

Kansas State University

January 19, 2023



Business Expense Reimbursements & Official Hospitality

Hosted by:

Tracy McIntyre, General Accounting

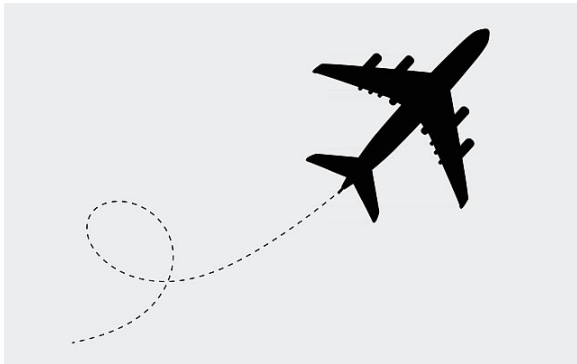
Britt McLaughlin, General Accounting

Jana Clark, Chief Audit Executive, Internal Audit

Olga Volok, Senior Internal Auditor, Internal Audit

Topics that will be covered

- Roles and Responsibilities
- Reimbursable Travel Expenses - PPM 6410
- Document Completion - PPM 6320
- Official Hospitality - PPM 3050
- Imprest - PPM 6320
- Common Issues
- Fraud Red Flags



Roles and Responsibilities

Who is Involved??



Traveler



Document
Preparer



Document
Approver



Travelers Responsibilities

BEFORE THE TRIP



- **Properly authorized travel request**
 - Out of State Travel Request (OSTR)
 - Includes Estimate of Expenses
 - Valid business purpose – how does this trip benefit KSU
 - If International must complete International Travel Registration
- **Approval for exceptions**
 - Common exceptions (ACL, driving vs flying, rental vehicle size)
- **Ensure the expense complies with:**
 - Policies and procedures
 - Sponsor requirements and/or federal regulations (if applicable)
 - Departmental guidelines

Travelers Responsibilities

DURING THE TRIP

- **Gather supporting documentation:**
 - Agendas
 - Original, itemized receipts
 - Other necessary documentation
(business reason for unusual expenditures)



Travelers Responsibilities

AFTER THE TRIP

- Prepare and submit departmental expense reports/documentation within a month of your return

Month		Year				
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday



- Verify the completed travel payment voucher
 - All data is correct and owed to you by KSU per policy and procedure
 - Sign and Date

A handwritten signature in black ink, appearing to be "M. J. Smith".



Document Preparer's Responsibilities

- **Ensure reimbursement document accurately reflects travel expense details**
- **Proper business justification & supporting documentation**
- **Mileage and per diem calculations are based on accurate data**
 - Make certain to choose appropriate mileage rate for period of travel
 - Helpful Hint: Location should match hotel address
- **Required approval for exceptions obtained and included with submission**
- **Expense is assigned to the correct FIS funding information**
- **Appropriate approver is reviewing and approving**



Document Approver's Responsibilities

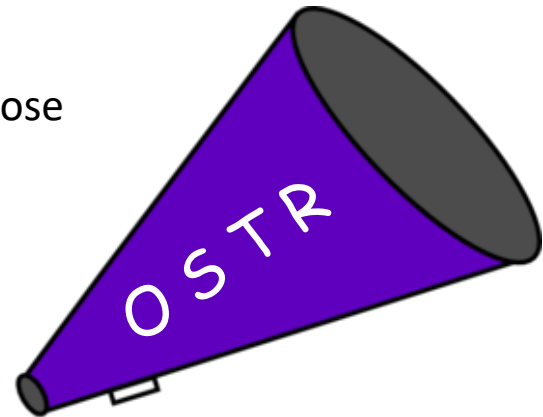
- **Valid university business purpose**
 - **Adequate supporting documentation**
 - **Required approvals for exceptions were obtained**
 - **Allocated to the correct account number(s) and funds are available for the expense**
-
- **Expenses comply with:**
 - Policies and procedures
 - Sponsor requirements and/or federal regulations (if applicable)
 - Departmental guidelines



PPM 6410, Reimbursable Travel Expenses

- **Travel Approval**

- All travel by employees should be authorized PRIOR to travel by the agency head or designee
- Travel outside the state of Kansas requires the completion of the Out of State Travel Request form. (OSTR)
- OSTR must contain
 - the conference agenda
 - meeting information
 - other travel documentation relating to the purpose
 - meals or items covered by any registration fee
 - dates of travel
 - dates of conference/meeting/event
 - travel purpose
 - lodging information
 - other related expenses
 - approval



- **PPM 3120, International Travel and Activities**

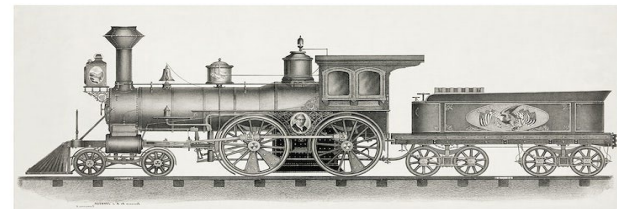
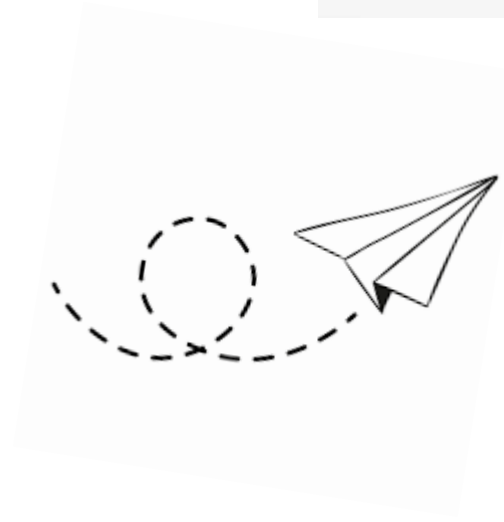
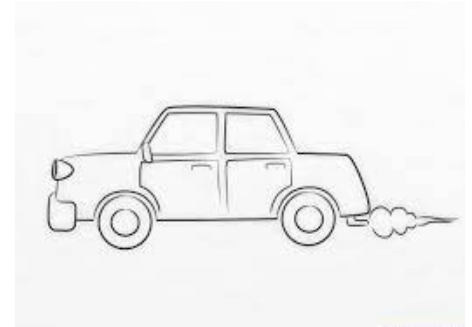
- Must register International Travel on Risk & Compliance Site
- Care of Duty

PPM 6410, Reimbursable Travel Expenses

- **Transportation Expense**

Employees may be reimbursed for transportation expenses incurred for authorized travel by:

- privately-owned or operated conveyances
- state-owned or leased conveyances (preferred)
- public transportation (commercial air flights, trains, buses, etc.)
- charter or rental of special conveyances (in some cases)



PPM 6410, Reimbursable Travel Expenses

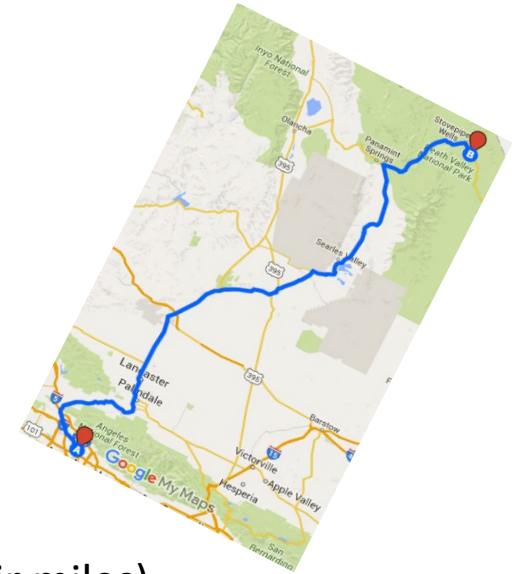
- **Mileage Reimbursement Rates**

- Use of a Privately-Owned Vehicle

(effective July 1, 2022) per K.S.A. 75-3203a:

- Privately-owned Motorcycle 56.5 cents per mile
- Privately-owned Automobile 58.5 cents per mile
- Privately-owned Airplane \$1.515 cents per mile (based on air miles)

- **KSU Foundation vehicles 20 cents per mile**



(Yes - the IRS did increase the mileage reimbursement rate effective 01/01/23 but the State has decided not to implement this change and to continue with the current rates.)

PPM 6410, Reimbursable Travel Expenses

- **Lodging Expense Reimbursement**
 - Allowable room cost based on GSA rates
- **Meal and Incidental Expense Reimbursement**
 - State reimburses M&IE only – based on GSA rates
 - Foundation requires actual receipts
- **Subsistence Reimbursement in Special Travel Situations**
 - A traveler stationed at one location for three months or more
 - M&IE and Lodging requires an approved DA 34 - Subsistence Extension
- **Miscellaneous Expenses – Common Examples**
 - Local transportation, supplies, registration, baggage fees
- **Student Travel Using Student Activities Association Funding**
 - Contact the Office of Student Activities and Services for details

PPM 6410, Reimbursable Travel Expenses

- **Imprest Advances**

- AKA: Travel Cash Advances
 - Hardship Cases
 - Foreign Travel
 - Student Travel

In eForms, select Agency Payment Voucher.

On the header tab, the check type should be "Imprest Request".

If you do not see this option, email [Britt](#) & [Ron](#).

Make sure there is an "A" in the payment indicator box.

CASH – Vendor should be "Commerce Bank/Cash"

Travel Advances should be limited to the lesser of \$3,000 or 80% of the amount approved for subsistence and local transportation costs on OSTR

****Airfare and hotel should be booked on a University BPC whenever possible****

PPM 6410, Reimbursable Travel Expenses

- **Imprest Repayment**

- Return unused Cash to the Cashiers Office, 211 Anderson Hall
- Repay within 30 days

In eForms, select
Travel Voucher

On the header
tab, the check type
should be "State"

Vendor should be
"KSU IMPREST
FUND #1"

Payment
Indicator
should be "X"

Expense the travel
voucher as normal

Traveler signs
the Claimant
Certification

Prompt repayment is ESSENTIAL for the Imprest program to continue

PPM 6410, Reimbursable Travel Expenses

- **Sponsored Research Projects**
(all FIS Projects beginning with "G")
 - **Situations and rules specific to sponsored projects travel include the following:**
 - A direct benefit to the project
 - Occur during the project period
 - In compliance with Fly America Act
 - In compliance with specific sponsors' rules



PPM 6320, Document Completion Procedures

- **PPM 6320 addresses payments for all goods, services, equipment and capital outlay items**
- **All expenditures must be approved:**
 - PPM 6320.220 talks about the University officials that have the authority to approve expenditures from the accounts under their respective jurisdiction
 - Questions or to verify those departmental officials, with signature authority, may be forwarded to the General Accounting Office at genacctg@ksu.edu

A handwritten signature in black ink on a light gray rectangular background. The signature reads "Frida Kahlo" in a cursive script.A handwritten signature in black ink on a light gray rectangular background. The signature reads "Paul Winfrey" in a cursive script.A handwritten signature in black ink on a light gray rectangular background. The signature reads "Justin Bieber" in a cursive script.

PPM 6320, Document Completion Procedures

- **Payment voucher types available in eForms:**



- **Agency Payment Voucher (APV):**

- payments between Kansas State University and a vendor by check or electronic deposit

- **Business Procurement Card (BPC):** ****Preferred Method of Payment****

- payments for goods, services, and approved business travel expenses between Kansas State University and the vendor

- **Interfund Voucher (IFV):**

- making and receiving payments between KSU and other State of Kansas Agencies
- making and receiving payments for goods and services between Kansas State University departments

PPM 6320, Document Completion Procedures

Special Limitations

- **Membership Fees (E2915)**

- Must be in the agency name (if possible)
- If in Individuals Name
 - One Year in length preferred unless:
 - one year only not offered
 - significant cost savings



- **Consultant Fees (E2792) & Travel (E2793)**

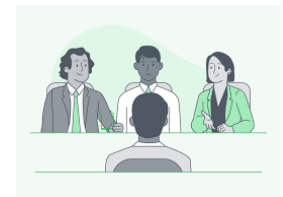
- To reimburse travel expenses as nontaxable, the travel must fall within KSU's Accountable Plan
- Our accountable plan is outlined for employees in PPM 6410
- Any amount that falls outside of the accountable plan should be reimbursed as a taxable fee to the individual

- **Honorariums (E2620) & Honorarium Travel (E2621)**

- Definition - a payment given for professional services that are rendered nominally without charge.

- **Interview Expenses (E2610)**

- Expenses are limited to applicant's actual and necessary travel and subsistence expenses



- **View complete list in PPM 6320 .050**

PPM 6320, Document Completion Procedures

Kansas Prompt Payment Act

- **Prompt Payment** — [K.S.A. 75-6403 \(b\)](#) requires state agencies to pay the full amount due for goods or services on or before the 30th calendar day after the date the agency receives such goods or services.
- Should the accounting be submitted **more than 90 days** past the transaction date please add a brief note on the document explaining the delay – Most important with submission of travel on a Grant

**PROMPT
PAYMENT**



Reimbursement for Expenditures Non-Travel Related

- **BPC or APV to the Vendor**
 - preferred methods of payment
- **If reimbursement is needed:**
 - Obtain an itemized receipt from the vendor
 - Sign the receipt or approve the total on voucher
 - Submit to the department for reimbursement



**DEPARTMENT HEADS MAY NOT APPROVE THEIR OWN
REIMBURSEMENTS**

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- 

PPM 3050, Official Hospitality (Cont.)



- KSU personnel may be included however the number should be restricted only to those necessary to complement the purpose
- Expenditures are limited to meals, official gifts and favors, and official entertainment provided for an official function
 - AKA Food & Fun
 - All other related expenses should be coded for what they are

PPM 3050, Official Hospitality (Cont.)

Reimbursement Procedures:

Agency Payment Voucher (APV)

- Note Nature and Objective of Official Visit or Function
- Include Name or Description of the Group
- Statement that " No State employees receiving meals under this policy are claiming subsistence."
- Obtain Appropriate Authorized Departmental Approval
- Attach
 - Itemized Receipt
 - Approved OH Form
 - List of Attendees – if too large to include on OH form



Potential Risks

- **Fraud**



- **Non-compliance or lack of compliance with State, Federal, and or University requirements**

- **Lack of segregation of duties**

- **Controls are circumvented or not followed**



Common Issues



- Supporting documentation not provided or doesn't agree to the amount requested
- Not including enough information to determine the Business Purpose
- Including requests for personal items or travel days
- Form not signed by the person with Signature Authority
- MapQuest missing for mileage reimbursements
- Missing currency conversions for foreign travel reimbursements
- Itemized (detailed) receipts for all expenses
- Payee doesn't match the "remit to" on the invoice

“Red Flags”

- Excluded or unallowable purchases
- Business trips which include personal travel days
- Business trips with a spouse/relative
- “Double-dipping” or Duplicate Transactions (Duplicate payments via APV and BPC)
- Split-purchase transactions
 - Multiple purchases by the same user from the same vendor within X number of days
- Unusual purchase documentation
- Unusual purchase transactions



Fraud – Prevention

- Policies and procedures
- Training for expense incurreurs, preparers, and approvers
- Maintaining strong internal controls
- Performing audits and reviews
- Keeping an eye out for “red flags”
- Reporting suspicions of fraud



What Can You Do?

- If you see something, say something
- Ask questions
- Get documentation
- Follow policies and procedures





Reporting Suspicions of Fraud

- Don't confront individuals or initiate your own investigation
- Report any suspicions of fraud or related misconduct to the Internal Audit Department under PPM 3230.050 – Reporting Fraud
- Tips help to account for most of the fraud cases detected

Anonymous Hotline

- Syntrio/Lighthouse

- When  



- www.ksu.edu/internalaudit
 - Anonymous Reporting Hotline

- Report online, by phone, or by e-mail



Report an Incident

[Report an incident online](#)

Dial toll-free

- 833-210-4036 (English speaking)
- 800-216-1288 (Spanish speaking)

Email reports@lighthouse-services.com

- Must include university name with report



Internal Audit



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Internal Audit Office

Kansas State University
214 Anderson Hall
Manhattan, KS 66506-0118

internalaudit@ksu.edu

Internal Audit

Welcome to the Kansas State University Internal Audit Office Home Page. This site was developed to provide information about our office and to provide useful information about K-State Policies and Procedures as well as references to other informative sites.

The K-State Internal Audit Office is committed to assisting University management by providing an independent appraisal within Kansas State University to determine the appropriateness, soundness, and adequacy of the University accounting, financial and operational controls. These appraisals provide information and recommendations to University administrators.

In addition to the formal audits, we are happy to answer questions and give advice regarding specific policies and procedures and act as consultants on internal controls.

You will find more information about the K-State Campus under the button "Resources" shown on the left.

We hope this site will provide you with helpful information regarding the Internal Audit Office and our function. Please feel free to contact us if you have any questions, suggestions, or comments.

UNIVERSITY

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Internal Audit



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Internal Audit Office

Kansas State University
214 Anderson Hall
Manhattan, KS 66506-0118

internalaudit@ksu.edu

Anonymous Reporting Hotline

Instances of discrimination, harassment, sexual harassment, or acts of sexual or relationship violence should be reported by completing the Office of Institutional Equity online reporting form.

Kansas State University values the highest standards of honesty, integrity, and professionalism, and expects employees to act ethically and legally while supporting the university's mission and strategic goals.

The ethics and compliance hotline is an anonymous, 24/7 resource for reporting concerns regarding legal or policy violations or unethical behavior. We are committed to always doing the right thing. Employees who believe they are aware of a violation are expected and encouraged to report their concerns. You may use any of the following methods to submit a report.

Report an incident online

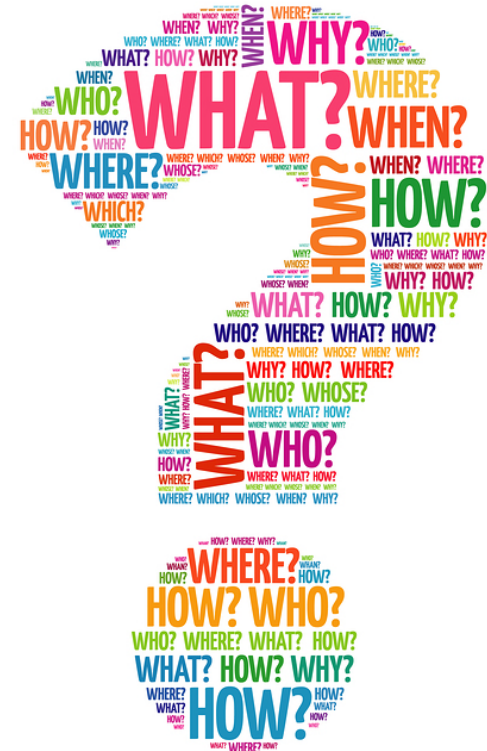
Dial toll-free

- 833-210-4036 (English speaking)
- 800-216-1288 (Spanish speaking)

Email reports@lighthouse-services.com

- Must include university name with report

Questions?



Relevant Policies and Procedures

- PPM 3050, Official Hospitality
- PPM 6320, Document Completion Procedures
- PPM 6410, Reimbursable Travel Expenses and Forms
 - PPM 3120, International Travel and Activities
- PPM 7050, Post Award Procedures
- PPM 8210, Foundation Funds-General Information
- KSU Foundation Disbursement Policies

Division of Financial Services

- **Brittney McLaughlin**

Assistant Director, DFS

O: (785) 532-1847

brittmc@k-state.edu



- **Tracy McIntyre**

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- **Olga Volok, M.Acc**

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olgavolok@ksu.edu



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