

UCSC Travel Expense Reporting: Enforcing Timely Submissions and Compliance with Tax Reporting Requirements

INTRODUCTION

Policy (UC Policy G-28 and BUS-79) requires all employees to report travel and entertainment expenses within 45 days of the end of the trip or event. However, this requirement has not been strictly enforced, and late submissions carried no penalties—until now.

CruzFly, UCSC's online expense reporting system, streamlines the reconciliation of CTE and Instant Card expenses and processes reimbursements for university business expenses. The timely filing of travel claims is in the best interest of the University since it supports, promotes, enables, enhances, or results in:

- Reasonable internal control over travel and the authorization and verification thereof.
- Timely and accurate accounting of expenditures and obligations.
- This results in better budgeting and planning, as costs are paid closer to the time incurred.
- Decreased costs related to the processing of such claims by, among other things, reducing the need for preparing, reviewing, and responding to requests for exceptions to policy.
- Faster reimbursement of expenses incurred.
- Less risk of loss of documentation and a reduction of the costs associated with finding, recovering or replacing lost documentation.
- Rapid receipt of grant proceeds.
- Properly timed reporting of grant expenditures.
- Reducing UCSC's travel-related costs by allowing it to more frequently evaluate employees' travel habits and how their needs may be better served.

When submitting travel and entertainment reports for processing, please be mindful of the time needed for staff to complete them and for routing approvals. The best practice is to submit receipts and reports for processing and approval immediately or soon after (within a week) returning from travel or the end of an event.

To expedite travel and entertainment report processing, it is highly encouraged to only use the UCSC Corporate Travel & Entertainment (CTE) Card for travel and entertainment expenses. Expenses made on the CTE card upload automatically into CruzFly. Information about obtaining a UCSC Corporate Travel card is available at https://financial.ucsc.edu/Pages/CruzFly_Manual.aspx#getting_an_account.

The university's policy is to comply with IRS regulations regarding the provision and reimbursement of business-related travel and conform to the IRS "accountable plan" rules.

Policy Provisions

UCSC employees must submit completed travel, entertainment, and out-of-pocket reimbursement claims within 45 days of the trip, event, or expense incurred for UC business.

CTE Card activity reconciliations submitted after 90 days will be reported as taxable income and applicable taxes will be withheld from the employee's paycheck.

The CTE card will be suspended after 60 days of non-compliance in reconciling expenses and permanently revoked after 90 days.

Reimbursement claims, including direct billing and out-of-pocket expenses, will not be accepted if submitted after 90 days.

The 90-day deadline for travel claims begins after the trip ends, while reimbursement claims are counted from the transaction date.

Travel advances will not be issued to employees who:

- Have been issued a CTE card
- Have not applied for a CTE or Instant card
- Had their CTE card revoked

DEPARTMENT RESPONSIBILITY

Departments are to establish policies, procedures, and processes that reduce or eliminate the frequency of delinquently filed travel claims. The reduction of delinquently filed travel claims may involve the following:

- Making the timely filing of travel claims an element of employees' periodic evaluations and reviews.
- Streamlining travel claim approval paths to achieve greater efficiency while retaining reasonable expenditure controls. This may be accomplished by removing information-only recipients from the approval path. Only those who approve or reject travel claims would be listed in the workflow, while information-only recipients would be notified about the claim by other means.
- In general, those who can reject a travel claim are those with knowledge about why the travel was approved and was necessary and can attest to one or more of the following:
 - That the travel was for a valid purpose per policy and
 - That sufficient spending authority exists and existed to pay for the travel, and that adequate cash is available to pay the claim, and
 - That appropriate documentation exists to support the claim.

Emphasizing to supervisors and managers the importance of timely filing travel claims and ensuring the compliance of the staff they supervise or manage a matter for discussion during periodic reviews and evaluations.