Food & Travel Treatment

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Focus

Travel

FOOD
Environment

• Ongoing audits
  – PricewaterhouseCoppers
  – WithumSmith + Brown for NSF
  – DCAA
  – Internal Audit

• Reviews
  – Research Financial Compliance and Services
  – Office of Sponsored Research
  – Purchasing and Payment Services

Do The Right Thing
Issues

• Poor justification of expenditures on
  – IOUs, Pcards, Petty Cash, Tcards
• Unallowable costs charged to award
  – Use of wrong expenditure type
  – Purchases precluded by Agency policy
  – Purchase precluded by terms and conditions of award
• Expense does not benefit award
• Re-budgeting has its limitations
• Appropriate use of sponsor and university funds
  – Know your sponsors terms and conditions
  – Know the university, school and department rules
Poor Documentation

• Recent audits and reviews indicate that a significant number of transaction lack proper documentation

• The Ws
  – Who (are the costs for)
  – When (is the event and if staying longer why)
  – Where (location of cost)
  – What (what is the event, what is the cost - receipts)
  – Why (how did the award benefit)

• Sometimes a W is self evident, many times not
  – Consider a spreadsheet for complicated reimbursements
How Did the Award Benefit

• For a cost to be reimbursable there must be a benefit to the award or Stanford

• Red flags
  – Student attended conference as an honorary attendee
  – Attended conference 3 days before end of award and did not present
  – 6 days of travel expense for a 2 day conference
  – Airport hotel conference – a rental car
  – Chocolates for students
  – Dinner cruise

• Clearly state how the award benefited by the expense or how Stanford benefited
  – Aunt Emma Guidance
Unallowable Costs

• Alcohol – check the receipts and code carefully – alcohol is not a food and should not be coded as food
• Per diem – deduct for meals included in conference
• International business class travel
  – Either business-coach fare or 1/3 allowable, 2/3 unallowable
• Prior approval required by sponsor
• More than 30 days away then 55% of per diem
• 60 days to get approved (University policy)
• Minibar and per diem
Need Help?

• What to do if you are concerned about an expense
  – Discuss your concern with the person incurring expense
  – Talk with your DFA
  – Financial Support Center
  – OSR or RFCS
  – Call the audit help line
Appropriate Use

- Direct
  - Must benefit the award, be allowable and reasonable

- Indirect
  - Must benefit the cost pool, be allowable and reasonable

- Institutional resources
  - Must benefit the university, be legal and reasonable

- Public trust – our standard must be higher
What You Can Do Now

• Document carefully
• If you are uncertain or concerned – reach out for help
• Your approval matters
  – Make sure the documentation is adequate to support your approval
  – Only approve if you agree
What is Central Administration Doing

• Now
  – Increased review of food and travel expenditures
    • Travel department, Internal Audit, OSR and RFCS
  – Automatic blocking of food charges to federal awards unless the cost is justified in the scope of work and in the budget
  – Additional training

• Near future
  – Process Design Review
  – Campus steering committee
  – Policy and procedural changes
  – Increased automation