

2.703 Employee Business Expense Reimbursements (AFP Form)

I. Details of Policy

A. Use the Authorization for Payment (AFP) Form to reimburse RCUH or UH employees for small, out-of-pocket program purchases made using their personal funds.

1. A single transaction may not exceed \$500 including taxes, deposits, and other surcharges. An original receipt is required. If the original receipt is lost or not available, a duplicate receipt or other proof of payment (e.g., copy of the receipt, credit card statement or canceled check AND an itemized pricing of the items) is required. Reimbursements exceeding the dollar threshold requires the Fiscal Administrator's approval prior to the purchase.
2. Due to the dollar threshold and other limitations, out-of-pocket expenses are usually restricted to the purchase of supplies and certain business expenses, such as meals. Purchases must not be parceled to circumvent standard procurement procedures. Refer to [Policy 2.201 Purchase Orders](#).

B. Reimbursement of Entertainment and Protocol Expenses

1. Entertainment and protocol expenses (including meals) may only be claimed if they are justified as deductible business entertainment expenses AND are allowable on the project account. Approval of the reimbursement by the Principal Investigator and the Fiscal Administrator is an acknowledgement that these terms are met.
2. The purpose of the expense must be related to the conduct and engagement of business (in order to be deductible), and must be described on the AFP Form.
3. The claimant must have records to prove the business purpose and the amount of each expense, the date, and place of the entertainment, and the business relationship of the persons entertained. State the following details on the AFP Form, and upload a copy of the original receipt as an attachment:
 - a. Reason for the event and how it is related to the purpose of the account charged. If the reason is not clearly stated, the expense will default to being a non-deductible expense that is includable in the claimant's income. Contact RCUH Disbursing at rcuhdisb@rcuh.com for assistance regarding income reporting.
 - b. Description of the event, including the date, time, and location.
 - c. First and last name of all the attendees, including their job titles and employer/company.

C. DO NOT USE THE AFP FORM TO REIMBURSE EMPLOYEES FOR:

1. *Travel Expenses* – An employee’s travel expenses should be procured through a purchase order or claimed on the employee’s own travel request and completion forms, or employee mileage form. Refer to [Policy 2.601 RCUH Employee Travel](#), [Policy 2.602 Automobile Mileage Reimbursements for RCUH Employees](#), and [Policy 2.603 Travel for UH and Other State and City/County Employees](#).
2. *Payments to Vendors for Services* – An RCUH purchase order should be used to obtain services. Refer to [Policy 2.204 Services Agreements](#) and [Policy 2.210 Professional Services Contracts](#).
3. *Payments to Foreign Vendors* – An RCUH purchase order should be used to obtain goods and services from a foreign vendor. All payments to a foreign vendor are required to be submitted to RCUH Disbursing for review and manual processing. Refer to [Policy 2.012 Requirements When Paying Foreign Persons](#).
4. *Payments for the Expenses of Other Individuals* – IRS accountable plan rules cannot be applied to exclude a non-employee service provider’s expenses as income, if the expenses were paid by, and reimbursed to, an RCUH or UH employee. In order for accountable plan rules to apply, RCUH must pay the non-employee directly. If an employee pays for a non-employee’s expenses and seeks reimbursement, the payment is income to the non-employee that may be reportable on an IRS Form 1099 for U.S. persons, or reportable (with possible withholding) on an IRS Form 1042-S for nonresident aliens. Contact RCUH Disbursing at rcuhdisb@rcuh.com for assistance regarding income reporting.

II. Responsibilities

A. Principal Investigator

1. Initiate the payment transaction.
2. Comply with the requirements of reimbursing employees for business expenses.

B. Fiscal Administrator

1. Advise and assist the PI and Project staff with determining the allowability of the expense under this policy.
2. Ensure that the payment file is complete and available for audit with all necessary signatures and supporting documentation.

III. Relevant Documents

[Attachment 4 Authorization for Payment Form](#)

[IRS Publication 463](#)

[Policy 2.201 Purchase Orders](#)

[Policy 2.204 Services Agreements](#)

[Policy 2.012 Requirements When Paying Foreign Persons](#)

[Policy 2.210 Professional Services Contracts](#)

[Policy 2.601 RCUH Employee Travel](#)

[Policy 2.602 Automobile Mileage Reimbursements for RCUH Employees](#)

[Policy 2.603 Travel for UH and Other State and City/County Employees](#)

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