Disbursement Requests

Purchase Requisitions
Purchase Requisitions are to be used for all disbursements related to purchasing memberships, supplies, equipment, furniture, insurance, utilities, rentals, contract-labor, construction-related payments, health-related payments, property taxes, and other purchases not specifically mentioned here. Also note that all disbursements to be made by wire transfer must be requested via purchase requisition. See section 6.71 of the handbook for specific information on completing this form. Effective July 1, 2009, check requests are no longer accepted in the Accounting Department.

Compensation Requisitions
Honoraria and other forms of compensation should be requested via the Compensation Requisition. This form cannot be used to pay students for services, but should be used for chapel speakers, visiting musicians, and for Athletic Department referees. This form is available in Human Resources, online at my.Biola, or via the Resources section of Inside Story Online.

Important note: When using the Compensation Requisition form or the Purchase Requisition (PR) form, address and Social Security Number (SSN) or Tax Identification Number (TIN) are required for labor, honorarium, services rendered, rental, and healthcare-related payment. Please note that missing or incorrect information will most likely result in the delay of processing the disbursement request.

Disbursements to non-California residents for services
California requires that all non-California residents providing services in the State of California who are compensated in excess of $1500 must have 7% of their earnings withheld from disbursements made to them. Please contact the Accounting Department for assistance with this disbursement type, as it applies to corporations, agencies for entertainers, and individuals alike.

Disbursements to non-U.S. persons
Special requirements and forms are involved when the payment is income to a non-U.S. person. Over two-dozen treaties that impact these disbursements exist between the United States and other countries. Please contact Accounting before requesting this type of payment since special withholding of taxes may apply.

Reimbursement Requisitions
The Reimbursement Requisition form is used to request reimbursement for which business-related expenditures have already been purchased and paid. Please note that all expenses must be approved in advance by your supervisor and/or vice president (when applicable). IRS only allows up to 30 days for an expense reimbursement to be made as a business expense reimbursement. Any receipt or expenditure more than 180 days old is processed as taxable income through Payroll. The reimbursement Requisition form is available online at my.Biola or via the Resources section of Inside Story Online. All reimbursement requisitions must be accompanied by documentation and original receipts that substantiates the request and the business purpose of the expense.

This form is not to be used to clear a cash advance. Please see the Cash Advance Requisitions section below for more details on cash advances.
**Cash Advance Requisitions**

The Cash Advance Requisition form is used to receive money prior to the expenditure. (If the expenditure has already occurred, then the Reimbursement Requisition form should be used to request reimbursement.)

The Cash Advance Requisition form is available online at my.Biola or via the Resources section of Inside Story Online.

The payee on the Cash Advance Requisition is the individual responsible for the disbursed funds. The payee must be a current Biola employee or student. A cash advance is similar to a loan and the amount disbursed for the cash advance is not deducted from the department’s organization account until the Cash Advance Report is submitted, accounting for all the expenditures related to the cash advance. The payee of the check is the person responsible for the amount of the cash advance owed to Biola. A person cannot receive more than one cash advance at a time. Each cash advance must be cleared and reconciled to the university within 2 weeks of the event (10 business days). If a cash advance is not accounted for within 120 days of being disbursed to the payee, the IRS requires the advance to be shown as taxable income to the payee, regardless if it was used for the business of the university.

Cash Advance check will not be disbursed to the payee on the Cash Advance Requisition unless a signed and completed Cash Advance Guidelines Form is turned in to Accounting. The Cash Advance Guidelines Form is available online at my.Biola.

**Cash Advance Report**

A Cash Advance Report should be used to account for all the expenditures related to a cash advance.

This form is available online at my.Biola or via the Resources section of Inside Story Online.

Normal approval guidelines, spending guidelines, receipt requirements, and tax-reporting requirements apply to a Cash Advance. **Please note that cash advances cannot be used to purchase gift cards, pay honoraria, rentals, advertising, or compensation of any kind (e.g. babysitting, cleaning service, speaking engagements, venue or equipment rentals, etc.).**

When the Cash Advance Report is approved and processed by the Accounting Department, your department’s organization account will be charged for the actual expenditures and any applicable use tax adjustments. Should the total expenditures be in excess of the amount of the cash advance, the payee will be reimbursed for the out-of-pocket expenses. If the actual expenditures are less than the cash advance amount, the payee will reimburse Biola the excess amount in U.S. funds by cash or check. These funds are to be turned in along with the Cash Advance Report.

**General Reimbursement and Expenditure Guidelines**

**Approval Requirements**

Expenditures and reimbursement requests must be approved and signed by an authorized signer of the department’s organization account who is not a participant of the expenditure. Authorized signers cannot approve expenditures for superiors or for someone with higher signing authority.
Gifts, gift card/gift certificate, and other compensation-related expenses require the appropriate vice president’s approval signature and disclosure of recipients’ information. Items related to gift card or gift certificate cannot be processed without the tax reporting information of the recipients. In addition, should the recipient be a student employee at Biola, the transaction/purchase must be pre-approved by both the area’s vice president and the Senior Director of Human Resources. Please note that a supervisor may or may not be an authorized signer for a particular department’s organization account. Please refer to the university’s Authorized Signatures List to find out the appropriate authorized signers for the organization account to which the expenditures are being charged.

**Book Purchases**
When a book purchase is made, the Biola business purpose must be clearly documented. If the book is used for a course, the course name must be listed on the Reimbursement Requisition. For quantity purchases and Biola-authored books, please see the section under Purchasing: Department Purchases and Biola-Authored Books. If the book is for research, then the paper title must be listed on the Reimbursement Requisition. If the book is to be presented as a gift to an individual, the individual’s full name must be disclosed. Please refer to the university’s Gift-Giving Policy, as gifts are generally taxable to the recipient.

**Telephone Expenses**
Business use of a personal telephone may be reimbursed provided the business purpose and individual’s name, time of call, and out-of-pocket expense is fully documented for each call. For information on the use of one’s mobile telecommunications device for business purposes and how to get reimbursed or apply for a stipend, please refer to Biola’s Mobile Communication Expense Policy.

**Business Purpose**
In order for an expenditure to be approved or to be eligible for reimbursement, the expenditure must reflect a clear Biola business purpose and be incurred by a Biola employee, whose presence is required for the Biola business stated. Any item that is considered a personal expense in nature will not be reimbursed, such as personal phone calls, toiletries, movies, spa services, upgrades, passes, club memberships, or sightseeing, even if the expenditure was incurred during a business trip or incurred as a staff group event. Expenditures made on business trips that include expenses for accompanying family members or non-Biola business participants will be prorated or not reimbursed.

**De Facto Expenditures**
Items or expenditures that are paid for or obtained with non-cash items cannot be reimbursed. For example, business items obtained by using personal frequent flyer mileage, hotel points, credit card offers, credit card rewards, customer/membership reward points, personal store credit, or merchant/vendor voucher will not be reimbursed. In other words, expenditures will be reimbursed only to the extent of actual out-of-pocket amounts/expenses.

Departments cannot purchase gift cards or gift certificates to be held for future business uses or purchases. Expenditures will be reimbursed and recorded only to the extent of actual occurrence or usage.
Expenditures cannot be reimbursed if the expenditures were incurred in lieu of payment or in exchange for a service or item received. For example, should a Biola employee decide to stay with a relative during an out-of-town business trip, the Biola employee cannot purchase a gift or treat the relative to a nice dinner and request the university to reimburse such items in lieu of a hotel or lodging expenditure.

**Gifts**
Gifts are generally taxable to the recipient and must follow the guidelines set forth in the Gift Giving Policy of the university. Gift expenditures can only be reimbursed if the Biola business purpose is clearly stated and explained and the gift was approved in advance by the appropriate vice president. In addition, all the gift recipients’ names and item(s) received must be disclosed as documentation regardless of the value of the gift items. In general, expenditures involving gifts require the appropriate vice president member’s approval signature. If the gift is a Biola student employee, the transaction/purchase must be pre-approved by both the area’s vice president and the Senior Director of Human Resources.

**Gift Cards and Gift Certificates**
Gift cards or gift certificates of any amount are always treated as taxable income to the recipient according to IRS’s regulations. Therefore, the recipient’s tax reporting information is required for all gift card/gift certificate expenditures, even when the gift card/gift certificate is used as a token of appreciation or as a prize. Please note that gift cards or gift certificates cannot be purchased or reimbursed ahead of time for future Biola business expenditures. If the gift card/gift certificate recipient is a Biola student employee, the transaction/purchase must be pre-approved by both the area’s vice president and the Senior Director of Human Resources.

**Gratuity**
Gratuities or tips (including room or taxi service) are reimbursed up to a maximum of 15% of the meal charges. The 15% limit applies to additional fees that a hotel or a venue may charge for room service. So any fee, charge, or gratuity beyond the 15% of the expenditure is considered a personal out-of-pocket expense.

**Lodging**
Hotel or overnight stay arrangements should be made through the Purchasing Department on a Purchase Requisition. In the event that an employee must be reimbursed for lodging, the IRS requires that an itemized report (i.e. hotel portfolio report) be submitted to show the itemized expenditures. Items that are considered personal expenses, such as in-room movies, room service, laundry service, or fees charged for use of the hotel gym, sauna facilities, or swimming pool will not be reimbursed and the employee will be required to reimburse the university if such expenses have been paid by the university.

In addition, tax reporting information is required for all rentals (i.e. lodging rental or venue rental). Therefore, please make sure that the tax reporting information (complete legal name, address, and social security number or tax ID) is obtained from the owner, management company, or the business. Otherwise, the reimbursement cannot be processed and the expenditure will be reported as taxable income to the person incurring the lodging rental expense.
Meals
Actual cost of meals incurred during university-related business trips or meetings will be reimbursed provided that the Biola business purpose is met and is clearly documented on the paperwork. Please submit your original, itemized receipt and proof of payment. If the meal receipt includes items for another person other than the person requesting the reimbursement, all the participants’ full names must be documented. Please note that an authorized approver who is also a participant of the expenditure cannot approve the expenditure or expense. On business trips, if any of the listed individuals is a spouse of a Biola employee, the spousal portion will not be covered or reimbursed as a university expense, unless his/her presence is also related to the business of the university and has been approved, in writing, by the vice president of the area, prior to the event. Spousal travel expenses are considered taxable by the IRS except in very limited circumstances. Any meal receipt including non-Biola business participants will be prorated accordingly.

In general, meal expenses incurred during business trips should not exceed $40/day. Please note that the $40/day guideline is not intended for any given meal per day but for the sum total of all meals in one day. Any meal receipt that is considered lavish, extravagant, or non-Biola business related is not eligible to be recorded as a business expense. Meal expenses for a spouse on a business trip are processed as taxable income items even when the spousal presence is requested by Biola with prior approval.

Meals or refreshments at hometown airports are not reimbursable. Refreshments or meals between two or more employees on campus or off campus to discuss routine business issues are not reimbursable. Events involving faculty, staff, students, or university guests in which a substantial purpose of the event is social in nature are also not reimbursable (e.g. birthday celebrations). Reasonable meal expenses for bona fide staff meetings, not to exceed once per month, will need to be approved by the area vice president. Alcoholic beverages, whether for employees or university guests, are not reimbursable.

Occasional parties or picnics for employees and their guests are considered de minimus benefits per IRS publication 15-B and are therefore not taxable to the employee.

Club or Warehouse Membership
Personally purchased club or warehouse memberships are not reimbursable. Only membership at the least costly option with pre-approved Biola business purposes requested through Purchasing will be paid by the university. Memberships or fees required to attend business conferences, seminars, or workshops are reimbursable with proper tax reporting information of the organizing entity.

Mileage
When using your personal vehicle for Biola business, authorized business-use mileage can be reimbursed through a Reimbursement Requisition form. The Internal Revenue Service rate for the 2015 calendar year (which Biola uses) is 57.5 cents per mile.

2015 Standard Mileage Rates

The standard mileage rate for transportation or travel expenses is 57.5 cents per mile for all miles of business use (business standard mileage rate). See section 4 of Rev. Proc. 2010-51.
The standard mileage rate is 14 cents per mile for use of an automobile in rendering gratuitous services to a charitable organization under § 170. See section 5 of Rev. Proc. 2010-51.

The standard mileage rate is 23 cents per mile for use of an automobile (1) for medical care described in § 213, or (2) as part of a move for which the expenses are deductible under § 217. See section 5 of Rev. Proc. 2010-51.

In order for the mileage reimbursement to be approved and processed, 1) the Biola business reason or purpose must be clearly stated and 2) the mileage calculation must be acceptable by the IRS’s guidelines. Hence, mileage reimbursement requests for things such as commutes, outings, Christmas parties, or other social functions are not eligible for reimbursements. In addition, only one round trip can be considered as a reimbursable business expense. For example, if a Biola employee asks someone to take him/her to the airport, only one round trip to and from the airport can be claimed as business mileage. The Biola employee will not be reimbursed for two round trips on behalf of the driver. Please itemize each destination and provide the actual beginning and ending odometer readings. Please note that the odometer reading is the accumulative running mileage number of the vehicle, not the trip distance calculator that can be reset for individual trips. If the odometer readings are not available, please attach a printout of online driving directions to substantiate the miles traveled.

Please note that for long-distance driving (i.e. out-of-town trips), the mileage reimbursement amount will be limited to the lesser of the actual mileage reimbursement or a reasonable airfare. Therefore, prior to the trip, you must obtain a written quote or e-mail from the Purchasing Department for the airfare cost and submit it with your Reimbursement Requisition.

Mileage reimbursement is normally calculated from Biola’s physical address unless the actual mileage from your home or departure point to the business destination is shorter and you must document that on your reimbursement request. The IRS considers the mileage from your home to the office as regular commuting miles and not reimbursable.

A department can choose to reimburse the driver a smaller amount than the actual mileage driven, but documentation is still required. If the gas receipt amount or the agreed upon amount is smaller, you will still need to provide the odometer readings or the online driving directions print-out to prove that actual mileage reimbursement calculation would have been greater. If gas is purchased for a rental car, the receipt can be used to request reimbursement. Please specify that the gas purchase is for a rental car. Please note that a rental car is not a borrowed vehicle from an individual. In order to qualify as a rental car, the vehicle must be rented from a rental car company.

Reimbursement Submission Timeline
The signed and approved Reimbursement Requisition form is to be submitted to the Accounting Department within 10 business days of incurring the expense. Expenditures related to or dated for a prior fiscal year will not be processed or reimbursed during the subsequent fiscal year. Items that are paid for or ordered but not yet received will not be reimbursed and cannot be recorded on Biola’s book as a business expense. Biola’s fiscal year ends on June 30. Therefore any item ordered prior to fiscal year end but not received by June 30 cannot be recorded in that current budget year ending on June 30.
The IRS considers 30 days to be the reasonable time frame to request a business expense reimbursement. Therefore any reimbursement request for items more than 30 days old will need to be processed and treated as taxable income to the person receiving the reimbursement.

**Sales Tax**
In general, the State of California requires Biola University to pay sales tax at the current Los Angeles County sales tax rate. Therefore, when a vendor does not charge a sales tax or when a vendor charges a sales tax that is lower than that of the Los Angeles County or La Mirada sales tax rate (whichever is higher), the department incurring the business expense will be charged the difference between the actual sales tax paid and the current Los Angeles County La Mirada sales tax rate. The difference will be remitted to the State of California as use tax. The reimbursement requestor, however, will only be reimbursed to the extent of the cost of the item and the actual sales tax paid. Contact the Accounting Department for current sales tax rate.

**Substantiation Requirement**
All expenses reported must be accompanied by an original payment receipt or supporting documentation that contains both 1) the proof of payment and 2) proof of purchase. Failure to provide such will result in denial of reimbursement and/or recording the expenditures as business expenses. Expenditures that are incurred around Biola’s fiscal year end June 30 may require additional documentation (i.e., packaging slip showing that the item purchased was received by Biola University by June 30).

**Check Cashing**
The Cashier Window is open from 10:30 a.m. to 3:30 p.m., Monday through Friday, during normal business days in September through May. Summer hours are 10:30 a.m. to 12 p.m. and 1 p.m. to 3:30 p.m., Monday through Thursday; and Fridays, 10:30 a.m. to 12 p.m. The Cashier Window is closed from 12 p.m. to 1 p.m. during Interterm and Easter break. The cashier is located at the window in the lower-level lobby of Metzger Hall, across from the elevator and near the entrance to Metzger Lower West. Check cashing service is available to both current students and current employees. Checks up to $200 may be cashed with a valid Biola identification card. Employees and students will be charged $25 for each check returned to Biola by the bank for any reason. Please note that the Cashier cannot cash a third party check or a check that is made payable to the Biola employee or a Biola student along with someone else. The check must be made payable to “Cash” or to the Biola employee or Biola student cashing the check at the window.

**Accepting Credit Cards for Payments/Donations to Biola University**
Please be aware that accepting credit card payments over the telephone may be a risk, since there is no way to verify the payment will be received until the credit card payment is processed. The card number given over the phone may be stolen or may have already passed its limit. Also, since the cardholder is not present, there is no way to verify the identification of the customer. In the event that a department accepts a stolen credit card, the full amount will be charged back to the originating department. Therefore, please use discretion when accepting credit card payments over the phone.

Please note that your department is responsible for preparing Journal Receipts for all credit card transactions. Please make sure that the credit card transactions are not mingled with other cash or check deposits on the same Journal Receipt form. Also, since Discover Card sales are deposited
separately from those of MasterCard and Visa, please be sure to enter separate totals for each grouping of cards (i.e., one total for Discover purchases and one total for MasterCard/Visa purchases).

**Journal Receipt (JR)**

A Journal Receipt (in duplicate format) is to be used as documentation of funds credited via check, cash, or credit card to Biola University. The Journal Receipt form is available for purchase through the Duplicating Center and the fill-able Journal Receipt form is available for download on *Inside Story Online* at [http://inside.biola.edu/resources/category/accounting/](http://inside.biola.edu/resources/category/accounting/).

Please note that the Professional version of the Adobe Acrobat software/license is required in order to save the data when using the fill-able Journal Receipt form. If you are using the fill-able version, please print 2 copies of the Journal Receipt form to be submitted with your deposit.

During the data entry process, the Journal Receipt date cannot be backdated or be manipulated. The actual data entry and posting date is the date that will appear on the general ledger. Therefore, it is very important that deposits are turned in to the University Cashier promptly, particularly during month-end and fiscal year-end.

Please submit the Journal Receipt deposits in person to the University Cashier and obtain a receipt copy during regular cashier hours. Please do not send deposit items through house mail, leave them at the Accounting front desk, or place them in the depository near the Cashier’s Office, as they will not be processed. Cash items must be verified in person before they can be accepted or processed.

In general, the funds should be credited to a Biola department’s income account. If the funds represent a reimbursement to Biola, then the funds should be credited to the original expense account from which the original disbursement was made. The detail code to credit (C) the department is MISC. The description field is limited to 30 spaces and characters and special symbols or characters (such as , . / - # &) cannot be used in the description. The description field dictates the actual description appearing on department’s general ledger details. So please refrain from using overly simplified or generic descriptions such as “deposit,” “sales,” or “check.” Please select a description that is helpful to the users. For example, if the deposit represents a refund from a conference hotel, use description such as “Sheraton Miami Conf Refund.”

You may itemize your individual checks with different descriptions on each line (line 1-4) or you may combine all of your checks in one lump sum deposit. If your deposit requires more than four itemizations, please use additional and separate Journal Receipt forms. If you itemize your checks, you can use the Payment Number field to reference the check number. Otherwise, the Payment Number field can be left blank. Please note that the Payment Number is for reference only and cannot be used as a search function. The Fund, Organization, and Account fields are required and if filled out correctly, the IFAS# and Program fields are not required and will auto populate during the data entry process.

When making deposits for merchandise sales (e.g. T-shirts, sweatshirts, books, CDs, or tapes), please indicate any profit that is made. If there is a profit, please calculate the appropriate sales tax of the
amount and credit (C) the sales tax or use tax amount to the university’s sales/use tax clearing account while reducing the amount of the total sale to your income.

For sales without profit, please credit funds back to the expenditure line that is originally used in the purchase of the merchandise. Please contact the Accounting Department with any questions about the sales tax or use tax.

There are five categories of Journal Receipt forms:

1. Journal Receipt for Check Deposits
2. Journal Receipt for Cash Deposits
3. Journal Receipt for Credit Card Deposits
4. Journal Receipt for Credit Card Refund
5. Journal Receipt for Department Credit Card Deposits

Journal Receipt for Check Deposits

Each Journal Receipt deposit cannot have more than 50 checks. All checks must be made payable to Biola University, in U.S. currency, and be drawn on a U.S. bank. Foreign bank draft cannot be submitted to the bank as a regular deposit. On the face of each check, please indicate the Biola Banner Fund, Organization, and Account to which the payment is being applied.

If the bank returns a check from the Journal Receipt deposit, the department that originated the deposit will be charged. The amounts to be charged vary. In general, the department will be charged 15% of the returned check amount if the returned items can be charged to a current student school account. Otherwise, the department will be charged 50% of the returned check amount if Accounting’s Collection Office handles the collection of the item. If the individual department collects its’ own returned check items, then the full returned check amount and the returned check fee (currently $25 per item) will be charged to the department.

Please keep in mind that all checks must be deposited within one month of the check’s origination date. If a check is returned for any reason after 30 days, the department will be charged the returned check fee (currently $25 per returned item) and any other applicable charges.

Journal Receipt for Credit Card Deposits

Currency and coins can be deposited by using a Journal Receipt for Cash Deposit. Each Journal Receipt cannot exceed $10,000 in cash or ten rolls of coins.

Journal Receipt for Credit Card Deposits

With prior approval by the Accounting Department, deposits may be made with credit card information to be processed by the University Cashier. Credit card fees related to these transactions will be charged to the departmental Banner fund and Banner organization. Departments will be responsible to answer and to respond to any questions or disputes that arise from the credit card transactions.
Please limit these credit card items to fifteen (15) per Journal Receipt. Due to the offset entries, the deposit totals for a credit card Journal Receipt deposit will always be zero. The accounting string to be charged (D) is the university’s credit card fund, organization, account, and the accounting string to be credited (C) is the departmental fund, organization, and account.

**Journal Receipt for Credit Card Refund**

In the event that a credit card refund needs to be issued, please submit the request on a Journal Receipt for Credit Card Refund. Credit card fees related to these transactions will be charged to the departmental Banner fund and Banner organization.

The accounting string to be charged (D) is the departmental fund, organization, and account, the accounting string to be credited (C) is the university’s credit card fund, organization, and account.

Please note that if the university initially receives a payment via credit card, then a subsequent refund must be processed to the same credit card initially charged. A reimbursement check or cash refund cannot be issued for credit card payments.

**Journal Receipt for Department Credit Card Deposits**

Departments which have their own credit card machines and process their own credit card transactions should use the Journal Receipt for Department Credit Card Deposits to record funds received from credit cards. The credit card machines must be settled at the end of each business day and each Journal Receipt form must have that day’s settlement report.

In general, the accounting string to be charged (D) is the university’s credit card fund, organization, and account, the accounting string to be credited (C) is the departmental fund, organization, and account unless there is a negative settlement in the credit cards total for the day.

Please itemize and separate the Visa and MasterCard settlement subtotal from the Discover card settlement subtotal in the sections for the university’s credit card fund, organization, and account.

**Journal Voucher**

The Journal Voucher form is used to record transactions on Biola’s book. This form is available online at my.Biola or via the Resources section of Inside Story Online.

The Journal Voucher form can be used to record:

- transfer or correction of a charge or an expense from one Biola department to another Biola department,
- transfer or correction of a charge or an expense from one category to another category within the same Biola department, or
- interdepartmental billing.

The Journal Voucher form should be printed on yellow, legal-sized paper and must bear the approval signature of an authorized signer of the Biola departmental account being charged. All backup paperwork and documentation should be attached to the Journal Voucher. All Journal
Vouchers must be turned in to the Accounting Department by the last business day of the month and are subject to the Accounting Department’s approval prior to postings submitted to the general ledger. Please note that Journal Entry (JE) forms are no longer used; please make all entries on the Journal Voucher form.