

## Study Abroad Financial Procedures

**Issued:** March 25, 2017

### **POLICIES**

**Responsible Official:** Vice President for Finance and Administration

**Responsible Office:** Business Office

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#### **Policy Statement**

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It is the policy of Austin Peay State University to apply appropriate fiscal processes and procedures in planning and accounting for the University's faculty-led study abroad programs.

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#### **Purpose**

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This policy details the procedures to be applied by the University when budgeting study abroad programs.

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#### **Procedures**

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##### **Introduction**

- A. This policy is only applicable to institution based study abroad programs. It is not applicable to third party programs or TNCIS.

##### **Budgeting**

- A. Each study abroad program is expected to be financially self-sustaining over time, and be accountable for good financial management practices.
1. A projected budget must be completed by the Study Abroad Program Director and submitted to the sponsoring institution's Chief Business Officer or his/her designee.
- B. The budgeting process for study abroad programs should be based on a reasonable projection of operating costs in the host country, including consideration of projected currency exchange rates.
1. The budget should clearly identify which expenses are to be paid from tuition and mandatory course fees and which expenses are to be paid from the student-specific program fee revenue.

2. The budget should specify if the expense is for the employee or students.
  3. Program fee revenue should only be used for student expenses.
- C. Budgeting for instructional costs paid from the general fund may consider both tuition revenues and state appropriations generated by student enrollments in study abroad programs, consistent with budgeting for other academic programs.
- D. The budgeting process should include the establishment of a contingency fund, appropriate to the size and scale of the institution's programs, to ensure that the institution can meet reasonable contingencies that may arise during the operation of the program.
1. It is recommended that an amount not less than 5% or more than 20% of the annual program fees be budgeted for this reserve.

### **Registration and Fee Payment**

- A. Students who participate in approved study abroad programs should normally be assessed tuition and program fees by their home institution (or the sponsoring institution) Business Office.
1. Study Abroad Offices and program directors should avoid the direct receipt of payments from students, whenever possible.
  2. Study Abroad Offices and program directors should provide the Business Office necessary information about each student and his/her appropriate program charges no later than three weeks prior to travel, so that these can be entered into the institution's student information system.
- B. Study abroad fees generally consist of two components:
1. Tuition and mandatory student fees related to the actual registration for classes.
    - a. All study abroad students pay a minimum of tuition and applicable mandatory fees.
    - b. Tuition should be assessed by the regular student information system when registration occurs.
  2. Program specific fees (for travel, lodging, meals, exchange rate variance, etc.)
    - a. These program fees should be assessed in the student information system whenever possible.
    - b. The payment deadlines and refund schedules for these fees will vary from program to program.

**Accounting**

- A. Financial activity attributable to study abroad programs is recorded in restricted E&G funds.
1. Student tuition and applicable mandatory fee revenue is assessed and recorded in General funds (E&G) as tuition revenue.
    - a. Salaries and benefits of program faculty and staff should be paid from applicable departmental E&G funds.
  2. Program fee revenue and related expenses are recorded in a restricted E&G account specific to the responsible program or office.
    - a. Student-specific expenses must be paid from the E&G account. Typical student-specific costs include travel, lodging, tours, meals, event fees, and student supplies.
  3. Students are also assessed an additional administrative fee to cover such things as the cost of travel and non-instructional costs of conducting the program.
    - a. The institution may also elect to charge a per-person amount for contingency funds.
  4. Note: If an account has been inactive for eighteen months, with no deposits or expenditures, any excess funds remaining in the account must be transferred to another study abroad program fund or to the contingency fund. A justified extension of time to use the funds may be requested by the Study Abroad Office or the Business Office which must be approved by the Provost and Vice President of Academic Affairs.
- B. The activity's funds should be monitored and regularly reconciled by the institution's Business Office or Study Abroad Office.
1. It should also be verified that only activity-related expenses are charged to self-supporting funds.
  2. The institution may choose to refund residual balances in the self-supporting fund among activity participants, within 60 days of completion of the trip, or use this money to establish and maintain a contingency account.
  3. The use of contingency funds must have the prior approval of the Study Abroad Office and the Business Office.

**Acquiring Goods and Services Abroad**

- A. To the maximum extent possible, arrangements for goods and services needed while abroad should be paid directly to the vendor from the General fund account.

1. However, there are situations where payment for goods and services abroad must be rendered at the time they are acquired. In these situations, institutions may utilize several methods to make payments while abroad.
- B. Any of the following can be used for purchases and expenses associated with a study abroad program:
1. Procurement card;
  2. Check request;
  3. Stored value/pre-paid card;
  4. Traveler's check;
  5. Cash advance/petty cash advance to an authorized institutional representative;
  6. Direct payment by an authorized institutional representative from personal funds, with a reimbursement request to follow.
- C. Study abroad programs should comply with all applicable APSU policies regarding procurement and use of these payment methods.
- D. Petty Cash
1. The University will have the authority to determine the best way to handle payment of purchases and expenses for its study abroad programs.
  2. A petty cash fund may be established to pay for goods/services while in a foreign country. However, due to the risks and responsibilities associated with petty cash, its use should be limited to those situations where other payment alternatives are not an option.
  3. Institutions using petty cash should have the following in place:
    - a. Petty cash application and approval process;
    - b. Procedures for opening a petty cash bank account;
    - c. Reconciliation guidelines;
    - d. Closeout guidelines;
    - e. Management, record-keeping, and reimbursement procedure
- E. Travel Advance
1. The University may also allow for travel advances to pay for large expenses abroad.
    - a. All travel advances should follow APSU policies.
    - b. The employee must include the estimated foreign expenses that will be required to be paid in cash,

- along with an explanation of why they cannot be paid for with a credit card or direct billing arrangement.
- c. The employee must provide information to clearly show the business purpose of the expenses and documentation to support the expenses claimed.
2. Within 30 days of return, the employee must complete a travel expense voucher and submit itemized receipts for all expenses paid from the advance.
    - a. If the expenses were less than the amount of advance received, all remaining funds must be returned to the institution.
    - b. If costs were more than what was provided in the travel advance for expenses that are approved or integrally related to the educational aspects of the program, the employee may receive reimbursement for these expenses.

## Reimbursement

- A. Employees are responsible for keeping copies of original receipts to verify that expenses were valid and related to the program.
  1. If it isn't possible to obtain original receipts for program-related expenses, the employee must keep a log listing all expenses and ask the person providing the service to sign and document what was provided.
  2. The institution will hold the employee financially responsible for all charges for which there are no receipts or log entries.
  3. The employee will also be responsible for all expenses that are not approved according to APSU policies, as well as those not integrally related to the educational aspects of the program.
- B. Whether the employee owes money back to the institution or is eligible for reimbursement, he/she is responsible for completing the Travel Expense Report and submitting it with all appropriate receipts within 30 days following their return to the United States.
  1. Reimbursements that are not submitted within a reasonable amount of time are considered taxable by the IRS and must be processed through the payroll system.
- C. The following items must be completed and submitted to the Business Office no later than 30 days after the conclusion of the study abroad trip:
  1. All bank statements, if applicable to the program;
  2. Documentation of foreign exchange rates used.

- a. This will only apply if funds were exchanged during the program. (www.oanda.com is a good resource for currency conversion)
- b. If currency is bought in advance, please provide documentation of the rate at which the currency was originally purchased.
3. Required documentation of expenses – including receipts for goods and services purchased, and signature sheets for cash allowances distributed during the program.
  - a. Do not include disallowed expenses on the Travel Expense Summary and Travel Expense Report. Examples of disallowed expenses include personal items, alcohol, etc.
4. The Travel Expense Summary and a summary of travel advances should be submitted with the Travel Expense Report.
5. The Travel Expense Report must be filled out in U.S. dollars and signed by the Study Abroad Program Director or his/her designee, as well as the department chair before being submitted to the Business Office.
6. Upon return from the trip, remaining institution funds must be deposited in the Business Office.
7. If foreign currency was distributed to the program director in advance of the trip, documentation must be submitted with the Travel Expense Report. This also applies if foreign currency was returned to the Study Abroad/Business Office.

**Revision Dates**

APSU Policy 4:037 – Issued: March 25, 2017

**Subject Areas:**

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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**Approved**

President: signature on file