

Volume No. 1—Policies & Procedures	TOPIC NO.	20336 – Cardinal
Section No. 20300—Cash Disbursements Accounting	TOPIC	AGENCY TRAVEL PROCESSING
	DATE	October 2014

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Overview

Introduction Agency travel processing has included in the past sections related to the Travel Charge Card. **Information related to the Travel Charge Card Program has been relocated to CAPP - Cardinal Topic No. 20360, *Travel Charge Cards*.**

Travel Cash Advances

Introduction The use of temporary and permanent cash travel advances should be minimized or discouraged for employees who typically travel more than twice a year. Travel charge cards should be issued to such employees. When an agency approves a request for a cash travel advance, the procedures in this CAPP – Cardinal topic apply.

Temporary Travel Advances Temporary travel advances may be made from an agency’s private funds or State funds for a traveler who is going to travel on State business. Petty cash **may not** be used for travel advances to state employees. Controls should be in place to ensure that all advances are repaid. The employee must repay them within 30 days of the processing of the Expense Report.

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**Permanent
Travel
Advances**

Permanent travel advances are strongly discouraged in favor of travel charge cards. When unavoidable, permanent travel advances may be made to an employee who travels regularly and on a frequent basis. In these instances, a written explanation of why a permanent travel advance was needed must be on file in the fiscal office.

Agencies and institutions should ensure that permanent travel advances do not exceed anticipated out-of-pocket business expenses for a one-month period. The allowance must be reasonably calculated not to exceed the amount of the employee’s expenses or anticipated expenses. Employees are required to return amounts that exceed actual anticipated business expenses. The employee must repay advances before the last day of employment or no more than 30 days after a change in responsibilities, which eliminates the need for a permanent advance.

Agencies must also review travel periodically to ensure that employee travel advances are justifiable.

Cash Advance Procedures

**How to Request
a Cash Travel
Advance**

Use the following procedure to request a cash travel advance in Cardinal. Note that cash travel advances can be created in Cardinal when entering a travel authorization request if desired, or they can be entered separately afterward. When a cash advance is created from a travel authorization, it is a separate transaction that will follow its own approval path. Cash advances must be approved in order to be processed. The Cardinal Cash Advance Form, found on the Cardinal website, can be used to document management approval as well as be labeled with the Cardinal generated **Advance ID** in order to easily tie the source documentation to the system.

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Step	Who	Action
1	Traveler (or proxy)	<p>If the cash travel advance request is not created when entering a travel authorization, enter it in Cardinal’s Create Cash Advance Report page or forward to proxy for entry (Employee Self Service > Travel and Expense Center > Cash Advance). The following fields are required when entering a cash advance request:</p> <ul style="list-style-type: none"> • In the Description field, enter a description for the cash travel advance request. • Select the Business Purpose for the reimbursement. • In the Source field select System Check. • The second Description field next to Source is not required but can be used to capture additional information. • In the Amount field, enter the amount of the advance. <p>Once saved and submitted, Cardinal uses workflow to route the request through the appropriate approval levels. An Advance ID is assigned when the request is saved.</p>
2	Agency Fiscal Office	<p>Reviews and approves the cash travel advance request in Cardinal. After an advance is approved, Cardinal creates related accounting entries based on the employee’s profile and using account code 131050. The amount of the advance is issued by check or deposited in the employee’s bank account.</p> <p><u>Important:</u> It is the agency’s responsibility to ensure that employees promptly return amounts which exceed the actual business expense.</p>

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How to Process a Cash Travel Advance after Completed Travel

Once travel has been completed, the traveler submits an Expense Report for supervisory approval. The employee (or proxy) must then enter the Expense Report details in the Travel and Expenses Module in Cardinal, similar to any other expense reimbursement request. When entering the Expense Report online, there are four options for entering the information: copy information from the travel authorization into the report, begin with a blank report, use a template, or copy from an existing expense report and update for any changes. Refer to the course presentation *SWAP315 Processing Employee Expenses* training on the Cardinal website under Statewide training materials, for detailed instructions of how to enter an Expense Report in Cardinal.

Note that the cash advance for the travel must be applied to the expense report **before it is saved**. Apply a cash advance by clicking the **Apply Cash Advance(s)** link on the Expense Report Entry page. The Advance ID must be entered and all other values are auto-calculated. Make sure the advance is applied to the expense for which it was intended by reviewing the Description field. Once the cash advance is applied, the expense report can be saved and submitted for approval.

If expenditure. . .	Then . . .
is less than the Cash Travel Advance	<ul style="list-style-type: none"> • Only apply the amount of the Expense Report to the Cash Advance in the Apply Cash Advance Screen. • No check is generated. • The traveler owes the difference between the amount expended and the amount advanced. The traveler repays this to the agency, which in turn deposits the repayment following standard Deposit procedures. The repayment is recorded in the Accounts Receivable module to the appropriate fund and department, and select account 131050. • A manual reconciliation associates the employee’s repayment with the expense report, using the “Reconcile Cash Advance Report” page in Cardinal (Travel and Expenses > Manage Accounting > Reconcile Cash Advance). A reconciliation can only be completed if the total of the employee payment(s) equals the amount due. If the employee’s payment is less than that, you are able to save the payment, and the payment is deducted from the amount due, but the expense report does not go into Reconciled status. It is possible to enter additional payments later until the amount due is zero, at which time the expense report is Reconciled.

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is equal to the Cash Travel Advance	<ul style="list-style-type: none"> • No check is generated. • Cardinal automatically reconciles the cash advance. No further action is necessary by the agency.
is greater than the Cash Travel Advance	<ul style="list-style-type: none"> • Payment is generated to the employee for the difference between the advance amount and the expenditure. • Cardinal automatically reconciles the cash advance. No further action is necessary by the agency.

Monthly Reconciliation

Part of the agency’s monthly reconciliation process should include comparing the Cash Advance Aging by Business Unit Report (EXC5701) to the Cardinal Trial Balance (VGLR001) Account 131050 balance to verify the detail correlates with the ledger balance.

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Travel Expense Reimbursement

Expense Report The Expense Report serves two primary purposes:

1. To serve as the internal input document to Cardinal for travel and expense reimbursements, and
2. To provide auditable records for these expenditures.

The Expense Report should include documentation of required coding elements (business unit, fund, account, program and department) as well as be labeled with the Cardinal generated Reimbursement Report ID in order to easily tie the source documentation to the system. See subtopic “Coding Structure Requirements” for more information on required Cardinal coding elements.

The Expense Report should be filed along with approved travel authorizations and cash advance requests, if any. Such documentation can be maintained in an electronic format and “attached” to the Expense Report in Cardinal. This functionality places the supporting documentation on the same page as the recorded transaction in Cardinal for ease of access and viewing capability. **However, the Cardinal system should not be relied upon to maintain agency documentation and should not be considered the official retention source for the agency.** Agencies should keep separate records, whether hard copy or electronic. See subtopic entitled “Records Retention” for more information regarding retention requirements.

Employee Travel Authorization and Expense Report

The requirement to authorize, record, and control travel expense reimbursement transactions is mandatory. While the use of the **Employee Travel Authorization and Expense Report** on the Cardinal website indicates adherence to Statewide requirements, its use is optional and substitute forms and procedures by individual agencies are allowed. The substitute forms must include the Certification Statements from the Cardinal Expense Report for the Traveler and Approver.

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Certification Statement

By signing the Expense Report, the traveler is certifying the accuracy of all information, the legitimacy of the travel, and the appropriateness of the expenses. The signature of the traveler’s supervisor certifies that he/she agrees that the travel was necessary and the requested reimbursements are proper.

If the traveler is requesting reimbursement for other than his/her own expenses, the other parties must be identified and justification for payment provided. The traveler shall not claim M&IE reimbursement for anyone other than himself.

By approving an Expense Report in Cardinal, the agency, department or institution and its employees and agents agree to the following:

Final agency approval for expenditure transactions rests with the person granted approval authority in Cardinal. The act of approving a transaction in Cardinal means the agency certifies to the Comptroller that the request for disbursement of State funds specified in the approved transaction has been reviewed by appropriate agency staff and is accurate to the best of their knowledge and belief. The amounts itemized are considered to be legitimate and proper charges to the appropriations indicated therein, and are approved for payment. The payment has not been previously authorized.

Note: Expense Reports payable to a Fiscal Officer or Cardinal approver cannot be approved or released to Cardinal by the payee. Another authorized approver must approve the transaction.

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**Coding
Structure
Requirements**

The **minimum** coding structure for expenditure transactions is summarized as follows:

- Business Unit
- Fund
- Account
- Program
- Department

The Travel and Expenses module in Cardinal uses default coding for these fields for employee expense reimbursements based upon how the employee was originally set up in Cardinal. The employee (or proxy) has the ability to change the default coding in the expense distribution lines for travel and expense reimbursements if necessary.

Other classification elements are included in the standard distribution grid. These elements may or may not be included depending on the chartfields the agency elects to utilize. In Cardinal, if a required chartfield is not entered into the system, the transaction will fail combination edit and the error message will notify the user what additional chartfield is necessary.

Exceptions

All exceptions and out-of-country rates must be attached to the Expense Report in addition to all other documentation required as identified in CAPP – Cardinal Topic 20335, *State Travel Regulations*.

**Travel
Reimbursement
Methods**

An employee’s payroll net pay direct deposit bank account per CIPPS is utilized for all employee reimbursements in Cardinal. Any changes to the banking accounts made in CIPPS will be updated automatically in Cardinal on a semi-monthly basis. A paying agency can no longer manually modify employee reimbursement bank accounts for those employees whose payroll is processed in CIPPS. There are three exceptions which are as follows:

1. Employees who are not enrolled in Payroll Direct Deposit.
2. Employees whose payroll is not executed through CIPPS.
3. Employees whose net pay is executed via EPPICard.

In these instances, a check is mailed to the traveler.

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Sponsored Program Funds

All monetary travel reimbursements for meals, lodging, airfare, etc., funded solely from sponsored program funds are governed by the terms and conditions of the individual grant or contract. If the grant or contract is silent regarding these monetary reimbursements, the limitations in CAPP – Cardinal Topic Nos. 20335 and 20336 will apply.

In all cases, administrative requirements cited in these CAPP – Cardinal topic Nos. 20335 and 20336 must be followed. “Sponsored Program” must be clearly stated on the Expense Report. See CAPP – Cardinal Topic No. 20335, *Travel Regulations*, for further guidance.

Reimbursement Payment Process

The following table describes the reimbursement payment process. Expenditure coding guidance is found in CAPP – Cardinal Topic 20310, *Expenditures*.

Step	Description
1	Employee submits the Expense Report to the supervisor within thirty (30) working days after completion of the trip. In the case of continuous travel, the employee submits the Expense Report to the supervisor within thirty (30) working days of the last day of travel for which reimbursement is requested. However, reimbursements must be processed in a timeframe that allows travel charge card payments to be made by the specified due date.
2	An appropriate authority (as defined in related Authority Approval section) should approve the Expense Report and either return it to the employee for keying or submit it to the agency’s fiscal office proxy for processing within three (3) working days of receipt from the employee.
3	After receipt of the Expense Report, the Agency Fiscal Office should process it for payment within five (5) working days.

Note: All outstanding travel accounts should be settled in full at the close of each fiscal year.


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Records Retention

Maintenance Copies of travel-related documentation are to be maintained on file in each agency for 3 years. See CAPP – Cardinal Topic No. 21005, *Records and Retention* for further guidance.

DOA Contacts

Contacts Director, General Accounting
 (804) 225-2376
 gacct@doa.virginia.gov

EDI Employee Enrollment Information
 edi@doa.virginia.gov

Subject Cross References

References CAPP – Cardinal Topic No. 20310, *Expenditures*
CAPP – Cardinal Topic No. 20335, *State Travel Regulations*
CAPP – Cardinal Topic No. 20360, *Travel Charge Card*

Refer to suggested job aids and training information for data entry and processing on the Cardinal website: <http://www.cardinalproject.virginia.gov/>

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Suggested Job Aids and Forms The following forms can be found on the Cardinal Website, under Statewide Toolbox – Forms:

Cash Advance

Employee Travel Authorization and Expense Report

Employee Travel Authorization and Expense Report Instructions

The following can be found on the Cardinal Website, under Statewide Toolbox – Training Materials:

Approving an Expense Report (Simulation)

Employee Expenses Administration (Simulation)

Processing Employee Expenses (Simulation)

SWAP315 Processing Employee Expenses (Course Presentation)

Additional job aids and training materials may be available on the Cardinal website.

Please note: The Cardinal job aids, training materials and forms on the Cardinal website are not policy of the Department of Accounts and are not part of the Commonwealth Accounting Policies and Procedures Manual (CAPP).
