, personal funds can be used for individual hotel reservations, and receipts can be submitted upon trip return for reimbursement.

10.8 INTERNAL REQUISITIONS (NON-TRAVEL)

Requests for intra-campus services or acquisitions are conducted between the requesting and servicing university departments via an Internal Requisition. A sample list of university departments that accept Internal Requisitions are provided on the following page. Internal Requisitions should not be sent to Disbursement Control and Accounts Payable or to Purchasing Services. Internal Requisitions should be sent to the servicing department.

Under no circumstances may an Internal Requisition be used for personal purchases, including expenses that are part business and part personal. The Comptroller’s Office does not accommodate a ‘reduction of expense,’ whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal purchase.

A purchase made via an Internal Requisition is subject to the receipt and support documentation requirements set forth in Section 3. All Internal Requisitions must be approved by the Authorized Signer via an Expenditure Card imprint and are subject to all Expenditure Policies and Procedures. Internal Requisitions are also subject to the university’s Purchasing Policies and Procedures and as such may not be used to purchase Equipment (Appendix A).

<table>
<thead>
<tr>
<th>Examples of On-Campus Departments That Accept Internal Requisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bookstore</strong></td>
</tr>
<tr>
<td>Conference and Catering Services</td>
</tr>
<tr>
<td>Operations and Maintenance (O&amp;M)</td>
</tr>
<tr>
<td>Material Management</td>
</tr>
<tr>
<td>Mailing Services</td>
</tr>
</tbody>
</table>

10.9 INTERNAL REQUISITIONS AND PAPERLESS REQUISITIONS/PURCHASE ORDERS (TRAVEL)

Internal Requisitions and Paperless Requisitions / Purchase Orders for travel purchases made through contract travel agencies are administered through the Department of Travel Management and Corporate Card Services (Appendix A).

Contract Travel Agencies that service the university accept either Internal Requisitions or Paperless Requisitions/Purchase Orders (preferred) for payment of airline and rail tickets. Contract Travel Agencies also accept Internal Requisitions and Paperless Requisitions/Purchase Orders to guarantee reservations and subsequently pay contract local hotels, contract executive ground transportation, and contract rental car reservations (Contract Travel Agencies: www.usc.edu/travel). Internal Requisitions and Paperless/Purchase Orders may be used to pay business travel expenses for employees, students, and official university guests. Purchases made using Internal Requisitions and Paperless/Purchase Orders...
through contract travel agencies are covered by insurance (Insurance and Emergencies: www.usc.edu/travel/).

Under no circumstances may an Internal Requisition or Paperless Requisition/Purchase Order be used for personal purchases, including expenses that are part business and part personal. The Comptroller’s Office does not accommodate a 'reduction of expense,' whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal purchase.

Under no circumstance may an Internal Requisition or Paperless Requisition/Purchase Order be used for spousal or other family member travel (Section 21.7). A purchase made via an Internal Requisition or Paperless Requisition/Purchase Order is subject to the receipt and support documentation requirements set forth in Section 3. All Internal Requisitions and must be approved by the Authorized Signer via an Expenditure Card imprint and are subject to all Expenditure Policies and Procedures. All Paperless Requisition/Purchase Orders are approved according to access levels in WEBBA.

Charges for Internal Requisitions and Paperless Requisition/Purchase Orders post to the department’s Account Status Report between thirty (30) and sixty (60) days after purchase. Note that for contract hotel and contract rental car reservations, charges post between thirty (30) and sixty (60) days after hotel checkout and rental car return. Scanned images of Internal Requisitions and Paperless Requisition/Purchase Orders and are available in WEBBA.

10.10 DEPARTMENTAL DEBIT CARDS

A limited number of departmental debit cards issued by USCard Services (Appendix A) are still in circulation (the university no longer issues new departmental debit cards). The departmental debit card may be used within the university at operations that accept the USCard, such as the Bookstore, Café 84, Pharmacy, etc.

Purchases made via departmental debit cards must be in compliance with these Expenditure Policies and Procedures. For example, each transaction incurred on departmental debit card must be supported by a written business purpose and receipt (Section 3). Support documents must be retained within the department and are subject to post-audit by Disbursement Control and Accounts Payable.

Under no circumstances may the departmental debit card be used for personal purchases, including expenses that are part business and part personal. The Comptroller’s Office does not accommodate a 'reduction of expense,' whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal purchase.

Purchases made on the departmental debit card are subject to the university’s Purchasing Policies and Procedures and may not be used to purchase Equipment at the Bookstore (Appendix A).
SECTION 11
SUPPLIER INVOICE CONTENT, MAILING INSTRUCTIONS, AND PAYMENT PROCEDURES

11.1 REQUIRED INVOICE CONTENT

Each supplier invoice should match the Purchase Order by price, supplier name, and ordered items.

Disbursement Control and Accounts Payable will only pay from an itemized invoice. An invoice is a supplier-generated document that should include all of the following. The requested invoice information is relayed to the supplier on the front page of the Purchase Order.

- “Bill To” USC
- “Ship To” USC
- Purchase Order Number
- Itemized Order Details
- Supplier Name
- Date of Invoice
- Remit Address of Supplier

11.2 INVOICE MAILING INSTRUCTIONS

To ensure prompt payment and to avoid late-payment penalties, all invoices should be mailed directly by the supplier to Disbursement Control and Accounts Payable. For invoices sent directly to Disbursement Control and Accounts Payable for over $5,000, Disbursement Control and Accounts Payable will seek approval from the department prior to paying the invoice. For amounts less than $5,000 the invoice will be automatically paid. Departments wanting confirmation of invoice payment can view payment status in WEBBA (WEBBA.ORDER.R).

University Park Campus
Attention: USC Disbursement Control & Accounts Payable
P.O. Box 77967 Los Angeles, CA 90007

Notes about invoices:

- STATEMENTS -- A statement, in lieu of an invoice, can be used only for phone service, utilities, and leases.

- COPIES and FAXES -- Whenever possible, the original invoice should be submitted for payment. When the original is not available, invoice copies or facsimiles will be accepted. Neither a wait period nor a memo is required when submitting a copied or faxed invoice.

- SCANNED INVOICES -- All invoices are scanned and can be viewed by departments as an image in WEBBA. To access an image reference Purchase Order No in WEBBA.ORDER.I.

11.3 INVOICES WITH PRICE DISCREPANCIES

If there is a price discrepancy between the invoice amount and the Purchase Order amount and this discrepancy is due to the miscalculation of shipping/handling and/or taxes or if the discrepancy represents less than 10% of the invoice amount, Disbursement Control and Accounts Payable will process payment for the correct amount and will not reject the invoice.
Disbursement Control and Accounts Payable does not accept invoices adjusted by the department. Departments with discrepancies should contact the supplier and request that the supplier provide Disbursement Control and Accounts Payable with a correct invoice. If obtaining an adjusted invoice from the supplier is not possible, departments can submit evidence of the supplier’s concurrence with the department’s adjusted invoice, such as an e-mail or letter from the supplier.

Notes about problems with orders:

- **INCOMPLETE ORDERS** -- If an item has not been received, is on back order, or arrived damaged, the department should notify the appropriate Purchasing Services Buyer (preferably via e-mail) so that it can be noted on the Purchase Order (Contact Us: www.usc.edu/purchasing).

- **CREDIT / REFUNDS** -- If a department receives a restocking memo, credit memo, refund check or other documents from a supplier, the documents should be sent to Disbursement Control and Accounts Payable as explained in Section 14.

- **PARTIAL PAYMENTS** -- Partial payments to suppliers should be supported by an explanation. Partial shipment invoices will be paid by Disbursement Control and Accounts Payable, with the balance of the Purchase Order amount remaining encumbered for the owed portion. For partial orders that cross fiscal year boundaries, reference Section 26.

### 11.4 PROCESSING / PAYING INVOICES

The following chart identifies if and when departments are notified of paid invoices.

<table>
<thead>
<tr>
<th>Invoice</th>
<th>Department Approvals</th>
<th>Disbursement Control and Accounts Payable Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $5,000</td>
<td>None</td>
<td>Pays invoice; department not notified</td>
</tr>
<tr>
<td>Over $5,000</td>
<td>Disbursement Control and Accounts Payable contacts department for approval</td>
<td>Note approval on invoice; pays invoice</td>
</tr>
</tbody>
</table>

Note about payments to suppliers:

- **PAYMENT UPON DELIVERY** – Disbursement Control and Accounts Payable pays invoices for items $5,000 or more when the department verifies that items have been installed and delivered or that the services have been performed.

- **PAYMENT STATUS** -- To see if a supplier has been paid, login to WEBBA.ORDER.R.
11.5 BUSINESS USE ONLY

The university does not allow Requisitions to be used for personal purchases, including purchases that are part business and part personal. The Comptroller's Office does not conduct a reduction of expenses, whereby expenses incurred on the department’s account are reduced by the amount the employee is reimbursing the department for personal purchases. Therefore, all invoices must include university business transactions only.
SECTION 12
NONRESIDENT ALIEN AND RESIDENT ALIEN PAYMENTS

12.1 NONRESIDENT ALIEN REIMBURSEMENTS AND PAYMENTS

A nonresident alien is a non-U.S. citizen who does not hold a Resident Alien Card. The Internal Revenue Service (IRS) and U.S Citizenship and Immigration Services (USCIS) have very strict regulations regarding payments and expense reimbursements made to non-resident aliens.

To be in compliance with the IRS and USCIS, reimbursements to non-resident aliens may be made only on an actual basis (Section 17.3); per diem reimbursements are not allowed.

All payments and reimbursements to nonresident aliens must be processed by sending a Form Check Request (for payments) and Quick Expense (QE) Report (for reimbursements), completed in compliance with these expenditure policies, to University Payroll Services (Appendix A). Do not send payment or reimbursement requests for non-resident aliens to Disbursement Control and Accounts Payable. This requirement also extends to non-resident alien’s performing Independent Contractor work (Section 22).

12.2 RESIDENT ALIEN EXPENSES AND PAYMENTS

An individual with a Resident Alien Card is treated the same as a U.S. citizen. Include a copy of the Resident Alien Card with a Form Check Request (for payments) and Quick Expense (QE) Report (for reimbursements). Submit all payment and reimbursement requests for Resident Aliens to Disbursement Control and Accounts Payable.
SECTION 13
FUNDS AVAILABILITY

13.1 INSUFFICIENT FUNDS AND ACTIVE ACCOUNTS

Disbursement Control and Accounts Payable will return to processors all Form and Paperless Check Requests and Quick Expense (QE) Reports with insufficient funds or inactive accounts.

Travel Internal Requisitions are not checked for funds availability or account status at point of purchase. Therefore, departments should ensure that funds are still available and accounts still active sixty (60) days after airline ticket purchase and sixty (60) days after contract hotel checkout or contract rental car return.

13.2 OVERDRAWING ACCOUNTS

An account with insufficient funds may be overdrawn under the following circumstances:

- With express written permission from the Comptroller’s Office (Appendix A)
- If the account used was an income account (10-XXXX-XXXX)
- If the account is a clearing account (19 XXX-XXXX)
- If the account is a recharge account (56 XXX-XXXX)
- For sales tax or shipping / handling charges
- For monthly P-Card charges (Section 6.4)
- If the expense was for a P-Card sales tax payment (Section 25.2)
- If an invoice exceeds the Purchase Order amount by less than $5,000
- If an invoice exceeds the Purchase Order amount by $5,000 or more and no response from the Requisition processor or the Senior Business Officer is received within five (5) business days of department notification (Purchasing Policies and Procedures: www.usc.edu/policies).

13.3 DEBITS TO DEAN’S ACCOUNT

Payments for the following charges will be debited to the applicable Dean’s unrestricted account (or equivalent type account for administrative departments) if the original account submitted is inactive. Payments may be charged to the applicable Dean’s account if no correction is provided by the department within five (5) business days of Disbursement Control and Accounts Payable’s inquiry. Section 13.2 explains circumstances that would warrant overdrawing an account.

- Travel Internal Requisition charges (Section 10.9)
- Monthly P-Card charges (Section 6.4)
- Invoice payments

Additionally unsettled advances on sponsored project account will be debited against the Dean’s Account as detailed in Section 7.6.
SECTION 14
REWARD PROGRAMS AND UNIVERSITY REFUNDS (RECEIVING AND ISSUING)

14.1 REWARD PROGRAMS

All coupons, certificates, rebates, and/or points (collectively 'rewards') received as a result of a university purchase are USC property and all reward redemptions must benefit the university. In the case of rewards earned as a result of a sponsored project purchase, the reward is the sponsor’s property and the reward’s redemption must benefit the sponsor.

This policy applies to rewards of all amounts and to all forms of payment used on the original purchase, including personal funds for which the individual received a reimbursement.

Excluded from this policy are rewards earned from i) USC Travel Card’s GE Capital Gains Program (Section 21.11); ii) programs where the membership fee was paid using personal funds; and iii) frequent traveler programs (Section 20.14).

However, rewards earned from hotels as a result of a group block are not exempt from this policy. Hotel rewards as a result of a group block are university or sponsored project property and redemptions must benefit USC or the sponsor.

All rewards must be turned into the department’s business office, according to departmental guidelines.

Exceptions to this policy require written approval from the applicable Vice President or Dean.

14.2 UNIVERSITY RECEIVES A REFUND

Any reimbursement or payment issued by the university which subsequently results in a refund must be returned to the university.

Refunds should be made payable to the University of Southern California, and whenever possible, should reference the Check Request number, Purchase Order number, etc. Refunds received in the name of the university should be deposited by department into the account that originally incurred the expense.

Individuals who receive a check in their name for a refund that should have been issued in the university’s name should take checks to the university’s Cashier’s Office and obtain a G-Receipt. Subsequently, G-Receipts should be returned to the applicable employee’s department (Forms, documents, and processes: www.usc.edu/dc).

14.3 TRAVELPLUS CARD REFUNDS

A payment made by the university to an individual’s TravelPlus Card that subsequently results in a refund must be returned to the university. Refunds are processed by creating a negative Quick Expense Report (QE). Details on how to process TravelPlus Card refunds are provided in the TravelPlus Card policies and procedures (www.usc.edu/policies).

Disbursement Control and Accounts Payable audits refunds issued to employee TravelPlus Cards.
14.4 UNIVERSITY ISSUES A REFUND

From time-to-time, the university receives money from outside sources, such as fees to attend a USC-hosted conference. When a refund needs to be issued by the university, the following procedures must be followed. In all cases, refunds should be issued from the same USC account number that originally benefited from the income.

- All refunds issued from ledger or income accounts should be processed via the Paperless Check Request process (Section 10.5).
- All refunds, other than ledger or income accounts, should be processed via the Form Check Request process (Section 10.6). A G-Receipt is required.
SECTION 15
AIR TRAVEL AND RAIL TRAVEL

15.1 ECONOMY-CLASS (COACH) REQUIREMENT - AIRLINES

The university will support the cost of economy-class (coach), commercial airfare for official university travel. Use of advance purchase or other discounted economy-class fares are recommended, whenever ticketing restrictions are reasonable.

15.2 FIRST-AND BUSINESS-CLASS RESTRICTIONS - AIRLINES

First-and business-class air travel is only allowed under the following circumstances:

- Advance written approval is obtained from a Senior Vice President or the President;
- Necessary because of documented medical reasons; or
- Coach class is unavailable.

Medical exceptions and unavailability must be clearly identified and explained. Under no circumstances may business or first class travel be used when travel is being paid for on a sponsored project account that begins with the number ‘5.’

When approval, as described above, has not been granted, business-class and first-class air travel may only be used for university purposes provided that the individual personally arranges for payment for the incremental difference.

15.3 SPONSORED PROJECT DEFINITION OF LOWEST FARE - AIRLINES

Sponsored project airfare costs are subject to the guidelines set forth in the Office of Management and Budget Circular A-21. The applicable Section (J.48) is referenced below.

"Airfare costs in excess of the lowest available commercial discount airfare, Federal Government contract airfare (where authorized and available), or customary standard (coach or equivalent) airfare, are unallowable except when such accommodations would: require circuitous routing; require travel during unreasonable hours; excessively prolong travel; greatly increase the duration of the flight; result in increased costs that would offset transportation savings; or offer accommodations not reasonably adequate for the medical needs of the traveler."

The Department of Contracts and Grants (Appendix A) should be consulted if there are questions regarding the allowability of travel-related expenses on sponsored project accounts that begin with the number ‘5,’ or for assistance in administering funds for an externally sponsored project that contains restrictions on travel-related expenses.

15.4 SPONSORED PROJECT COMPLIANCE WITH FLY AMERICA ACT

When federal funds are used for foreign travel, tickets must be purchased in compliance with the Fly America Act. This Act stipulates that tickets must be purchased for airline travel on:

- A U.S. flag air carrier; or
- A foreign carrier that operates under a U.S. flag air carrier code-sharing agreement and identifies the U.S. flag air carrier’s designator code and flight number.
Such carriers must be used unless the traveler can certify such carriers were “unavailable,” as availability is defined by federal regulations. Certification of unavailability must be on file in the Department of Contracts and Grants prior to purchase (Appendix A).

To facilitate compliance with the Fly America Act, use of a university Contract Travel Agency is strongly encouraged (Section 15.6).

15.5 RAIL

The university will support the cost of economy-class rail for official university travel. Use of business class rail is permitted on unrestricted accounts, when use of business class is necessary to ensure a seat reservation (e.g. Amtrak) or with advanced-written approval from the Dean or Vice President.

Use of rail may not be used for trips that result in a higher total cost to the university than round trip economy-class airfare.

15.6 CONTRACT TRAVEL AGENCIES

USC’s Contract Travel Agencies (CTAs) should be used for making business travel arrangements, including arrangements for official university guests (Contract Travel Agencies: www.usc.edu/travel). CTAs have access to the university’s contract rates with airlines, local hotels, and rental car companies. Among the CTAs is an on-line travel agency for those who prefer to book via the web and a woman-owned small business that should be used by federal contractors with diverse supplier subcontracting goals (Appendix A).

15.7 HELICOPTER SERVICE

Use of helicopter service between Los Angeles and the university’s offices on Catalina Island is permitted with advanced written approval from a Senior Business Officer.

Use of all other helicopter service is only authorized:

- In cases of emergency;
- When it is the only mode of transportation; or
- With advanced written approval from the President or applicable Senior Vice President.

15.8 PRIVATELY OWNED AIRCRAFT

Use of privately owned or rented aircraft for university business is not permitted. The university’s insurance program specifically excludes coverage of individuals who are acting as pilot, operator, or member of crew of private or rented aircraft. Persons traveling on privately owned aircraft are considered to be on personal business and the university disclaims any responsibility for loss thereof.

15.9 TRAVELING IN A COMMON CONVEYANCE

Faculty and staff should consider the possible impact of an accident to the university when members of the same department travel together. Therefore, the university recommends limiting the number to three (3) individuals from the same department from knowingly traveling together in the same conveyance. A conveyance is defined as an aircraft, automobile (personal or rented), bus, ship, taxi, train, van (personal or rented), or any other method of public or private transportation.
15.10 TRAVEL TO COUNTRIES WITH US SANCTIONS

All USC faculty and staff must contact the Office of the General Counsel (Appendix A) to obtain legal review and approval before engaging in any university-related activities involving countries subject to U.S. Federal government sanctions, including travel or other transactions. A current list of restricted countries is provided on the Travel Management and Corporate Card Services website (Travel Resources / List Serve: www.usc.edu/travel).

The penalties for failure to properly comply with U.S. sanction laws can include both criminal and civil penalties against the individuals and entities involved in non-compliance. Depending on the nature of the violation, penalties can include substantial monetary fines and even imprisonment.

In addition, failure to comply with U.S. sanction laws or failure to contact the Office of the General Counsel before engaging in any university-related activities involving the countries listed may result in disciplinary action, including termination.
SECTION 16
PRIVATELY-OWNED VEHICLES / RENTAL VEHICLES

16.1 USE OF PRIVATELY-OWNED MOTOR VEHICLES

A privately-owned motor vehicle may be used for university business when it is the most appropriate transportation mode, such as for local trips. Use of a privately-owned motor vehicle may not be used for long trips that result in a higher total cost (mileage + meals + lodging) to the university than round trip economy-class airfare.

16.2 REIMBURSEMENT FOR PRIVATELY-OWNED MOTOR VEHICLE USE

Individuals will be reimbursed for use of a privately-owned vehicle at the university's per mile rate (Maximum Rate: www.usc.edu/dc). Because the university's per mile rate considers the cost of gasoline and ancillary operating expenses (oil, repair, insurance, DMV registration fees, etc.), the university does not reimburse for use of private vehicles based on receipts. When claiming a reimbursement for use of a private vehicle, the expense report must clearly identify all of the following:
- Address of the trip’s origin;
- Address of the destination;
- Business purpose; and
- Number of miles traveled per excursion.

The chart below provides an example of a correctly and incorrectly reported personal vehicle mileage claim.

<table>
<thead>
<tr>
<th>Correct Mileage Claim</th>
<th>Incorrect Mileage Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depart: UPC Campus</td>
<td>Depart: Campus</td>
</tr>
<tr>
<td>Destination: LAX</td>
<td>Destination: Airport</td>
</tr>
<tr>
<td>Mileage: 22 miles (round trip)</td>
<td>Mileage: 22 miles (round trip)</td>
</tr>
<tr>
<td>Purpose: Business trip to National Science Foundation Annual meeting</td>
<td>Purpose: Business Trip</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correct Mileage Claim</th>
<th>Incorrect Mileage Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depart: Home 12244 Home Drive; LA 90066</td>
<td>Depart: Home</td>
</tr>
<tr>
<td>Destination: UC Irvine</td>
<td>Destination: Irvine</td>
</tr>
<tr>
<td>Mileage: 112 miles (round trip)</td>
<td>Mileage: 112 miles (round trip)</td>
</tr>
<tr>
<td>Purpose: Attended Micro Biology Conference at UC Irvine</td>
<td>Purpose: Meeting</td>
</tr>
</tbody>
</table>

Drivers can use either the vehicle’s odometer (preferred) or an on-line mapping site (e.g. Mapquest, Googlemaps, etc.) to calculate mileage. It is not necessary to submit the odometer reading or the map print with a reimbursement request. However, Disbursement Control and Accounts Payable will question mileage claims that appear to be excessive.

16.3 INSURANCE FOR PRIVATELY-OWNED MOTOR VEHICLES

Reference Section 24.1.
16.4 RENTAL VEHICLES

The university will reimburse travelers for the cost of renting a vehicle, plus associated rental car expenses (e.g. gasoline).

When renting a vehicle for business, university travelers (including non-employees) should use one of the university’s contract rental car companies. Contract rental car rates are discounted and include the domestic insurance coverage (Section 24.3).

16.5 VAN AND SUV SIZE RESTRICTIONS

The rental or purchase of vans and SUVs that seat more than ten (10) passengers is strictly prohibited. A 10-passenger van or SUV is defined as a vehicle having seats with seat belts for one driver and nine passengers. A van or SUV with a seating capacity larger than ten (10) cannot be used for university business, even if ten (10) or fewer passengers are occupying the vehicle.

Reference Section 24.2 for additional insurance requirement when renting a 10-passenger van or SUV.

Riding as a passenger in vans and SUVs that seat more than ten (10) passengers is permitted when the van or SUV is being driven by a commercial driver, such as hotel and parking-lot shuttle vans.

16.6 COMPLIANCE WITH MOTOR VEHICLE DRIVING LAWS

Individuals using a privately-owned or rental vehicle for travel on university business must comply with applicable motor vehicle driving laws for the region in which they are driving.

Violated driving laws that result in citations, such as but not limited to traffic or parking citations, are the personal responsibility of the traveler and any associated expenses are not reimbursable. This policy applies to both privately-owned and rented vehicles.
SECTION 17
MEALS / LODGING

17.1 MAXIMUM RATES

Disbursement Control and Accounts Payable administer the university’s maximum actual, allowance, and per diem rates for lodging and meals (Maximum Rates: www.usc.edu/dc). Lodging and meal payment requests that exceed the maximum actual, allowance, and per diem rates require approval from a Dean or Vice President.

17.2 OVERVIEW OF METHODS

When a university business trip includes at least one night of lodging, expenses for incurred meals and lodging are to be reported using one of the following four methods. Details about these four methods are described in Sections 17.3 – 17.6.

Method A (preferred) -- Actual Lodging and Actual Meal Expenses
Method B -- Actual Lodging and Meal Allowance (domestic) or Meal Per Diem (international)
Method C -- Per Diem Lodging and Per Diem Meals (domestic)
Method D -- Per Diem Lodging and Per Diem Meals (international)

Note the following important points:

- **ONE METHOD PER TRIP** -- The method selected must be used for the entire trip;
- **SPONSORED PROJECT NOTE** -- All four methods are permitted on sponsored project accounts. However, sponsored project travelers should review the terms of the sponsored project to determine if special rates are required (i.e., state awards sometimes require the use of state per diem rates); and
- **START AND END DATE** -- Travelers are eligible to claim expenses, allowance, or per diem beginning on the date of departure and including the date of return. Departments may impose tighter restrictions, such as allowing only partial day allowances or per diems for the first and last days of travel. This type of restriction must be monitored through department-level controls.

17.3 METHOD A: ACTUAL LODGING AND ACTUAL MEAL EXPENSES (PREFERRED)

Travelers claiming Method A will be reimbursed actual expenses incurred for lodging and meals.

- **PREFERRED METHOD** -- Method A is the university’s preferred method for lodging and meal reimbursements;
- **RECEIPT REQUIREMENTS** -- Method A requires that lodging and meal expenses be supported by receipts, according to the receipt retention provisions stated in Section 3;
- **ACTUAL MAXIMUMS** -- Method A is subject to the university’s (i) maximum actual per meal amount and (ii) maximum actual daily amount for both lodging and meals. (Maximum Rates: www.usc.edu/dc). Maximum actuals for both lodging and meals are calculated exclusive of incurred taxes, meal gratuities, bellman tips and maid tips;
- **TRANSPORTATION AND ANCILLARY EXPENSES** -- Transportation expenses (airfare, taxi, rental car, etc.) and ancillary expenses (hotel parking, hotel Internet connections, etc.) should be separately reported as actual expenses and are not considered part of a traveler’s lodging and meal expenses;
- **CLAIMS MORE THAN 30 DAYS** -- Claims for trips exceeding 30 days must be processed using Method A; and

- **CLAIMS FOR NON-RESIDENT ALIENS** -- Claims for non-resident aliens (Section 12.1) must be processed using Method A.

17.4 **METHOD B: ACTUAL LODGING AND MEAL ALLOWANCE (DOMESTIC) OR MEAL PER DIEM (INTERNATIONAL)**

Travelers claiming Method B will be reimbursed for lodging based on actual expenses and will receive a fixed meal allowance amount (for domestic travel) or the U.S. State Department meal per diem amount (for international travel). The meal allowance or per diem is on a per day basis and covers all three (3) daily meals, including all gratuities associated with the meal. It is the traveler’s responsibility to deduct from any meal allowance or meal per diem amounts for meals already paid for by the university as part of a conference fee.

- **RECEIPTS** -- Method B requires that all lodging expenses be supported by receipts, according to the receipt retention provisions stated in Section 3. Receipts are not required to substantiate the domestic meal allowance or international meal per diem;

- **ACTUAL MAXIMUMS** -- Method B is subject to the university’s maximum actual daily amount for both lodging and meals (Maximum Rates: [www.usc.edu/dc](http://www.usc.edu/dc)). Actual lodging is calculated exclusive of incurred taxes, meal gratuities, bellman tips and maid tips.

- **DOMESTIC MAXIMUM MEAL ALLOWANCE RATE** -- Meal allowance claims for domestic travel may not exceed the university’s maximum domestic meal allowance rate (Maximum Rate: [www.usc.edu/dc](http://www.usc.edu/dc)). Expenses for any incidentals associated with the meal, such as meal gratuities, are considered to be part of the meal allowance. Therefore, meals plus meal gratuities may not exceed the maximum meal allowance;

- **INTERNATIONAL MAXIMUM MEAL PER DIEM RATE** -- The applicable maximum per diem by city and country for international travel is posted on the U.S. Department of State website ([http://www.state.gov/m/a/als/prdm/](http://www.state.gov/m/a/als/prdm/)). Claims for international meal per diem may not exceed the stated maximum amount. Expenses for any incidentals associated with the meal, such as meal gratuities, are considered to be part of the meal per diem. Therefore, meals and gratuities must stay within the maximum international per diem amount. The applicable meal per diem rate (the M&IE column) must be printed and submitted with the traveler’s expense report to substantiate the claim amount; and

- **TRANSPORTATION AND ANCILLARY EXPENSES** -- Transportation expenses (airfare, taxi, rental car, etc.) and ancillary expenses (hotel parking, hotel Internet connections, etc.) should be separately reported as actual expenses and are not considered part of a traveler’s actual lodging and domestic meal allowance or international meal per diem.

17.5 **METHOD C: PER DIEM LODGING AND PER DIEM MEALS (DOMESTIC)**

Use of Method C requires pre-approval from the Authorized Signer. Such pre-approvals must be monitored through internal, department-level controls.

Travelers claiming Method C will be paid a fixed per diem amount for domestic lodging and meals. The per diem amount covers all lodging and all three (3) daily meals. It is the traveler’s responsibility to deduct from any per diem amounts for meals already paid for by the university as part of a conference fee.
17.6 METHOD D: PER DIEM LODGING AND PER DIEM MEALS (INTERNATIONAL)

Use of Method D requires pre-approval from the Authorized Signer. Such pre-approvals must be monitored through internal, department-level controls.

Travelers claiming Method D will be paid a fixed per diem amount for international lodging and meal, according to rates established by the U.S. State Department. The per diem amount covers all lodging and all three (3) daily meals, including tips. It is the traveler’s responsibility to deduct from any per diem amount costs for meals already paid for by the university as part of a conference fee.

- **RECEIPTS** -- Receipts do not need to be submitted when claiming Method D.
- **INTERNATIONAL MAXIMUM PER DIEM RATE** -- The maximum per diem by city and country for international travel is posted on the U.S. Department of State website: [http://www.state.gov/m/a/als/prdm/](http://www.state.gov/m/a/als/prdm/). The amount claimed per day for international lodging and meal per diem may not exceed the maximum rate. Expenses for lodging, meals, and any incidentals associated with lodging or meal expenses, such as meal gratuities, bellman tips, and maid tips, are considered to part of the per diem. Therefore, meals, lodging and all gratuities must stay within the maximum per diem amount. The applicable per diem rate must be printed and submitted with the traveler’s expense report to substantiate the amount; and
- **TRANSPORTATION AND ANCILLARY EXPENSES** -- Transportation expenses (airfare, taxi, rental car, etc.) and ancillary expenses (hotel parking, hotel Internet connections, etc.) should be separately reported as actual expenses and are not considered part of a traveler’s international per diem.

17.7 NON-TRAVEL MEALS

Note restrictions apply to non-travel meals associated with a sponsored project account that begins with the number '5.'

If an individual is more than five (5) miles away from his or her work location for more than six (6) hours, meals are reimbursed as an actual expense. No single meal expense may exceed the university’s maximum per meal amount (Maximum Rates: [www.usc.edu/dc](http://www.usc.edu/dc)).

If an individual is attending a local meeting or function on university business, the meal is reimbursed as an actual expense. No single meal expense may exceed the university’s maximum per meal amount (Maximum Rates: [www.usc.edu/dc](http://www.usc.edu/dc)).
17.8 BUSINESS PURPOSE FOR MEALS

In order for a meal paid or reimbursed by the university to be considered non-taxable to the individual, the Internal Revenue Service requires that the names of the persons attending the meal and the business purpose to be clearly stated. For groups larger than ten (10), the IRS will accept the approximate number of persons, group identity, and business purpose, in lieu of an itemized list of attendees.

This requirement applies regardless of source of funds, venue location (on or off campus), and form of payment used (cash advance, departmental debit card, Internal Requisition, personal funds, petty cash, Travel\textsuperscript{Plus} Card, etc.).

17.9 SPONSORED PROJECT MEALS

Business meal expenses (other than those associated with travel) may be considered as entertainment costs and, as such, are generally not allowed on sponsored project accounts that begin with the number '5.' Contact the Department of Contracts and Grants with specific questions regarding allowability prior to incurring the expense (Appendix A).
SECTION 18
MEMBERSHIP EXPENSES AND RESTRICTIONS

18.1 PRIVATE CLUB MEMBERSHIP EXPENSES AND RESTRICTIONS

Payment to or reimbursement by the university for an individual’s membership in or dues to a private club is restricted to those employees who have co-signed with the applicable Senior Vice President or the President the university’s Private Club Membership Agreement available through the General Counsel’s office (Appendix A). Private clubs include, but are not limited to, the Jonathan Club, California Club, Los Angeles Athletic Club, City Club, and all country clubs.

Under no circumstances may private club membership fees be paid for using a sponsored project account that begins with the number ‘5.’

18.2 UNIVERSITY-AFFILIATED CLUB MEMBERSHIP EXPENSES AND RESTRICTIONS

Payment to or reimbursement by the university for an individual’s annual membership in either the USC University Club or Edmondson Faculty Center is restricted to those employees who have obtained Dean or Vice President approval.

The membership fee and all meal expenses incurred at the USC University Club and Edmondson Faculty Center must be supported by receipts and business purpose, according to Section 3. Note that receipts and business purpose are also required when the form of payment was an Internal Requisition, departmental debit card, or other charge back.

Under no circumstances may university-affiliated club membership fees be paid for using a sponsored project account that begins with the number ‘5.’

18.3 PROFESSIONAL MEMBERSHIP EXPENSES AND RESTRICTIONS

Payment to or reimbursement by the university for membership in or dues to a professional organization is allowed when in the name of the university (‘institutional membership’). A professional membership in the name of an individual is allowable when the annual renewal cost does not exceed $2,000. A membership in the name of an individual that costs more than $2,000 must be approved by a Senior Vice President.

Reference Section 20.5 for information regarding charitable contributions and/or donations made in tandem with professional memberships.
18.4 AIRLINE CLUB MEMBERSHIP RESTRICTIONS

The university does not support the cost of airline club memberships. Participation in an airline's club is considered a personal expense, except with advanced written approval from a Senior Vice President or President.

Under no circumstances may airline club membership fees be paid for using a sponsored project account that begins with the number '5.'
SECTION 19
CELL PHONES / TELEPHONES / INTERNET ACCESS / LAPTOPS

19.1 CELL PHONES AND PERSONAL DIGITAL DEVICES

The university administers a separate policy that articulates proper use of university funds toward cellular telephones and personal digital devices (PDAs) (Mobile Communication Resource Policy: www.usc.edu/policies). Direct billing of cell phones or use of a payroll allowance is not allowed on a sponsored project account that begins with the number ‘5’ without prior and express written permission from Financial Analysis (Appendix A).

19.2 HOME TELEPHONES

If one’s home landline telephone is used to place a long-distance call for university business, reimbursement may be claimed for the cost of the long-distance call as itemized on the telephone statement.

Monthly fees incurred to establish or maintain a home landline telephone are not reimbursable, unless such a landline is dedicated for university business and is approved by a Senior Business Officer.

19.3 HOME INTERNET ACCESS

Monthly fees incurred to establish or maintain Internet access at home are not reimbursable, unless such access is dedicated for university business and is approved by a Senior Business Officer.

19.4 HOTEL TELEPHONES

Hotel telephone usage is reimbursable while on official business travel. A hotel phone can be used for one 15-minute call home per day. The hotel phone can be used and expensed for business purposes on an as needed basis.

19.5 HOTEL / AIRPORT INTERNET ACCESS

Hotel / Airport Internet access is reimbursable while on official business travel, if the Internet access is needed to facilitate university business.
19.6 LAPTOPS AND HOME COMPUTERS

When in the best interest of the university and when approved by an Authorized Signer, laptops and computers can be assigned to employees for use in their personal home or while en route. Such purchases must be made in compliance with policies set for by Purchasing Services (Purchasing Services Policies and Procedures: www.usc.edu/policies).

The employee is responsible for safeguarding the laptop and home computer, controlling its use, and protecting its data. No data that requires enhanced protection, as defined in the university’s Information Security Policy, may be stored on any laptop or home computer in an unencrypted state (www.usc.edu/policies).
SECTION 20
MISCELLANOUS REIMBURSABLE EXPENSES (TRAVEL AND NON-TRAVEL)

20.1 MISCELLANEOUS EXPENSES - OVERVIEW

This section identifies miscellaneous travel and non-travel expenses not addressed elsewhere in this policy document that, when incurred for university business purposes, are permitted. Certain expenses in this section are only permitted when the required approval is obtained before the expense is incurred.

Where noted with a G/U, the miscellaneous expense is government unallowable and may not be paid using a sponsored project account that begins with the number ‘5.’

20.2 AIRPORT PARKING

Costs incurred for parking at or near an airport while on travel status is reimbursable. The long-term airport parking lot at LAX with which the university has a contract should be considered to keep costs at a minimum (Contract Rates and Services: www.usc.edu/travel).

20.3 ALCOHOL (G/U)

Alcohol is only reimbursable if claimed as part of a meal expense or professional event.

20.4 ATMS FEES ON TRAVEL PLUS CARD (G/U)

Fees incurred at ATMs when the Travel Plus Card was used are reimbursable on unrestricted accounts. Fees incurred at ATMs when a personal debit or credit card was used are not reimbursable (Section 21.2).

20.5 CHARITABLE AND SPONSORSHIP CONTRIBUTIONS (G/U)

When approved by a Dean or Vice President, the university allows the expenditure of funds for donations to charities or sponsorship events.

All payment requests to charities must clearly identify the business purpose of the expense, the type of sponsorship, and the organization’s Federal Tax ID number.

See Section 21.3 for restrictions regarding paying a charity in lieu of paying for professional services.

20.6 CONVERSION FEES AND RATES

Foreign currency conversion fees are reimbursable.

When an expense is incurred in a foreign currency and needs to be converted into US dollars, documentation to support which conversion rate was used needs to be submitted with the payment or reimbursement request.

The Travel Plus Card and most personal credit cards print directly on the statement the foreign currency amount, the U.S. dollar amount, and the conversion rate used. To ensure the university reimburses the correct amount, it is preferred that travelers attach the credit card’s converted U.S. dollar amount (white
out any confidential information on the statement) and submit the conversion rate with the payment request. Conversion receipts from banks and hotels are also acceptable.

If a traveler does not have the actual conversion rate used, a conversion website available to the public can be used, such as www.Oanda.com or www.xe.com. Conversion rates through Oanda or similar sources should be calculated for the date the expense was incurred and printed and submitted as support documentation.

20.7 DECORATIONS (G/U)

University funds may be used to purchase office decorations (e.g. plants, pen sets, desk clocks, vases, pictures, paintings, etc.) when circumstances warrant such an expense. Expense forms must indicate the business purpose for the decoration and in which office(s) or conference room(s) the decorative item(s) will be located.

A single decoration costing more than the university’s maximum gift rate (Maximum Rates: www.usc.edu/dc) must have approval by the applicable Dean or Vice President. Charges for engraving, delivery and/or sales tax are not considered to be a part of the actual decoration’s cost. Therefore, a Dean or Vice President only needs to approve the single decoration if the actual decoration exceeds the maximum gift rate.

<table>
<thead>
<tr>
<th>Does not Need Dean or Vice President Approval</th>
<th>Requires Dean or Vice President Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decoration: $75</td>
<td>Decoration: $76</td>
</tr>
<tr>
<td>Tax: $6.18</td>
<td>Tax: $6.27</td>
</tr>
<tr>
<td>Total Cost: $81.18</td>
<td>Total Cost: $81.27</td>
</tr>
</tbody>
</table>

20.8 DEPARTMENTAL MORALE-BUILDING EXPENSES (G/U)

Reasonable expenses to improve working conditions, employer / employee relations, and employee performance are allowed. Examples of items in this classification include staff lunches, team-building activities (e.g., motivational speakers, trainers, etc.), and recognition events (anniversary celebration, retirement party, etc.). A business purpose must be provided on the expense report, along with the names of the event’s attendees, if the event was for ten (10) or fewer individuals.

If a large group of more than ten (10) individuals participated, the approximate number of attendees must be stated, along with the business purpose, and group’s identity.

20.9 DONATIONS IN LIEU OF FLOWERS (G/U)

The university allows the expenditure of funds for donations to charities in lieu of flowers in the event of the death of an employee or an employee’s relative or companion. The dollar limitation on a donation expense is the same as the “gift” maximum rate (Maximum Rates: www.usc.edu/dc).

A single donation costing more than the university’s maximum gift rate, excluding taxes and delivery charges, (Maximum Rates: www.usc.edu/dc) must have approval by the applicable Dean or Vice President.
20.10 DRY CLEANING AND LAUNDRY (G/U)

Expenses incurred for personal dry cleaning and laundry are reimbursable for trips longer than seven (7) calendar days or when warranted because of unusual situations.

20.11 EVENTS OR ENTERTAINMENT EXPENSES (G/U)

Payment to or reimbursement by the university for event or entertainment tickets (e.g. athletic, cultural, social, etc.) must have a business purpose (morale building, team building, etc.) and must be approved by the applicable Dean or Vice President.

20.12 EXCESS BAGGAGE

Charges for excess baggage are reimbursable when the traveler is transporting university materials or when the extended period of travel necessitates excess personal baggage.

20.13 FEES FOR CANCELLING OR CHANGING A RESERVATION

Fees for canceling or changing a reservation, such as those incurred at airlines or hotels, are permitted with approval from the Authorized Signer and when supported by a justification.

20.14 FREQUENT TRAVELER PROGRAM PARTICIPATION

Participation in travel-related frequent flier or frequent stay programs is permitted. Miles and points from such programs can be retained by the individual. However, rewards earned from hotels as a result of a group booking are university or sponsored project property and cannot be retained by the individual (Section 14.1). Furthermore, the university does not reimburse the value of any frequent traveler points redeemed for university business travel.

Reference Section 21.11 for restrictions on fees incurred for participating in frequent traveler programs.

20.15 GIFTS AND FLOWERS (G/U)

University funds may be used to purchase a gift or flower arrangement, when circumstances warrant such an expense. Expense forms must indicate for whom the gift or flower arrangement has been purchased and include a business purpose.

A single gift or flower arrangement costing more than the university’s maximum gift rate (Maximum Rates: www.usc.edu/dc) must have approval by the applicable Dean or Vice President. Charges for engraving, delivery or sales tax are not considered to be a part of the actual cost of the gift or flower arrangement. Therefore, a Dean or Vice President only needs to approve the gift or flower arrangement if the cost of the actual gift or arrangement exceeds the maximum gift rate.

<table>
<thead>
<tr>
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University of Southern California
Expenditure Policies and Procedures
Issued By: Dennis F. Dougherty
Senior Vice President, Finance and Chief Financial Officer
Effective Date: May 1, 2008
20.16 IMMUNIZATIONS

Costs associated with obtaining or maintaining immunizations required for entry into certain countries or territories are reimbursable. Proof of the requirement should be submitted with the payment or reimbursement request.

20.17 LOCAL OVERNIGHT ACCOMMODATIONS FOR EMPLOYEES

When in the best interest of the university and when approved by the Authorized Signer, expenses for an overnight stay in Los Angeles can be claimed by an employee, using one of the methods for domestic lodging and meals (Section 17). Such overnights may be necessary for those coordinating a local event with early start times or late end times.

20.18 MINI BAR, SNACKS, AND CANDY

Expenses incurred for mini bar items, snacks, and candy are only reimbursable if claimed as part of a meal expense.

20.19 SUBSCRIPTIONS

Subscriptions paid by the university to professional journals and periodicals are allowed. However, the continuing need for each publication and the correct mailing address associated with each publication should be reviewed on a regular basis.

For sales tax purposes (Section 25.4), a payment request for a subscription should indicate how many issues the department will be receiving per year.

20.20 TIPS

Tips and gratuities, within reason, are reimbursable.

20.21 TOWN CARS AND LIMOUSINES (G/U)

The cost for a town car, limousine, or other type of executive ground transportation service that exceeds the cost of a customary taxi charge is only allowed when justified by a business purpose and approved by the Senior Business Officer.

20.22 TRAVELER’S CHECKS

The university will reimburse the cost of traveler’s checks, including fees incurred when converting any or all portions of a cash advance to a traveler’s check.
20.23 TUITION AND FEES

Payments to an institution (other than to USC) for undergraduate, graduate, or certification tuition and fees are permitted when approved by a Dean or Vice President and supported by a business purpose. Tuition and fee payments are not considered taxable income to the individual, provided the education has a business purpose. Tuition and fees should be paid directly to the institution by USC, either via a Procurement Card or Check Request. Tuition should not be processed as a reimbursement. Tuition and fees processed for reimbursement will only be paid after proof of course completion.

20.24 VISAS AND PASSPORTS

Costs associated with obtaining or renewing visas and passports required for entry into certain countries or territories are reimbursable. Proof of the requirement should be submitted with the payment or reimbursement request.
SECTION 21
MISCELLANEOUS RESTRICTIONS (TRAVEL AND NON-TRAVEL)

21.1 MISCELLANEOUS RESTRICTIONS OVERVIEW

This section identifies miscellaneous travel and non-travel expenses not addressed elsewhere in this policy that are not permitted using university funds.

21.2 ATM FEES ON PERSONAL DEBIT OR CREDIT CARDS.

Fees incurred at ATMs when a personal debit or credit card was used are not reimbursable. Fees incurred at ATMs when the TravelPlus Card was used are reimbursable on unrestricted accounts (Section 20.4).

21.3 CHARITABLE CONTRIBUTIONS IN LIEU OF PAYMENT FOR SERVICES

An Independent Contractor may not request that the university remit payment to a charity in lieu of paying the contractor directly.

21.4 CITATIONS

Violations that result in citations (parking, traffic or others) will not be paid for or reimbursed by the university.

21.5 CLOTHING AND ACESSORIES

Clothing and accessories purchased for a university trip or event will not be paid for or reimbursed by the university, except for university uniforms.

21.6 COMMUTING EXPENSES

Expenses incurred when traveling between an employee’s residence and place of business are considered personal expenses and are not reimbursable by the university.

Any exception to this policy requires approval from a Vice President or Dean, and requires review by the university’s tax manager to determine whether any tax implications apply (Appendix A).

21.7 COMPANION TRAVEL

When a university employee is accompanied on a university business trip by a spouse, family member, significant other, friend, etc., the companion’s portion will not be paid for or reimbursed by the university. Exceptions require advanced, written approval from the applicable Senior Vice President or the President. If such approval is granted, the expense will be considered a taxable fringe benefit and will be reported on the employee’s W-2 as income.
21.8 CREDIT CARD FEES AND INTEREST

Personal credit cards are considered the responsibility of the employee. The employee is responsible for making all payments to the credit card company, including any credit card participation fees.

Late fees, and/or interest fees incurred on personal credit cards will not be paid for or reimbursed by the university.

21.9 DEPENDENT AND PET CARE

Costs associated with receiving dependent care, such as childcare or eldercare, and/or pet care will not be paid for or reimbursed by the university. Employees who are required to travel for university business must coordinate and personally pay for any incurred dependent and/or pet care expenses.

21.10 EMPLOYEE-PERMIT PARKING

Employee parking permits, including daily, weekly, and monthly permits, will not be reimbursed or paid for by the university. This policy includes parking permits purchased when an employee of the University Park Campus incurs parking expenses at the Health Sciences Campus, and vice versa.

21.11 FREQUENT TRAVELER PROGRAM FEES

Costs to participate in a frequent flier program are not reimbursed by the university. However, upon approval from the Authorized Signer, TravelPlus Cardholders who have enrolled in GE Capital Gains may have their Gains membership paid for by the university using an unrestricted account.

Reference Sections 20.14 and 14.1 for frequent traveler participation information.

21.12 LATE FEES

The university is not responsible for paying late fees on the USC TravelPlus Card, unless it can be clearly demonstrated that the university was at fault in processing payment. Dean or VP approval is required for all TravelPlus Card late fee payment requests.

21.13 LUGGAGE

Luggage purchased for a university trip or event will not be paid for or reimbursed by the university, except for luggage needed to transport university-owned items, such as trade show material.

Reference Section 24.8 for expenses associated with lost or stolen luggage.

21.14 MOVIES

Costs to watch movies while on travel status, such as hotel movies, are considered personal entertainment and are not reimbursable by the university.
21.15 PERSONAL CARE

Personal care expenses, such as but not limited to massages, hair care, manicures, etc., that may be incurred while on or in preparation for a business trip (or event) will not be paid for or reimbursed by the university.

21.16 PERSONAL TRAVEL COMBINED WITH UNIVERSITY BUSINESS TRAVEL

When an individual combines personal travel with business travel, the personal portion will not be paid for or reimbursed by the university.

21.17 POLITICAL CONTRIBUTION

University funds may not be used for any political purposes. The university is classified as a 501(c)(3) organization under the Internal Revenue Code, and the IRS strictly prohibits such organizations from making political contributions.
SECTION 22
INDEPENDENT CONTRACTORS / HUMAN SUBJECTS / PRIZES AND AWARDS

22.1 INDEPENDENT CONTRACTORS


The Internal Revenue Service requires the university to properly classify Independent Contractors. The university’s Independent Contractor policies identify the steps, documents, and processes to use to ensure proper classification of and subsequent payment to Independent Contractors.

22.2 HUMAN SUBJECTS, PRIZE RECIPIENTS, AND AWARD RECIPIENTS

Processes and forms needed to facilitate payments to human subjects, prize recipients, award recipients, and standardized medical patients are charted below.

<table>
<thead>
<tr>
<th>WEBBA Process</th>
<th>Less Than $25 / transaction</th>
<th>More Than $25 / transaction</th>
<th>Less Than $600 / calendar year</th>
<th>More Than $600 / calendar year</th>
<th>More than $1,500 / calendar year</th>
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<td>Identification / Forms</td>
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<td>Form Check Request</td>
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<td></td>
<td>SSN or USC Vendor Code</td>
<td>SSN or USC Vendor Code</td>
<td>SSN or USC Vendor Code</td>
<td>W-9</td>
<td>W-9 and subject to Withholding if non-California Resident service provider</td>
</tr>
</tbody>
</table>

Notes about payments to human subjects, prize recipients, award recipients, and standardized medical patients:

- **SSN AND USC VENDOR CODE** -- When a non-employee is being paid for the first time, a Social Security Number is required. After the first payment, use of the individual’s USC Vendor Number is required.

- **IRS FORM W-9 / 1099s** -- An IRS Form W-9 can be downloaded from the Disbursement Control and Accounts Payable website (Forms, Documents & Processes: www.usc.edu/dc). When the annual payment amount is $600 or more, the individual will receive an IRS Form 1099 from the university.

- **NON-CALIFORNIA RESIDENT WITHHOLDING** -- When a prize/award recipient, standardized medical patient, etc. is being paid $1,500 or more per year by the university and is a non-California resident who performed services in the state of California, the university is required to withhold 7% income tax (Section 25.1).
• EMPLOYEE RECIPIENTS OF PRIZES AND AWARDS – If the recipient of an award or prize is an employee and the award or prize is less than $100, the request can be processed through Disbursement Control and Accounts Payable. Requests for awards and prizes to employees larger than $100 should be sent to Payroll Services (Appendix A).
SECTION 23
RELOCATION / RECRUITING EXPENSES

23.1 RELOCATION POLICY OVERVIEW

The university maintains a separate relocation policy, which must be carefully adhered to in order to ensure expenses are processed in accordance with IRS and university requirements (Relocation Policy: www.usc.edu/policies).

23.2 RECRUITING EXPENSES

Expenses associated with recruiting a new employee are reimbursable and are not taxable to the candidate. All incurred business expenses must comply with these Expenditure Policies and Procedures.

Until the candidate has accepted the new position in writing, the candidate is on recruitment status. Multiple trips back and forth to the university are acceptable for recruitment.

Once the new employee has accepted the new position in writing, the candidate is no longer in recruitment status. Expenses associated with transferring an employee from his/her current to his/her new work location are considered relocation expenses.
SECTION 24
INSURANCE / EMERGENCIES

24.1 PERSONAL VEHICLE INSURANCE

Drivers using their personal vehicles for university business travel must carry their own comprehensive / collision auto insurance (not reimbursable) in amounts required by the laws for the region in which they are driving. Insurance levels should be adequate enough to protect drivers, passengers, and involved vehicles from the financial consequences of an accident.

24.2 ADDITIONAL INSURANCE FOR RENTAL VANS AND SUVS

The university requires that additional liability insurance for $1 million in coverage be purchased when transporting students via a rental vehicle that seats more than seven (7) people (1 driver + 6 passengers). This policy applies to all van and SUV rentals, including rentals made through the university’s contract rental car companies (Sections 16.4 and 16.5).

24.3 CONTRACT RENTAL CAR INSURANCE FOR DOMESTIC RENTALS

When USC’s contract rental car code is used in the reservation, the rental rates include free domestic primary LDW/CDW insurance (which covers any damage to the rental vehicle) and free domestic primary liability insurance (which covers bodily harm and property damage outside the rental vehicle).

Contract rental car codes are applied in reservations made through the university’s Contract Travel Agencies (Section 15.6). Codes can also be obtained via Travel Management and Corporate Card Services website (Contract Rates and Services: www.usc.edu/travel).

Domestic rental car insurance coverage applies to USC employees traveling on business, regardless of the form of payment, provided the rental code was used in the reservation. Domestic insurance coverage applies to students and non-employees on USC business only when the reservation is paid on an Internal Requisition via a Contract Travel Agency (Section 15.6).

Domestic insurance coverage provided by contract rental car companies is for travel within the fifty (50) U.S. states and the District of Columbia. There is no deductible. Insurance coverage does not apply to personal rentals. Insurance coverage does not apply to international rentals.

24.4 USC SELF-INSURANCE POLICY FOR DOMESTIC RENTALS

For USC employees on university business, the university has a self-insurance policy that covers vehicle rentals in the 50 U.S. States and the District of Columbia. A deductible may apply according to procedures administered by Risk Management Services (Appendix A). USC’s self-insurance policy covers employee rentals only.

Employees should not purchase LDW/CDW (which covers any damage to the rental vehicle) or liability insurance (which covers bodily harm and property damage outside the rental vehicle) for domestic business rental vehicles, even if using a non-contract rental car company. However, employees dependent on the university’s self-insurance policy should be in possession of Risk Management’s insurance certificate (Appendix A).
Because USC’s contract rental car rates do not charge the university a deductible and their claims are significantly easier to process, USC employees are strongly encouraged to use the primary domestic coverage provided through USC’s contract rental car companies (Section 16.4).

24.5 INTERNATIONAL RENTAL CAR INSURANCE

USC does not have self-insurance coverage for international rentals, including rentals in Canada. Furthermore, contract rental car rates do not include international insurance coverage. Therefore, USC business travelers renting vehicles outside of the 50 US states and the District of Columbia must purchase insurance.

24.6 ILLNESS, INJURIES, OR OTHER EMERGENCIES WHILE ON BUSINESS TRAVEL

Prior to departure, USC travelers should be in possession of a USC business travel emergency wallet card and be familiar with the university’s business travel emergency procedures. Downloadable wallet cards and procedures are posted at: www.usc.edu/travel/emergencies.

Serious en route accidents that require the university’s urgent and immediate attention should be directed to the university Business Travel Emergency Hotline. All non-urgent accidents should be report to Risk Management (Appendix A).

24.7 TRAVEL INSURANCE

Because the university provides significant insurance coverage for travelers (www.usc.edu/travel/emergencies), travel insurance will not be paid for or reimbursed by the university, except when the insurance coverage has been approved in advance by Risk Management or Travel Management and Corporate Card Services (Appendix A).

24.8 LOST OR STOLEN LUGGAGE

University business travelers whose luggage is either lost or stolen should recoup the cost of the lost luggage and the luggage’s content through i) the service provider responsible for the loss (e.g. airline) or ii) MasterCard® if the ticket (airline, rail, etc.) was purchased either on the TravelPlus Card or on an Internal Requisition (Emergencies and Insurance: www.usc.edu/emergencies).

When all measures to recoup costs from suppliers and/or MasterCard® have been exhausted, the university will reimburse the traveler for lost items with approval from the Authorized Signer.

Note that the university’s insurance policy covers claims resulting from theft if over $25,000 (per occurrence) and from loss if over $5,000 (per occurrence). Hence, Risk Management (Appendix A) should only be consulted when stolen or lost luggage losses exceed the stated thresholds.
SECTION 25
NON-CALIFORNIA RESIDENT SERVICE PROVIDER TAXES / SALES AND USE TAX

25.1 CALIFORNIA INCOME TAX WITHHOLDING ON NON-RESIDENT SERVICE PROVIDERS

The Franchise Tax Board requires the university to withhold 7% income tax on payments to non-California resident service providers who meet all of the following:

- Do not have a permanent place of business in California;
- Perform their services in California; and
- Have USC payments in a calendar year of $1,500 or more.

Nonresidents subject to this withholding include corporations, limited liability companies, partnerships, and individuals. Types of income subject to withholding include, but are not limited to, payments for services (consultants, speakers, designers, etc.) performed in California and payments of leases, rents and royalties for property (real or personal) located in California.

Disbursement Control and Accounts Payable will not withhold 7% under the following circumstances:

- Payments of goods;
- Nonresidents who are registered through the Office of the Secretary of State; and
- Nonresidents who have provided Disbursement Control and Accounts Payable with a completed California Withholding Exemption Certificate Form 590 (available at: www.ftb.ca.gov).

25.2 CALIFORNIA SALES/USE TAX

The university is not sales tax exempt. The State Board of Equalization requires the university to pay California sales/use tax on all taxable transactions, including on purchases made via non-California merchants.

Where title to a purchase vests with a federal granting agency, California sales/use tax requirements do not apply. When title vests with the granting agency, a copy of the letter from the agency or a clause in the government contract confirming such an exemption must accompany the payment request.

Questions regarding government title clauses should be directed to the Department of Contracts and Grants (Appendix A).

Disbursement Control and Accounts Payable is responsible for determining whether a purchase is taxable. Disbursement Control and Accounts Payable will automatically accrue Los Angeles sales/use tax on Purchase Orders and Check Requests for items shipped to Los Angeles, if sales tax was applicable but not invoiced by the supplier. Note: For items shipped to non-California based locations, such as Washington, D.C. or Virginia, Disbursement Control and Accounts Payable will accrue sales tax at the applicable rate.

For Procurement Card transactions over $500 that were not charged California sales/use tax at point-of-sale, a representative from Disbursement Control and Accounts Payable will review Procurement Card transactions, contact the Cardholder if necessary, and pay sales / use tax when applicable. Sales / use tax is accrued using the P-Card’s corresponding USC account and will post on journal entry (XX-025P).
25.3 EXAMPLES OF TAX EXEMPT PURCHASES

Types of purchases that are exempt from sales and use tax include, but are not limited to:

- Food for human consumption;
- Hazardous waste disposal fee (for hardware);
- Gift wrapping;
- Memberships;
- Page charges;
- Postage;
- Registration fees;
- Shipping charges;
- Software and Internet services that are provided (downloaded) but not physically delivered to the end user;
- Software maintenance or service if no software is delivered to campus; and
- Subscriptions if between 4-59 issues per year.

25.4 EXAMPLES OF TAXABLE PURCHASES

Types of purchases that are not exempt from sales and use tax include, but are not limited to:

- Carbonated beverages;
- Containers;
- Dry ice;
- Equipment leases;
- Furniture;
- Handling charges;
- Lab supplies;
- Office supplies;
- Packaging;
- Reprints;
- Software delivered to campus (e.g. CD);
- Software maintenance or service if software, such as a CD, is delivered to campus;
- Subscriptions with 1-3 issues and over 60 issues per year; and
- Subscriptions if between 4-59 issues per year.
SECTION 26
FISCAL YEAR CLOSING PROCEDURES

26.1 FISCAL YEAR DEADLINES: OVERVIEW

It is the policy of the university to pay or reimburse incurred expenses using funds from the fiscal year in which the trip, event, function, etc. took place.

26.2 FISCAL YEAR DEADLINES: CHECK REQUESTS & QUICK EXPENSE REPORTS

All Form and Paperless Check Requests and Quick Expense (QE) Reports (Section 10) must be received by Disbursement Control and Accounts Payable before 5:00 pm each June 30 in order for current fiscal year funds to be used. If June 30 falls on a weekend, the due date will normally be the Friday preceding June 30. Specific fiscal year closing dates are announced annually. Check Requests and Quick Expense (QE) Reports received after the announced deadline will be paid using new fiscal year funds.

Check Requests and Quick Expense (QE) Reports received in Disbursement Control and Accounts Payable in one fiscal year that are for trips, events, functions, etc. held in the new fiscal year will be reimbursed or paid upon receipt of a properly completed payment request. However, the expense will be deferred by Disbursement Control and Accounts Payable to the applicable fiscal year. Deferment stamps are not needed, as Disbursement Control and Accounts Payable performs the deferral based on the stipulated dates.

Check Requests and Quick Expense (QE) Reports for trips, events, functions, etc. that span more than one fiscal year will be paid using funds from the fiscal year during which the majority of the trip, event, or function took place. Provided, however, that the Check Request or Quick Expense (QE) Report is received by the deadline (above).

26.3 FISCAL YEAR DEADLINES FOR INVOICES

All invoices must be post marked June 30 or delivered to Disbursement Control and Accounts Payable before 5:00 pm each June 30 in order for current fiscal year funds to be used. If June 30 falls on a weekend, the delivery due date will normally be the Friday preceding June 30. Specific fiscal year closing dates are announced annually. Invoices received after the announced deadline will be paid using new fiscal year funds.

26.4 FISCAL YEAR DEADLINES: INTERNAL REQUISITIONS

Internal Requisitions for travel are subject to different fiscal year cut off dates. These dates will be announced annually.

Internal Requisitions received by Contract Travel Agencies (Section 15.6) in one fiscal year that are for airline tickets, contract rental cars, and/or contract local hotels in the new fiscal year will be deferred to the new fiscal year. Deferment stamps are not needed, as Travel Management & Corporate Card Services performs the deferral based on the travel dates.

Tickets and reservations will be issued / made upon receipt of the Internal Requisition; however, the actual expense will be deferred.
26.5 FISCAL YEAR DEADLINES: REQUISITIONS

For fiscal year policies governing the procurement and receipt of university goods and services, reference the university’s Purchasing Services Policies & Procedures (www.usc.edu/policies).

26.6 SPONSORED PROJECT ACCOUNT DEADLINES

Payments against sponsored project accounts do not follow the university’s fiscal year closing dates. The deadline for payments against these sponsored accounts is based on the termination date of the project.

If a sponsored project account that begins with the number ‘5’ was used to purchase a good or service, the good or service must have been ordered and received before the contract or grant’s budget period end date.

A good or service ordered within thirty (30) days before contract or grant termination must be purchased with the understanding that the good or service will be received before termination of the budget period, and that the purchase will directly benefit the project.

Therefore, Requisitions and Payment Requests (Check Requests and Quick Expense Reports) submitted to Purchasing Services or to Disbursement Control & Accounts Payable for a purchase or expense incurred within the last thirty (30) days before the termination date must be supported by a written justification. The justification must explain why the purchase or expense was necessary and how it directly benefits the project.

Requisitions and Payment Requests for a good or service ordered within the last thirty (30) days before termination that are submitted to Purchasing Services or Disbursement Control and Accounts Payable without a justification may be delayed. Last month purchases may also be delayed if consultation by Purchasing Services or Accounts Payable with the Department of Contracts and Grants and Sponsored Projects Accounting is required.
SECTION 27
PAYMENT AUDITS / COMPLIANCE REQUIREMENTS / MISAPPROPRIATIONS

27.1 PAYMENT AUDITS

Disbursement Control and Accounts Payable conducts post-audits on reimbursements and payments to confirm compliance with university policies. Payment auditors verify that expenses incurred on all university forms of payment, such as, but not limited to, Check Requests, departmental debit cards, Internal Requisitions, Procurement Cards, Requisitions, and Travel\textsuperscript{Plus} Card, adhere to the university’s expenditure policies. Payment audits are periodic and random.

To be prepared for an audit, Authorized Signers and those who incurred expenses should ensure that support documentation for departmental debit cards, Internal Requisitions, and Procurement Cards are properly retained within the department, according to the provisions in Section 3. For payments submitted via the Check Request, Quick Expense (QE) Report, and Requisition processes, back up documentation stored in WEBBA will be retrieved by auditors.

27.2 CODE OF ETHICS

Because no set of policies can contemplate every possible scenario that may arise, it is expected that when incurring expenses, university employees will act in an ethical manner consistent with the university’s Code of Ethics (www.policies.usc.edu). This compliance is expected, regardless of whether a particular rule or policy provides guidance in a specific situation.

27.3 CONFLICT OF INTEREST POLICY

Every employee of the university must avoid both actual conflicts of interest and the appearance of conflicts of interest, and be in compliance with the university’s Conflict of Interest and Ethics Policy & Procedure (www.policies.usc.edu).

The term “conflict of interest” refers to situations in which financial or other personal considerations compromise, or have the appearance of compromising, an individual’s professional judgment and ability to perform his or her university responsibilities.

Disbursement Control and Accounts Payable may also identify actual or apparent conflicts of interest. In the event that Disbursement Control and Accounts Payable identifies a situation that is or appears to be a conflict of interest, the Director will request that a disclosure be made according to university policies and will coordinate with the relevant department, unit or school to address and manage the conflict. Disbursement Control and Accounts Payable may suspend taking action on the reimbursement or payment request that initiated the disclosure, until the conflict has been resolved.

Several expense-related situations are specifically prohibited under the Conflict of Interest and Ethics Policy:

- Conditioning any actual or potential business relationship with the university on a charitable gift or contribution to the university;
- Participating in any way in any negotiation or transaction between the university and a business entity in which you or your close relation has a personal, managerial or substantial financial interest. A “close relation” is defined as a spouse, mutual financial dependent, significant other, or person in an intimate relationship: a child, parent, sibling (including in-laws and step-relations), grandparent or grandchild, niece or nephew, aunt, uncle or cousin;
Soliciting personal gifts or special favors from individual or entities that provide, or seek to provide, services or supplies to the university; and

Accepting personal gifts or special favors from individuals or entities that provide, or seek to provide, services or supplies to the university. This does not include occasional gifts of nominal or modes value (less than $50.00 in value) or isolated invitations to lunch or dinner.

27.4 REPORTING MISAPPROPRIATIONS

University employees must report known or suspected misappropriations or conflicts of interest, regardless of magnitude, to their immediate supervisor, manager, department chair, Dean or Vice President. Informed management must subsequently contact Internal Audit Services (Appendix A). Individuals wishing to report suspected incidents on an anonymous basis may call the Office of Compliance Help and Hotline (Appendix A).
APPENDIX A

The following departments are referenced in these Expenditure Policies and Procedures.

- **AUDIT SERVICES**
  Audit Services must be contacted by university supervisors, managers, department chairs or deans who are aware of or who suspect that misappropriations or conflicts of interest have occurred. Contact Audit Services at: (213) 740-8258 (Phone).

- **BANK RECONCILATION**
  [http://fbs.usc.edu/depts/DC/](http://fbs.usc.edu/depts/DC/)
  Bank Reconciliation has responsibility for establishing and closing petty cash accounts for university departments. A Form Check Request can be downloaded for completion in the Forms and Documents section of Bank Reconciliation’s website. Contact Bank Reconciliation at: (213) 821-2818 (Phone).

- **COMPLIANCE (OFFICE OF)**
  [http://www.usc.edu/admin/compliance/](http://www.usc.edu/admin/compliance/)
  The Office of Compliance demonstrates the university’s commitment to comply with all applicable laws and regulations, detect and correct compliance violations promptly, and eliminate misconduct and other wrongdoing. Contact the Office of Compliance at: (213) 740-8258 (Phone). Contact the University Help and Hotline at: (213) 740-2500 (Phone).

- **CONTRACTS AND GRANTS (DEPARTMENT OF)**
  [http://dcg.usc.edu/index.cfm](http://dcg.usc.edu/index.cfm)
  The Department of Contracts and Grants (DC&G) should be contacted to confirm allowability on expenditures associated with a sponsored project account. DC&G also maintains a form that should be completed if requesting use of a non-US airline carrier because of non-availability. Questions regarding government title clauses that may be exempt from sales tax should also be directed to DC&G. Contact the Department of Contracts and Grants at: (213) 740-7762 (UPC-Phone) or (323) 442-2396 (HSC-Phone).

- **COMPTROLLER’S OFFICE**
  [http://www.usc.edu/dept/finserv/](http://www.usc.edu/dept/finserv/)
  The Comptroller’s Office issues Expenditure Cards (plastic cards) based on an individual’s expenditure authority on specific USC accounts and controls access to the university’s financial systems (e.g. WEBBA). An Access Form ([http://www.usc.edu/dept/finserv/finsys/accessa.pdf](http://www.usc.edu/dept/finserv/finsys/accessa.pdf)) needs to be completed and submitted by the department’s Senior Business Officer and submitted to the Comptroller’s Office for approval and processing. The Comptroller’s Office also provides a WEBBA training classes. Contact the Comptroller’s Office at: 213 740-1900 (Phone).

- **GENERAL COUNSEL (OFFICE OF)**
  [http://ogc.usc.edu](http://ogc.usc.edu)
  The Office of the General Counsel should be contact to obtain legal review and approval before engaging in any university-related activities involving countries subject to U.S. Federal government sanctions, including travel or other transactions. The Office of the General Counsel should also be contacted to obtain a Private Club Membership Agreement. Contact the Office of the General Counsel at: 213 740-7922 (Phone).
**EQUIPMENT MANAGEMENT**
http://www.usc.edu/dept/finserv/equipment_management/
The Department of Equipment Management is responsible for maintaining inventory records for all university-owned, government-owned, donated, and other sponsor-owned Equipment. Contact Equipment Management at: (213) 821-2880 (Phone).

**FINANCIAL ANALYSIS**
http://fbs.usc.edu/depts/ofa/
Financial Analysis should be petitioned for direct billing of cell phones, pdas and other mobile communication devices that should be paid for on a sponsored project account. Petitions should be sent via email to: jmt@usc.edu. Contact Financial Analysis at: (213) 821-1937 (Phone).

**INTERNATIONAL SERVICES (OFFICE OF)**
http://www.usc.edu/student-affairs/OIS/
A Rate Sheet provided by the Office of International Services must be attached to Check Requests that are payable to the U.S. Citizenship and Immigration Services (USCIS). Contact the Office of International Services at: (213) 740-2666 (Phone).

**PAYROLL SERVICES (UNIVERSITY)**
http://ais-ss.usc.edu/empldoc/
University Payroll Services processes all payroll checks and direct deposits. The office also has responsibility for reporting applicable expenses as income and for processing non-resident alien reimbursements. Contact University Payroll Services at: (213) 740-8855 (UPC - Phone) or (323) 442-2775 (HSC - Phone).

**PURCHASING SERVICES**
www.usc.edu/purchasing
Purchasing Services operates a centralized resource to ensure that goods and services are procured at the maximum value, in compliance with university and governmental policies, and in accordance with best practices. Contact Purchasing Services at: (213) 740-9794 (Phone).

**RISK MANAGEMENT**
http://capsnet.usc.edu/Risk/
The Department of Risk Management should be contacted if university items are lost or stolen and a claim needs to be processed or for information about a university insurance policy. Contact Risk Management at: (213) 740-7518 (Phone).

**SUPPLIER DIVERSITY SERVICES**
www.usc.edu/dept/sbdo
The Department of Supplier Diversity Services assists the university in attaining its diverse supplier goals and is a resource to academic and research units that have sponsored project accounts (funded by federal, state, and local contracts) and need to develop goals to use diverse suppliers for research and service proposals. Contact Supplier Diversity Services at: (213) 740-2281 (Phone).
- **SPONSORED PROJECT ACCOUNTING**
  

  Sponsored Projects Accounting (SPA) oversees post award administration of sponsored research for the university. SPA manages awards for compliance with federal, state, and private agency fiscal and reporting guidelines, university policy and procedures, and with generally accepted accounting principles. Contact Sponsored Project Accounting at: 213 740-5381 (Phone).

- **STUDENT AFFAIRS**
  
  [http://www.usc.edu/student-affairs/](http://www.usc.edu/student-affairs/)

  Departmental support of a recognized student organization may be provided, with approval of the Authorized Signer, by transfer of expense via journal entry between the department’s account and the organization’s account administered through Student Affairs. Contact Student Affairs at: (213) 740-2421 (Phone).

- **TAX MANAGER**
  
  [http://www.usc.edu/dept/finserv/dirtrng/TaxManager.html](http://www.usc.edu/dept/finserv/dirtrng/TaxManager.html)

  The university’s Tax Manager reviews applicable reimbursements to ensure compliance with all IRS regulations. Contact the Tax Manager at: (213) 821-1900 (Phone).

- **TRAVEL MANAGEMENT AND CORPORATE CARD SERVICES**
  
  [www.usc.edu/travel](http://www.usc.edu/travel) and [www.usc.edu/pcard](http://www.usc.edu/pcard)

  The Department of Travel Management and Corporate Card Services has responsibility for negotiating travel-related supplier agreements (with airlines, hotels, travel agencies, etc.), facilitating payment to travel suppliers, and overseeing the TravelPlus Card and Procurement Card programs. Contact Travel Management and Corporate Card Services at: 213 740-5805 (Phone).

- **UNIVERSITY POLICIES**
  
  [http://www.usc.edu/policies](http://www.usc.edu/policies)

  The university policy web pages are maintained by Administrative Operations, Policy Development and Communication. Individuals seeking interpretation of a particular policy should contact the department noted in that policy. Questions about how to access policies, find answers to particular policy questions, or concerning the protocol for establishing or changing university policy may be directed to Administrative Operations. Contact Administrative Operations at: (213) 437-1819 (Phone).

- **USCARD SERVICES**
  
  [http://www.usc.edu/bus-affairs/admin_serv/uscard_serv/](http://www.usc.edu/bus-affairs/admin_serv/uscard_serv/)

  A limited number of departmental debit cards were issued by USCard Services. Questions regarding the departmental debit card, which may be used within the university at operations that accept the USCard, such as the Bookstore, Café 84, Pharmacy, etc., can be directed to USCard Services. Contact USCard Services at: (213) 740-8709 (UPC - Phone) or (323) 442-2110 (HSC - Phone).