

The Ledger

A Newsletter of the University Controller's Organization

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Discontinue Paper Travel Reimbursements

Training for the new electronic Banner Travel & Expense Management (TEM) System was completed in May 2015 for all university departments. Effective July 1, 2015, paper travel reimbursement forms will no longer be accepted by the Controller's Office. The only exception is for foreign travel where the travel authorization (TA) was completed using the paper form before the department completed training for the electronic system.

The TA must be completed in the electronic system for all foreign travel once the department completed their training and the applicable travel reimbursement (TR) should be completed in the electronic system.

Travel reimbursements that are funded 100% by the Virginia Tech Foundation should continue to be submitted to the foundation using the paper travel reimbursement form.

Updated Policy for Wage Employee Time Worked Records

University Policy 4298 - [Wage Employee Time Worked Records](#) has been updated to reflect the new electronic timekeeping system.

A more detailed guidance procedure is available on the Controller's Office website at the following link:

https://controller.vt.edu/content/dam/controller_vt_edu/Procedures/Payroll/23820.pdf

Please direct any questions regarding the timekeeping system to the Payroll Office at timeclock@vt.edu.

Approvals-Next Higher Level of Supervision

University procedure 10305b: [Accounting Approvals](#), outlines procedures for proper approvals for university transactions.

The procedure says: "Reimbursements to individuals, purchase of airline tickets, travel loans, travelers checks, annual and sick leave and any other items of value that the University pays or provides to an employee must be approved by the next higher level of supervision. Sometimes the next higher level of supervision is not available to make this approval. In that case, the designee on that level is authorized to approve reimbursements."

Reimbursements are frequently processed by departments for travel reimbursements through the Travel & Expense Management (TEM) system or for personal reimbursements

through HokieMart. In these situations, the next higher level of supervision must approve the transaction to comply with university procedures.

Please direct only questions regarding this procedure to Mike Kershner, Accounts Payable Manager at 1-8554 or kershner@vt.edu.

TEM Common Reasons for “Return for Correction”

Recently the Controller’s Office completed the University-wide rollout of the new Travel and Expense Management System (TEM) for all University travel reimbursements. During the past twelve months we have conducted a review of the most common circumstances that result in our office returning a TR (Travel Reimbursement) for correction. Please remember, that if supporting documentation is missing we will contact you before sending the document back in order to facilitate payment. However, if amounts or account codes are incorrect we are unable to make these changes on the department’s behalf.

Most common reasons for returning at TR for correction:

1. Conference travel-incorrect account codes.
 - a. Not using 12890 account code for employee/student conference/training travel expenses.
 - b. Using expense type “Lodging & Subs (Not Per Diem)” instead of “Lodging & Subs (Per Diem)” when the rates are within the maximum allowable per diem. This can cause the system to assign the wrong lodging account code (not 12890).
2. Itinerary entered incorrectly therefore the per diems are then calculated incorrectly.
3. Claiming tips on public carrier services (taxi, shuttle, etc.) when per diem is also being claimed. In this situation, tips would be covered in the incidental expense allowance.
4. Incorrect meal expense type used. “Meal (Not per Diem)” rather than Meals - Group (100% meal allowance) or Meals - Business (150% meal allowance) used.
5. Data entry errors for amounts.
6. Claiming reimbursement for expenses previously paid.
7. Lumping together expenses (all under “Lodging & Subs (Not Per Diem)”) rather than itemizing them by day and individual expense type.
8. Asking for the default lodging per diem and not changing it to the actual amount paid.
9. Rental car insurance being claimed.
10. Claiming incorrect mileage rate (57.5 cents per mile rather than 45 cents per mile) when a cost benefit analysis is not provided.

If you have questions or need assistance with TEM, please call the Travel helpline at 231-0944 or email us at travelvt@vt.edu. Additionally, we offer hands on lab assistance every Monday from 1-3 pm at the North End Center in room 2450. Reservations are required to ensure seating availability. Please email Erin Poff, AP Travel Supervisor at ecpoff@vt.edu to reserve a time for your one-on-one assistance.

TEM Conference & Training for Non-Employees/Non-Student

With the rollout of the new TEM system we have had some questions pertaining to the use of account code 12890 for Conference & Training travel for Non-Employee/Non-Student.

The definition of the account code for **Employee Training and Conference (12890)** is “include expenditures for airfare, taxi, tolls, lodging, meals, and personal vehicle mileage reimbursement, associated with employee training and development. **Expenses for non-employees to attend conferences and training sessions should be charged to other account codes describing the various expenditure type, i.e. 12850 for lodging and meals.**”

When submitting travel reimbursements for non-employees/non-students in the TEM system for conference and training, please use a purpose of “Business Meeting” and then document the traveler’s purpose at the event in the comments section. Do not select a purpose of conference or training so we can avoid coding their expenses to 12890 (the system will default account code 12890 for per diem expenses when the purpose of conference or training is selected). Please direct any questions pertaining to this topic to Erin Poff, AP Travel Supervisor at 231-8551 or ecpoff@vt.edu.

Payroll Information

The following topics were included in the December 2014 Ledger and is being provided here as a reminder as they continue to present issues on a routine basis.

Hiring employees in foreign countries:

The following is the recommended best practice for hiring individuals to work in foreign countries. This guidance is from the State Comptroller’s Office. Any exceptions to this procedure need to be approved in advance by the University Controller’s Office.

Agencies that hire non-US citizens to work outside of the United States are not required by *US tax law* to withhold or report their wages to the IRS. However, they must comply with the *tax laws of the country in which they are working*. To minimize compliance issues worldwide it is a best practice for agencies requiring staffing in a foreign country to use an employment agency or accounting firm in that country to hire local employees and comply with all of that country’s applicable laws and regulations for payroll, benefits, taxes, etc. As none of the work is being performed in the United States no tax withholding is required from the Accounts Payable payment to the firm. Similarly, agencies have US citizens and Lawful Permanent Residents working abroad. Though they are to stay on the agency’s payroll, withholding the corresponding employment taxes for the US, each country has different rules regarding when a worker also becomes a tax resident of the country in which they are working. It is recommended that agencies hire an employment agency or accounting firm in those other countries to monitor compliance with the laws of that country. The Attorney General’s office concurs that these are best practices and should be used by all state agencies.

Complimentary tickets to employees (i.e., football tickets):

Tickets purchased using departmental funds and provided to employees for sporting and other events are likely taxable to the employee unless attendance at the event is required for a business reason. In order to exclude the value the business purpose must be well documented.

Payments to employees outside of payroll for additional services (i.e., consulting):

It is usually not appropriate to pay employees for additional services outside of payroll.

For faculty, please reference the Faculty Handbook -

http://www.provost.vt.edu/faculty_handbook/custom-search.php?vt_search_type=cse&q=consulting&sa.x=0&sa.y=0&cx=003824408091227126588:6hf7517e584&cof=FORID:11&ie=UTF-8&sa=Search - consulting is addressed in section 2.14.

Staff – Additional/Outside Employment - <http://www.policies.vt.edu/4070.pdf>

Conflicts of interest - <http://www.policies.vt.edu/13010.pdf>