

Corporate MasterCard (Travel Card) Policy

Policy Owner: Office of the Vice President of Finance and Treasurer	Effective Date: May 3, 2017
Policy Contact: University Controller	Last Updated: May 3, 2017

REASON FOR POLICY

The purpose of this policy is to establish Tufts rules related to use of the Tufts Corporate MasterCard (Travel Card). This policy applies to all holders of a university issued Travel Card.

A Travel Card is provided free of charge to university employees upon submittal of an approved application. The card is in the individual cardholders name and is paid directly by the university. The card should be used to the fullest extent possible to pay all travel-related and business expenses. Charges incurred feed directly to the university's electronic travel and expense reporting system (e-Expense system). Each user is responsible for substantiating charges in the e-expense system in a reasonable amount of time.

This policy does not apply to the Procurement Card, Travel Advances, Project Advances, Petty Cash Reimbursement, or Expense Reimbursement (i.e. out-of-pocket expenses).

POLICY PRINCIPLES

The University has an "Accountable Plan" as defined by the IRS. An Accountable Plan allows travel-related and business expenses including hotel costs, rental car costs, and meals, incurred by an employee to be considered non-taxable to that employee. Adherence to Accountable Plan rules is required to maintain this treatment at Tufts. Absent an Accountable Plan, expenses would be included in employees' gross income and subject to employment taxes and withholding from employees' normal pay.

To be in compliance with Accountable Plan rules, expenses must have a business connection and be substantiated within a reasonable amount of time. Substantiation requires that the Travel Card user keep a "**record**" of each expense and "**documentary evidence**" that together support each expense. A "record" is a log, a statement of expenses, or detailed expense list. For the Travel Card, "documentary evidence" is usually an original receipt showing the amount, date, place, and essential character of the expense. The university's e-Expense system facilitates the recording and submittal of this "record" and "documentary evidence".

A "record" (e.g. a log or listing) of each expense is required regardless of the amount. **However, to reduce the administrative burden of collecting, scanning, and submitting low dollar receipts, when the Travel Card is used a receipt is not required if the transaction is less than \$50 except as follows:**

- Lodging – An itemized receipt is required regardless of the amount of the expense.
- Sponsor requirements – More restrictive sponsor requirements for receipts must be adhered to.

- Alcohol on Sponsored Programs - Expenditures for alcohol on sponsored programs are not allowed. In the absence of an itemized receipt showing that alcohol was not included, a user must attest to the fact that no alcohol was purchased.

In the event that a cardholder has lost a receipt, a missing receipt affidavit signed by the cardholder and supervisor will be allowed.

All Travel Card expenses should be substantiated within 30 days of the completion of a trip or occurrence of a business expense. If an expense is not substantiated timely in the university's e-Expense system, the following escalation path will be followed. The days listed are the calendar days after the completion of a trip or occurrence of a business expense. All actions will be completed at the end of the month in which the threshold of days is met.

- 60 days: Tufts Shared Services contacts cardholder
- 90 days: University Controller contacts cardholder
- 120 days: CFO contacts cardholder
- 150 days: List of cardholders with unsubstantiated charges more than 150 days after the completion of a trip or occurrence of a charge provided to CFO, EVP, and EADs. Associated Travel Cards "frozen" by setting the spending limit at \$0.
- 180 days: Card cancelled, school charged for the unsubstantiated expense, unsubstantiated amounts imputed on employee's payroll, and related income taxes withheld from employee's pay.

If travel expenses charged to a sponsored award are submitted late and the Final Financial Status Report (FSR) has already been filed with the sponsor, no revisions to the Final FSR will be made to recover those expenses. It will be the responsibility of the department to absorb such expenses. The Final FSR is usually required 90 days after the award end, unless the sponsor imposed a different requirement. The timeframe is 45 days or less for subcontracts.

Roles and Responsibilities

Responsibilities for compliance with this policy are shared among the following groups:

Card Holders – Proper use of the card and substantiation of charges via the e-Expense system.

Executive Administrative Deans (EADs) – Approval of applications for a Travel Card and monitoring of late substantiation (Note – The authority for this role can be delegated but the responsibility remains with the EADs).

TSS – Management of the e-Expense system and communication in accordance with the escalation policy.

Controller's Office – Oversight of policy and communication in accordance with the escalation policy.

RELATED LINKS AND INFORMATION

IRS Record Keeping – Adequate Records - <https://www.irs.gov/publications/p463/ch05.html>

IRS Accountable Plan - https://www.irs.gov/publications/p463/ch06.html#en_US_2016_publink1000266091