



Accounts Payable Policies and Procedures

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General Information

There are regulatory and business reasons concerning Seattle University (the University) disbursements that require policies and procedures. The purpose of this information is to provide guidelines and processes for all University employees to conduct business operations regarding items such as vendor payments, employee reimbursements and various Accounts Payable related services.

The Internal Revenue Service (IRS) has established strict rules governing business and entertainment expenses. The University will reimburse employees for legitimate, reasonable, and appropriate business and entertainment expenses in accordance with the IRS requirements and the procedures set forth in this policy.

Generally Acceptable Accounting Principles (GAAP) are a framework of guidelines and standards for accounting for financial transactions. Our policies and procedures must adhere to these guidelines for all University purchasing.

The University recognizes the necessity and role of reasonable and appropriate expenses incurred for business, business meals, business meetings and business-related travel, to conduct University operations. The University believes and expects that faculty and staff will exercise prudence and good judgment when incurring expenses on the University's behalf for these business activities. Divisions within the University may have additional policies so long as they do not conflict with the policies within. It is understood that all tangible purchases made on the University's behalf become property of the University.

ProcureSU has been established as the University's purchasing hub with a broad variety of catalogs and vendors. **This platform should be the first tool considered for purchasing on the University's behalf.**

Reimbursements are payments for business related expenses that have been purchased using personal funds or recognized costs such as per diem or mileage. Seattle University will not cash out gift cards, airline mileage; wallets; or rewards points used for payment. These expenses typically include teaching supplies, books, memberships, subscriptions, business meals and office supplies. Only original itemized receipts, demonstrating proof (method) of payment are acceptable for reimbursement. If you do not have a ProCard you may request up to two out-of-pocket reimbursements per fiscal year.

Purchasing using grant funds must also be in compliance with federal regulations as well as the grant agreement policies which are not considered within this document. The stricter policy will apply.

This policy and procedures manual is under the responsibility and authority of the Vice President of Finance and Business Affairs who must approve any significant changes or revisions. Any questions, revisions, errors, or changes may be directed to the Controller's Office.

1.0 Policies for Allowable Business Expenses

An allowable business expense is an expense or a transaction that the University, a faculty, staff, or student incurs on behalf of the University in exchange for goods or services. Payment of an allowable business expense is ultimately the responsibility of the University. Only original itemized receipts are acceptable for reimbursement. For out-of-pocket expenses, SU does not cash out gift cards, airline mileage; wallets; or rewards points used for payment. Reimbursements at any value need to have the accompanying receipt or missing receipt affidavit. A list of attendees and the business purpose are required when expense includes payment for individuals in addition to the requestee. The following is a list of categories of allowable business expenses. Each has unique policies and processing steps that are detailed within this document:

- Business Travel
 - Airfare
 - Hotel
 - Meals
 - Transportation (Ride Services; Mileage)
 - Incidental Expenses
 - Conferences
- Meals
- Alcohol (with a meal; purchased for an event)
- Memberships and Subscriptions
- Employee Recognition Gifts
- Independent Contractors
- Moving Expenses
- Printing and Copying

1.1 Business Travel Expenses

A ProCard is required for all business travel expenses

If you are travelling for Seattle University business, you are generally required to obtain a ProCard and use it for travel related expenses. Exceptions can be made for infrequent travelers (ex. a conference or professional development reimbursement once or twice a year).

Receipts are excepted for transactions on a ProCard up to \$75.

Definition of a business travel expense

Business travel expenses are expenses incurred by an individual while on University related business. For example – attending a conference or event. Typical expenses are: airfare, hotel, meals, ride services or mileage, and conference fees. A ProCard is required for SU business travel.

Requirements of a business travel expense

The University allows necessary, appropriate and approved travel and business expenses incurred in the performance of University business. A purchase order is not required for travel expenses.

1.1.1 Airfare – [Egencia](#) is required for booking all business-related travel. The University will allow the most economical fare, which is generally a coach class ticket aboard a regularly scheduled commercial

carrier. Exceptions may be granted to fly business class for either international travel greater than eight hours (nonstop) when budget is available, or for a documented medical reason. Business class airfare requires prior written approval from the President, Provost or Chief Financial Officer. **First class air travel is not allowable.**

Air travel should be booked at least 14 days prior to departure as that will provide the best value to the University. An itinerary or e-ticket is the required documentation for coverage or reimbursement of fare. Both are commonly issued from online travel booking sites. The itinerary or e-ticket must include the travelers name, trip dates, price, ticket class, destination, and proof of payment. **Upgraded seats, travel insurance and other nonessential expenses are not reimbursable.** In accordance with the Fly America Act, commercial air travel funded by a federal grant must use a United States flag air carrier service. **The University will not reimburse the equivalent cost of the ticket when personal airline miles or credits are used. Additionally the University will not reimburse a ticket cancelled without prior authorization unless related to a documented emergency.**

1.1.2 Hotel – The University will cover or reimburse lodging for business travel to non-local destinations. Lodging expenses are only allowed when traveling more than 50 miles away from Seattle University or your point of origin. Only expenses for standard room accommodations will be covered. The paid hotel bill (folio) is required documentation for coverage or reimbursement of a hotel stay. [Egencia](#) is the required provider for booking travel. If the hotel room is booked through an online travel reservation website, the traveler may print the itinerary. The bill or itinerary must show the name/s of the person/s staying, travel dates and proof of payment. Room service charges on the hotel bill require an original itemized receipt. Movies or other entertainment expenses are not reimbursable.

1.1.3 Meals – The University will cover the reasonable cost of meals while traveling via per diem or actual itemized receipt. For either option, individuals should not seek reimbursement for a meal that is included in some aspect of the travel such as a conference registration. When attending a conference that provides meals, per diem cannot be claimed for the covered expense. Per Diem is only allowed for travel more than 50 (fifty) miles from Seattle University (or from your point of origin).

- *Per Diem*: Two options – **Option 1** - The SU per diem (per day) reimbursement rate is \$50. The following breakdown applies if traveling for part of the day: \$10 for breakfast, \$15 for lunch, and \$25 for dinner. **Option 2** – Government Service Administration (GSA) rates. These rates are available to choose on the Chrome River application wizard and are established and maintained by the GSA. **Individual departments may choose which option best suits their available budgets for their participating travelers.** No proof of payment is required for a per diem reimbursement.
- *Actual Meal Expenses*: **This option is intended to provide a second, lower cost option for departments to choose for their participating travelers.** Original itemized receipts are necessary when choosing to be reimbursed for actual expenses. If hosting a business meeting while traveling, a list of attendees and the business purpose are required when receipt includes payment for individuals in addition to the requestee. Tips must not exceed 20%. If the itemized receipt is not available, the lost receipt affidavit must document what was purchased to ensure it falls within the University's meal and alcohol policy. For further information refer to sections 1.2 Meal Policy and 1.3 Alcohol Policy.

1.1.4 Transportation – Ground travel for University business is covered or reimbursed as follows:

- **Personal car:** A Point to Point map is required for documentation. This is a feature in Chrome River and will be generated for the user. The description entry must include origin address and destination address, the application will calculate total miles driven. The University follows the IRS recommended mileage reimbursement rate. Please refer to the IRS website for current rates. NOTE: an individual's daily commute mileage must not be included in the total for point to point travel. An example: Individual lives in Tacoma and regularly commutes to campus, a particular event requires driving to Everett. Reimbursable mileage would only be the point to point travel from campus to Everett and back.
- **Bus or Subway:** Original receipts are preferred but the University realizes that may not always be possible for these types of tickets and thus will cover or reimburse without receipts. Bus and subway transportation are recommended cost-effective forms of travel.
- **Ride Services or Taxi:** Uber/Lyft preferred - Original receipts documenting date, pick up location, destination, and itemized charges are required for coverage or reimbursement purposes. Tipping may not exceed 20%.
- **Parking:** Original receipts are required for coverage or reimbursement purposes. NOTE: parking for attending the normal workplace is not a covered expense.
- **Airport parking:** For authorized travel, parking will be covered up to three (3) days maximum.
- **Rental Cars:** [Egencia](#) is the required vendor for business travel. Rental cars are only allowed if they are required to do University related business. The size of the car should be appropriate for the number of passengers. Expenses incurred for gas will be covered or reimbursed when original receipts are provided. An employee renting a car for business purposes must decline insurance offered by the car rental agency. If additional insurance is purchased, it will not be reimbursed – The University's insurance covers an employee's use of a rental car for SU business. NOTE: ONLY in emergency circumstances are NON-University employees to drive cars rented for University business.

1.1.5 Incidental Expenses –Incidental expenses are miscellaneous expenses incurred while traveling. Examples include laundry (travel longer than seven days), internet/Wi-Fi access fees, and reasonable tips for housekeeping. The GSA per diem wizard on Chrome River includes up to \$5.00 for incidentals. The University will reimburse an employee up to \$5.00 per day when requested with per diem.

1.1.6 Conference Fees –The University requires a paid receipt showing fees and the dates of the conference. Most conference fees can be paid directly by the University via ProcureSU or by the employee using a University ProCard.

1.1.7 Travel Advances - travel advances are to provide funds to pay for estimated future travel related expenses. Advances may only be issued to active University employees or students and will not be issued to anyone who has an existing un-reconciled advance. Advances must be reconciled to actual expenditures within ten (10) business days following the last day of travel OR purchase. As stipulated by the IRS, you must provide documentary evidence which is substantiated by itemized receipts which you must attach to the invoice associated with your advance request.

Cash advance – traveling funds – will not be dispensed more than a week prior to first day of travel.
Purchase advance – i.e., funds to make advance purchases for flights or hotels – must be reconciled within 10 business days of the advance.

An advance that is not properly reconciled on a timely basis will be included as income to you on your annual W-2 Form. (These funds would then be subject to income tax withholding, social security, Medicare, and federal unemployment taxes).

1.2 Meals

The University will cover or reimburse a business meal expense when it is deemed to be necessary, reasonable and appropriate by a dean, director, department head or designee. **This determination should take place before the expense is incurred.** Coverage or reimbursement of meals will occur when they are an integral part of a business meeting or activity, not as a matter of personal convenience. The receipts must be original, itemized and include the providers name and date and demonstrate that it was paid. The name(s) of all attendees and the purpose of the meeting are required when expense includes payment for individuals in addition to the requestee. Credit card receipts alone are not acceptable. Meals and catering do not require purchase orders. Chartwell's is the only authorized catering service for on-campus events.

Determining factors:

- The topic of discussion (meeting) or activity warrants the use of University funds for the meal expense.
- The benefit derived from incurring the expense is the most effective, efficient and productive way to use University resources.
- The funds are available.

1.3 Alcohol

Alcohol consumed during a business meal

The University will cover reasonable costs of alcoholic beverages consumed **during a business dinner.** Reasonable consumption of alcohol is defined as two alcoholic beverages per person consumed during the course of a complete meal. **Dinner hours are between 4pm – 11pm.**

See the table below for information on how each type of drink counts towards a person's total.

Type	Unit	Amount of Drinks
Beer	Glass, Bottle, Can	1
Beer	Pitcher	4
Wine	Glass	1
Wine	Bottle	5
Spirits/Mixed Drinks	Shot	1

If an employee wishes to be reimbursed for alcohol consumed in exception to the policy above, they must have either their department's Vice President or Dean provide written approval prior to any request for payment. **Alcoholic beverages may NOT be reimbursed from federal grants or contracts.**

Alcohol consumed during an event

Alcohol for consumption may be purchased for University business events and must adhere to the following requirements:

1. The employee must indicate on the invoice, reimbursement, or ProCard charge the location of the event where the alcohol was consumed.

2. For on-campus events, the employee must obtain an alcohol permit from CES prior to the event. A copy of the permit must accompany the invoice, reimbursement or ProCard charge in order for Accounts Payable (AP) to process the request. If a permit was not obtained before the event, AP will not reimburse the expense. If the copy of the permit is not sent with the invoice, reimbursement or ProCard charge, the request will be returned to the person responsible.
3. **Any unconsumed alcohol from an event must be stored under lock and key and used for a future event. A new alcohol permit will be needed for that future event.**
4. For off-campus events, it is the responsibility of the individual to obtain any necessary permits. The University does not need a copy of these permits.

1.4 Memberships and Subscriptions

The University encourages faculty and staff membership in organizations that will promote the advancement of instruction, research and public service and will enhance the professional standing and development of its faculty and staff. The University has a membership to Amazon and Costco. **Amazon and Costco memberships and lifetime memberships will not be reimbursed.** Membership, subscription, or annual renewal invoices submitted for payment **must include the start and end dates or the length of period.** If a subscription or membership period crosses more than one fiscal year and exceeds \$1000, the expense will be split between both fiscal years based on the month it starts and ends. An example of the process is as follows:

A membership runs from January 1st until December 31st and costs \$1500; half of the membership will occur in the current fiscal year (January 1st to June 30th) and half in the next fiscal year (July 1st to December 31st). The vendor will receive \$1500 but Accounts Payable will charge the given budget number \$750 in the current fiscal year and \$750 in the next fiscal year. The next fiscal year charge will show up as a journal entry.

1.5 Employee Recognition Gifts

Gift Cards, Gift Certificates; Other Monetary Awards

Gift cards, gift certificates or other monetary awards above \$50 (fifty dollars) are considered taxable income to the recipient. A purchase or reimbursement for the purchase of any of these requires the name/s of the person receiving, their Seattle U ID, the purpose of the gift and the amount of the gift received.

Non-Monetary Awards

Plaques, trophies, and tangible items, etc., are examples of non-monetary awards. Payment of or reimbursement for a non-monetary award requires the name of the person receiving the gift, the purpose of the gift and the value of the gift received. If the non-monetary award is in excess of \$75, it will be considered taxable income to the recipient and the Controller's Office requires the recipient's Seattle U ID number or a completed W-9.

Retirement Gifts

The University will pay for or reimburse the cost of non-monetary awards to a retiree within the following limitations:

Length of Service

Maximum Amount

10 to 20 years of service	\$300
Over 20 years of service	\$400

To be eligible for a retirement gift, the retiree must have been employed at least 10 years at the date of retirement and the gift must be given at a meaningful presentation.

Farewell Gifts

The University will pay for or reimburse the cost of non-monetary awards within the following limitations:

<u>Length of Service</u>	<u>Maximum Amount</u>
5 to 10 years of service	\$100
11 to 20 years of service	\$150
Over 20 years of service	\$300

Retirement and farewell gifts qualify as length-of-service awards under IRS regulations. Therefore, the gifts are not reportable as taxable income to the recipient. To qualify as a non-taxable the award **cannot** be monetary (i.e, cash, cash card, or gift certificate) and must be given at a meaningful presentation.

1.6 Independent Contractors

An independent contractor is an individual who provides a service to the University under specified terms in a contract and the University pays them directly for their service. Examples include speakers, interpreters, photographers and performers. Certain professional services such as accountants, architects and attorneys are also required to be reported with an independent contractor form.

To request payment for services performed, complete the Independent Contractor form within ProcureSU. Payments to the contractor will not be processed until the service has been completed and all required documentation is attached. NOTE: For payments to non-U.S. residents please contact the Payroll department at Payroll Department, Payroll@seattleu.edu ext. 5880 for additional requirements.

1.7 Moving Expenses

As of 8/24/2022 – Seattle University changed the process for Moving Expense Reimbursements – these are now being processed through Human Resources as stipends for faculty or supplemental pay for staff.

Moving expense reimbursements are taxable income to the employee.

Faculty Moving Expenses form can be found here: [Faculty Stipend Request LOA](#)

Submit to: HR-AcademicOperations@seattleu.edu

Staff Moving Expenses form can be found here: [Staff Supplemental Pay Form](#)

Submit to: hr@seattleu.edu

Questions – please reach out to HR hr@seattleu.edu

1.8 Printing and Copying Expenses

The University has centralized printing and copying through Managed Print Services. Purchases related to printing and copying outside of Managed Print Services will not be covered or reimbursed through ProcureSU or Chrome River. The disallowed items include the purchase of printers, copiers, fax machines, scanners, ink, and toner. Maintenance by outside vendors on disallowed items will not be covered or reimbursed by the

University. Any exceptions to this policy must be approved by the Executive Vice President or their designee and proof of the approval attached to the submitted request for payment.

1.9 University Purchasing and Payment Processes

The University will pay an allowable business expense through the processes and procedures detailed in ProcureSU or Chrome River.

2.0 Frequently Asked Questions

How long does it take to process requests for reimbursement, travel expenses or vendor invoices?

Allow 10 - 14 business days from the time the reimbursement report or invoice is begun in ProcureSU or Chrome River. However, if there are errors or the documentation is not well organized, the payment may be delayed.

How long does it take to process travel advances?

- Travel cash – i.e., funds for traveling – will not be dispensed more than a week prior to first day of travel
- Purchase advance – i.e., funds that will be used to make advance purchases for flights or hotels – must be reconciled within 10 business days of the advance.

NOTE: If you have paid for an expense and have a receipt – please use Chrome River expense reimbursement.

Advance processing may take up to ten (10) business days to complete. Please plan accordingly to receive funds prior to the first day of travel.

How often are checks and direct deposits processed?

Vendor payments are processed weekly on Wednesday, reimbursements are processed weekly on Thursday.

When do reimbursement expenses and travel expenses need to be turned in?

Reimbursement for purchases or travel expenses must be submitted within 60** days of when the expense was incurred. If turned in after 60 days, Accounts Payable reserves the right not to reimburse the expense.

Fiscal year end is the exception - when an expense occurs between May 15th and June 30th. In this situation, expenses must be **submitted before July 15th. To further illustrate this timeline, see the following examples:

Example 1 - A business dinner is held on August 1st. The receipt must be turned into AP for reimbursement on or before September 30th.

Example 2 - A business dinner is held on June 29th. The receipt must be turned into AP for reimbursement on or before July 15th.

This policy allows the University to recognize the expense in the appropriate fiscal year in accordance with generally accepted accounting principles. Additionally, timely reporting of expenses for reimbursements provides efficiencies for the Accounts Payable department as well as the University budget managers.

How is a travel advance different from a travel expense?

A travel advance is used to provide an employee with funds to pay for estimated future travel expenses that the traveler has not paid. A travel advance must be reconciled to the actual expense incurred on the trip within

10 business days of returning. On the other hand, travel expenses are costs the individual has already paid out of pocket and now needs to be reimbursed. To request a Travel Advance, complete the form within ProcureSU.

Do all payment requests require approvals and who must approve the requests?

All payment requests require manager approval, and funding approval. The approver certifies that the request had a valid business purpose. Both the manager and funding approver will be responsible for discrepancies if picked for audit by external agencies.

If my business trip takes place between two fiscal years (i.e. traveling over 6/30), which fiscal year will be charged for this trip?

For travel that takes place over two fiscal years, Accounts Payable will charge the entire amount where the majority of the travel takes place. If the trip is a perfect 50/50 split between fiscal years, the total cost will be split evenly in each fiscal year.

How is international travel handled?

Employees should follow the same guidance as for domestic travel. When converting between a foreign currency and US dollars, use an online conversion site for each date of the expense. If supporting documents are in a foreign language they will need a full translation.

Will I be reimbursed for tipping at a restaurant or travel service fees?

A gratuity is reimbursable; however, the maximum allowable tip is 20%. Amounts over 20% should be deducted from the requested reimbursement prior to submission or the request will be returned. Gratuity and/or service fees added by a restaurant or travel service are counted as a tip.

Are cell phone and tablet expenses reimbursable?

Information about cell phones and tablets can be found on the Controller's Office [website](#).

What is the University procurement card and how can I apply for one?

The University procurement card or ProCard is a credit card that University employees can apply for to make University purchases. The University directly pays the credit card bill each month. Each individual expense must be coded and approved via the Chrome River application. For information on ProCards, visit the ProCard [website](#). ProCards are required for University travel.

How do I submit a request for payment of a donation?

Via ProcureSU Donation Form. The backup requirement for a donation is an invoice.