




County of Riverside  
OFFICE OF THE AUDITOR-CONTROLLER  
STANDARD PRACTICE MANUAL

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|                       |                 | <b>SUBJECT: TRAVEL ADVANCES</b>  |
| <b>SECTION:</b>       | <b>2</b>        | <b>CATEGORY: ACCOUNTS PAYABLES POLICIES</b>  |
| <b>POLICY NUMBER:</b> | <b>205</b>      |  |
| <b>REVISED DATE:</b>  | <b>04/01/19</b> | <b>APPROVED BY:</b>  |

**PURPOSE:** To establish standard guidelines for County departments, agencies, and special districts on the processing of Travel Advance requests by County employees prior to travel on official County business.

**SCOPE:** Applies to all County departments, agencies, special districts, and authorities that are governed by the Riverside County Board of Supervisors and/or which maintain funds in the County Treasury.

**POLICY:** This policy details the overall responsibilities and processes to be followed when requesting a travel advance through a department's or an agency's established revolving fund prior to beginning the travel. It is at the discretion of the department head or agency director to choose to exercise the option of issuing a travel advance after assessing the needs of their department, employees, and the business purpose of the requested travel. Advances should be reserved for exceptional circumstances where the business travel poses a financial hardship to the traveling employee for the anticipated expenses to be incurred. Any actual expenses incurred during employee business travel must strictly adhere to BOS Policy D-1, Reimbursement for General Travel and Other Actual and Necessary Expenses.

**PROCEDURE:** Requests for Travel Advances should be completed using an SPM Form AR-2, *Revolving Fund Advance Request*. Requests are to be processed at a department or agency level and must be approved by the department head, agency director, or his/her designee to be valid. Approved Travel Advances will be issued from the department or agency's revolving fund only and will not exceed the estimated travel expenses allowable through Board of Supervisor's Policy D-1, Reimbursement for General Travel and Other Actual and Necessary Expenses.

**TRAVEL ADVANCES**

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The purpose of a travel advance is to defray anticipated reimbursable expenses for county employees while traveling on official county business. Travel Advances are considered "loans" to employees and must be repaid or properly accounted for at the completion of travel. Travel advances should be reserved for exceptional circumstances and are issued at the discretion of the Department Head or his/her designee through the Department's established Revolving Fund. Travel advances are not processed through the PeopleSoft Financial System.

Any employee receiving a travel advance must account for all expenses and comply with all stated rules and regulations as described in BOS Policy D-1 and any other pertinent policies, government codes, or statutes. At the completion of travel, provided a department has budgeted for the expense, a department's revolving fund will be reimbursed for all valid expenses of the travel advance that are found to be in compliance. Any unused advanced funds or items considered to be non-compliant with the County's travel policy must be promptly repaid to the Department by the employee once identified. Any valid out-of-pocket expenses incurred in excess of the amount advanced, will be reimbursed directly to the employee.

### **DEPARTMENT RESPONSIBILITIES**

- 1) Department Head or his/her designee
  - a. The decision to offer travel advances to requesting employees lies within the discretion of the Department Head (or designee) and may not be offered by all County departments to their traveling employees.
  - b. A Travel Advance Request (SPM Form AR-2) must be completed only after travel is approved and must be authorized by either the Department Head or his designee in writing to document the approval of the advancement of funds.
  - c. All travel advances must be cleared/reconciled within 14 days of completion of travel. Those travel advance that are not cleared/reconciled within 60 days from the end of the trip can be denied from obtaining future travel advances.
- 2) County Employee (Traveler)
  - a. An employee requesting a travel advance must submit their request in writing to their Department Head or his/her designee within one week prior to the commencement of travel.
  - b. Any employee receiving a travel advance must exercise prudent travel practices with their expenditures during their travel assignment and they will be subject to all rules and regulations currently in force.
  - c. Upon completion of travel, the employee must complete a Gen Form 14, County of Riverside Employee Reimbursement Form documenting the expenses incurred during the course of business travel. All expenses listed on the Gen Form 14 must include all original and itemized receipts as required in BOS Policy D-1. The reimbursement form must be reviewed and approved by the employee's immediate Supervisor prior to submittal to the Fund Custodian.
  - d. If business travel expenses incurred are less than the amount of the issued Travel Advance, the employee must return the unused portion of the funds within 2-3 business days of travel completion.

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- e. If advanced funds have been issued for a travel or training that has been indefinitely postponed or canceled, then the employee must promptly return the advanced funds in connection with the authorized travel.

3) Fund Custodian

- a. The Revolving Funds Custodian is responsible for ensuring that internal department controls for established travel advance procedures are followed.
- b. Is responsible for both the issuance and return of the Revolving Fund Travel Advance upon the approval of SPM Form AR-2 by the Department Head.
- c. Notifies the employee that all receipt(s) plus any unused travel advanced funds must be returned to the custodian within a reasonable time (2-3 days) after the completion of travel.
- d. Verifies that all receipts submitted at the completion of an employee's travel are reasonable, appropriate, and within reimbursable policy guidelines. If the submitted receipts total is less than the amount originally advanced, the custodian is responsible to ensure the unused advance funds are returned by the employee to the issuing revolving fund.
- e. The Fund Custodian will maintain the signed SPM Form AR-2 with the Revolving Fund as supporting documentation for the issued travel advance until needed for reconciliation purposes at travel completion.
- f. Notifies the appropriate Department's management if an employee consistently fails to return the necessary documentation and monies to the fund custodian within a reasonable time, which may result in the employee losing his/her privileges for any future revolving fund advances.

**TRAVEL ADVANCE PROCESS**

1) Issuing a Travel Advance

- Upon receipt of the approved SPM Form AR-2, the Fund Custodian reviews all advancement details noted by the Department Head and must calculate the breakdown of expenses as determined by BOS Policy D-1.
- All requested travel advances may not be issued more than one (1) week prior to the commencement of travel.
- The Fund Custodian must verify there are no outstanding travel advances for the requesting employee.
  - Employees with an outstanding travel advance may not receive any additional advancements until the original travel advance has been satisfied.
- Whenever possible, the departments should utilize Procurement Cards (P-Cards) or established direct bill accounts to pre-authorize or pay a vendor directly for any expenses related to the authorized travel.
  - Examples of expenses a Department can pre-pay or pay directly are: Airfare, Lodging, Registration, Rental Cars, Shuttle, etc.

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- The amount advanced to an employee may include out-of-pocket expenses such as: meal allotments, parking, class materials fee, etc.
- No Travel Advance shall be provided for private mileage.
- Once the travel advance is ready for issuance, the Fund Custodian will prepare the funds and have the employee sign, date, and verify the amount they are receiving on the SPM Form AR-2 to document the transfer of funds from the custodian to the employee.

2) Settling a Travel Advance

- a. Promptly upon completion of travel, the employee must account for all out-of-pocket expenditures incurred by completing a County Gen Form 14.
- b. An employee must submit the Gen Form 14 along with all original, itemized receipts, and supporting documentation to his/her Supervisor for approval.
- c. Once the employee's Supervisor has approved and signed the Gen Form 14, it is then returned to the employee so he/she can settle the travel advance with the Fund Custodian.
- d. The Employee submits the approved Gen Form 14 and supporting documents, along with any unused advanced funds, to the Fund Custodian. The SPM Form AR-2 is then signed and documented by both parties to confirm the settling of the Travel Advance.
- e. Once the SPM Form AR-2 has been completed, the Fund Custodian must review the Gen Form 14 and all submitted items for policy compliance. All items meeting policy guidelines shall be totaled and subtracted from the original travel advance amount.
  - If expenditures are less than was advanced, the employee is responsible for returning the unused portion back to the Fund Custodian so it can be returned to the Revolving Fund.
  - If expenditures exceed the amount advanced, only the difference will be reimbursed to the employee directly (upon appropriate review and approval) through the Accounts Payable Voucher process.
- f. The Fund Custodian shall prepare the Travel Advance's supporting documentation received and will initiate an Accounts Payable Voucher to replenish the Revolving Fund for the actual amount expended by the employee during the travel (do not include any returned funds from the employee in the replenishment voucher total).
  - Supporting documentation for the replenishment voucher should include, but is not limited to, the approved SPM Form AR-2, Travel Authorization Form, Gen Form 14, original itemized receipts, calculator tapes with totals, etc.
  - The voucher copy shall contain a reference of the original revolving fund voucher number to confirm that original receipts were received for this travel reimbursement.
  - The voucher copy shall be stamped as "Use as Original".
  - Whenever possible, both the original voucher (Revolving Fund Replenishment) and Voucher Copy (Employee Reimbursement) should be submitted together to the Auditor-Controller for review.

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## **AUDITOR-CONTROLLER RESPONSIBILITY**

- 1) The Auditor-Controller will assign an Accounts Payables (AP) Auditor to review the submitted travel advance replenishment voucher and supporting documentation for policy compliance.
- 2) The AP Auditor will approve the replenishment voucher, if appropriate, which will return the expended amount back to the department's revolving fund.
- 3) Any non-compliant items identified by the reviewing AP Auditor must be promptly refunded by the employee to the department's revolving fund.

## **SECURITY ROLES**

- 1) In order to enter an Accounts Payables Replenishment or Reimbursement Voucher, the following security roles must be requested in PeopleSoft Financials:
  - Voucher Processor - this role will allow the Accounts Payables processor to enter the voucher details into PeopleSoft Financials to begin the payment process.
  - Department Voucher Approver - this role will allow the person to review the voucher details that were entered into Financials System by the Voucher Processor and will system approve the pending voucher if appropriate.

## **RECORDS MANAGEMENT ROLES**

All voucher documentation submitted to the Auditor-Controller's Office for either replenishment or approval is maintained in accordance with the County's General Records Retention Policy. For vouchers, this calls for the safekeeping of records for the current fiscal year plus seven additional fiscal years.

The Auditor-Controller is the department of record for original voucher documentation submitted for approval, with the exception of a few select departments and special districts that maintains their own records for audit and retention purposes. In those particular instances, the submitting department or special district would be the noted department of record.

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## REVOLVING FUND ADVANCE REQUEST

OFFICE OF THE AUDITOR-CONTROLLER

*For departmental use. Submit to the Custodian of the fund and retain a record for auditing purposes.*

**SPM FORM  
AR-2**  
(POLICY #708)

**Custodian:** Please authorize an advancement of funds for the following individual.

**FUND No.**

Print  
Name:

\_\_\_\_\_

**Amount Requested**

\_\_\_\_\_

Reason:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Department Head/Designee's Signature

Date

Dept. ID

Agency/Department/Special District Name

### Advance Issued

Date

Check Number

Amount Issued

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify receiving the advance amount stated above.

Signature of individual requesting and receiving advance (as shown above).

Date

### Advance Returned

**Amount Returned**

The above named individual has returned the advance amount.

\_\_\_\_\_

Acknowledged and Witnessed By - Signature

Date

Print Name

Title

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