International Banking, Expense Reimbursement and Replenishment Policy

Responsible Office: Office of the Treasurer
Last Revision: December 13, 2006

International Expense Reimbursement and Replenishment Policy

Policy Statement

The policy provides requirements for reimbursement of international business expenses and replenishment of international bank accounts, while establishing internal controls over University assets to minimize the University’s risk of financial loss.

Reasons for the Policy

Columbia University is continually growing as a global University through its ever expanding international projects. International activities result from any individual, department, or school traveling abroad or running a project in a foreign country. Some projects are one time events, while others require on-going support. These international projects may involve research, teaching, and/or service and delivery activities and the participants may include faculty, officers, students, and/or external partners. Funding sources include government grants, contracts and cooperative agreements, private gifts and grants, tuition and fees, and/or central administrative funds. Each individual, department, or school must be aware of the country’s specific legal requirements for conducting business and the US Government’s requirements/treaties before commencing activities within country.

Responsible University Office

The Office of the Treasurer

Who is Governed by this Policy

Each individual, school, and department that participates in international travel and/or international projects should review and understand this policy.

Policy

For business purchases and expenditures in the conduct of University business, payments may be made using credit/purchase cards, wires, checks or cash. Whenever possible, the proper University purchasing mechanism (PO, EZPO) or credit/purchase cards should be used. Where local check writing and/or cash is required, the Principal Investigator (PI) or Finance Director must work with the Associate Treasurer for Cash Management and Operations to open a local bank account into which money will be wired. For those situations where credit/purchase cards or bank accounts are inappropriate, the University allows for cash advances to a designated University officer.

Implementing an International Project

All international project proposals must be sent to the Office of Research Administration, the Office of General Counsel, and the Office of the Treasurer.
Setting up an Office in a Foreign Country

Contact the Office of General Counsel regarding the legal entity structure and local requirements.

Definitions

Reimbursable Expense – An approved University business expense that is not subject to reporting or withholding as income. Refer to Columbia University’s Travel and Expense Policy for detailed guidance.

When to Use Other Policies/Procedures/Documents

- **Travel & Business Expense Reports** to request reimbursement for:
  - All individual expenses, including the emergency purchase of supplies and minor equipment costing over $80
  - Registration fees
  - Business meals outside of the office
  - Out-of-town travel expense
  - **ALL credit card/debit card purchases**

  Travel & Business Expense Reports can only be used by faculty, staff, and students of the University. Refer to Columbia University’s Travel and Expense policy for detailed information.

- **Travel Advance Request Forms** to request an advance of up to $300 to cover out-of-pocket expenses that cannot reasonably be charged to a credit/purchase card. To obtain approval of a request, enter the details into AP/CAR and submit the completed form to Accounts Payable within a reasonable period of time before an official business trip. Refer to Columbia University’s Travel and Expense policy for detailed information.

- **Petty Cash Policy** if the Country office maintains a small “cash on hand” fund to allow for the reimbursement of minor approved business expenses not to exceed $80 (taxi fares, postage, emergency office supplies, human subject payments, etc). This fund should be reconciled on a monthly basis.
International Reimbursement and Replenishment Procedures

Implementing an International Project

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Setting up an International Bank Account

Only the EVP for Finance and the Treasurer can authorize the opening of a bank account. To begin the process of setting up an international bank account, contact the Associate Treasurer for Cash Management and Operations (“Associate Treasurer”).

Choosing an International Bank

While the Office of the Treasurer understands and respects that certain international projects have special requirements with regard to local banking, it is important that whenever possible international bank relationships are opened and maintained with a small number of strong banks that have a global or regional identity. A strong local bank will have a global correspondent bank (such as Citibank, Bank of America, HSBC, JP Morgan Chase, etc.), sound knowledge of local market practices, comprehensive and customized local services, electronic banking capabilities and, ideally, a retail franchise. This will ensure that the University’s assets are visible as well as safeguarded and it is able to leverage its growing international presence to obtain better banking services and more competitive fees. The Associate Treasurer will make the final determination on the selected bank.

Opening an International Bank Account

The Associate Treasurer will require the following information to be sent to Office of the Treasurer and the Office of General Counsel.

- Memo requesting new account:
  - Purpose
  - Department
  - Country and city
  - Legal entity
  - Source of funding – if it is a grant, state period of grant and grantor
  - Name of responsible person in Country
  - Name of responsible person in NY
  - Name and address of local bank – must be a correspondent of a global bank
  - Account designation - Local currency, US Dollars, or both
- 12 month local cash forecast/budget
- Copies of resolutions and operating agreements from the Office of General Counsel
- Copy of in-country registration from the Office of General Counsel
- Signature cards
- Copy of passports for all signatories

All bank signatories must be Columbia University employees and the signature cards must include three finance division officers: the EVP Finance, the Treasurer, and the Associate Treasurer, and a similar number of signatories from the school or department such as the Vice Dean for Finance (or equivalent), PI, or Program/Country Director. There may be more than one signatory in Country, which is recommended if the primary signatory travels frequently.
Funding an International Bank Account

After receiving approval, the field office will be given a reasonable number of months of cash (to be determined together with the Office of the Treasurer) to perform current operations and projects. Country offices must perform a monthly review of budget vs. actual to ensure projections and expenditures are correctly forecast. The field office must also reconcile the international bank account on a monthly basis, weekly if funds are required more frequently. Reconciliation ensures that the sum of the outstanding reimbursements, cash, and advances are equal to the amount recorded in the general ledger.

The periodic funding process will include:

- Rolling 2 – 3 month cash supply based on 12 month forecast (or as needed per program)
- Reconciliation for Bank Account replenishment - The Office of the Treasurer will approve funding for next period based upon the following:
  - Monthly “Package”
    - Check / wire request with replenishment amount and account/subcode
    - 12 month updated forecast
    - Support for significant changes in forecast
    - Bank reconciliation from prior month
    - Reconciliation of prior month to FAS
  - Assuming the package is complete, the Office of the Treasurer commits to approve the funding request within 48 hours of receiving the information.
  - This process does not clear the advance from our general ledger (see ‘Documentation Requirements’ section below)
- After approval, the Office of the Treasurer will wire either US Dollars or local currency directly to the appropriate international bank account

Documentation Requirements to Clear the Advance and Record the Expense in FAS

The department should prepare a Travel & Business Expense Report to account for the monthly expenses in FAS (http://www.finance.columbia.edu/documents/TBExpReportWorkbook_000.xls). The package for a given month should be submitted to Accounts Payable within 45 days of the that month’s end. All June expenses should be submitted prior to the close of the June 31st adjustment period. The Travel & Business Expense Report should be prepared in accordance with all Accounts Payable policies and procedures.

A field expense report (a detailed worksheet prepared by field office) and documentation of each expense should be attached to the Travel & Business Expense report. If an expense is not acceptable and does not conform to policies, the amount of the questionable expense(s) will reduce the amount cleared and booked to the general ledger. The field office is responsible for recovering the funds where appropriate.

A field expense report should contain a worksheet recording all detailed expense transactions. This must include the date of expense, the payee, description of expense/business purpose, and the total expense. If the expenses are listed in the local currency, these must be converted to US Dollars (and should be done so electronically on the field expense report). The conversion rate(s) and the source must be documented. The field expense report should also identify how each expense is charged to each FAS account distribution line.

Relevant Purchasing and Accounts Payable Policies

All supporting documentation must be submitted in accordance with Accounts Payable policies and procedures (http://www.finance.columbia.edu/procurement/ap/). In the event a department has more restrictive policies, those take precedence over the University policies. Any special business needs that require a departure from University policies or procedures must be documented and explained in a request for exception or adjustment, and approved by Accounts Payable.
For purchases where an invoice is present, the invoice must have Columbia University’s name. If the operation has a separate legal incorporation in the location, the name of the legal entity would also be acceptable. The invoices must not be addressed solely to the employee or the program/project.

The University’s Purchase Order policy applies for all purchases of goods and services with the exception of Foreign Individuals (Non US Citizens or Green Card Holders) who provide service overseas and receive payment overseas. If the vendor is a foreign national supplier (domiciled outside the US) or is a US based company (domiciled in the US, but operating through a foreign location), a Purchase Order with applicable documentation (i.e. bids, quotes, selection justification documentation, etc. based on University Purchasing Policies found at [http://tp194.purch.columbia.edu/purchasing/policies.html](http://tp194.purch.columbia.edu/purchasing/policies.html)) is required.

Expenditures related to travel or other local business expenses (transportation, meals, entertainment, and gifts) must comply with the University’s Travel and Business Expense policies and/or Petty Cash policies found in the Policy Library at [http://www.columbia.edu/cu/administration/policylibrary/](http://www.columbia.edu/cu/administration/policylibrary/).

**Funding via Travel Advances**

Travel advances are an interim measure to support business until the international bank account is opened. They are given to Columbia University employees only (must be on University payroll). The employee must submit an expense report and receipts to Accounts Payable within 45 days to clear advance for expenses incurred and/or request additional money. If a second travel advance is needed, a memo with a detailed explanation and DA approval must be included with the expense report. Please note that late expense report submission to Accounts Payable will delay completion of the travel advance process.

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