

Subject:		Issued By:	
DEFINITION OF RECEIPT		FINANCE DEPARTMENT	
		Approved By: Kathleen R. Hurtado President & CEO	
Policy #:	Issue Date:	Revised Date:	Effective Date:
402.7	April 21, 2008	June 4, 2008	June 4, 2008

Reference: Original Definition of Receipt Policy & Procedure dated 7-7-05 and updated as of 4-21-2008, USC Fiscal Policies: 400 Series; updated per USC Expenditure Policies and Procedures dated 5-1-2008 located here: <http://policies.usc.edu/policies/expmanual050108.pdf>.

PURPOSE

Effective May 1, 2008, USC’s Disbursement Control and Project Accounting Department issued new Expenditure Policies and Procedures which update USC’s Disbursement Control Department’s previously issued receipt definition from Sept. 15, 2007. The purpose of this policy is to adopt a similar revised receipt definition at HRA.

POLICY

- DEFINITION OF RECEIPT:** A consistent receipt definition applies to all expenditure types (travel, non-travel, etc.) and all forms of payment (HRA Credit Card, personal forms of payment, advances, Research Participant Compensation Fund replenishment, Purchase Requisitions, Office Supply Petty Cash replenishment, etc.).

As the chart below indicates, the original receipt is the strongly preferred document type to substantiate a purchase. However, when the original receipt is not available, and all means to obtain the original receipt have been exhausted, the following alternative document types will be accepted if they include the information described in Policy bullet point #2 later in this document;

Preferred Receipt Document Type	
Original receipt	
Alternative Receipt Document Types	
Fax of receipt	Order form
Copy of receipt	Letter indicating ‘paid’
E-mail receipt	Invoice
Scanned image of receipt	Packing slip
Conference brochure (w/ costs)	Itinerary
Print screen receipt	

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NOTES ABOUT RECEIPT DEFINITION:

- **WHAT IS NOT A RECEIPT:** Neither a credit card statement nor a cancelled check is considered to be a receipt;
 - **CASH TRANSACTIONS:** If cash was spent, only cash-register-generated receipts imprinted with the word “CASH” will be accepted without approval from HRA’s President & CEO. Receipts with “CASH” handwritten, or without the word “CASH,” will require the written approval of HRA’s President & CEO before being accepted as proof of purchase;
 - **RECEIPT CONTENT/DETAIL:** Regardless of the non-original document type used, all receipts are expected to detail sufficient and reasonable information to support the transaction (see also bullet point #2 below);
 - **COMMINGLED RECEIPTS NOT ACCEPTED FOR ANY FORM OF PAYMENT:** Receipts that commingle personal and business purchases are not accepted for documentation of HRA Credit Card transactions as well as Purchase Requisitions. NOTE: The Finance Department does not accommodate a “reduction of expense,” whereby an expense incurred on the department’s account is reduced by the amount the employee reimburses the department for a personal expense;
 - **COMMINGLED RECEIPTS ARE DISCOURAGED FOR REIMBURSEMENTS:** Receipts that commingle personal and business purchases are discouraged for reimbursements. If a commingled receipt is submitted for reimbursement, all business transactions are expected to be clearly identified and that applicable sales taxes and any other service charges be accurately applied to the business portion;
2. **RECEIPT DETAIL & CONTENT:** To facilitate reimbursements and audits, all receipts are expected to detail sufficient and reasonable information to support the transaction (and not just provide a total). At a minimum, receipts should provide the following content:

Receipt Detail & Content	
Name of merchant	Form of payment used
Amount of charge	Transaction date
Transaction details (what was purchased)	Tax and delivery charges

SPECIAL NOTE ABOUT HOTEL RECEIPTS: It is imperative that hotel receipts separate room and tax from meals and other services;

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SPECIAL NOTE ABOUT FOREIGN CURRENCY RECEIPTS: All foreign currency receipts must be converted and reported in U.S. dollars before submitting payment or reimbursement requests to the Project Accounts Payable Department.

SPECIAL NOTE ABOUT PATIENT REIMBURSEMENT RECEIPTS: Please review the HRA Research Participant Reimbursement Policy relative to special requirements for receipts related to Research Participant Reimbursements by clicking here: <http://www.health-research.org/files/pcr0.pdf>;

3. **RECEIPT REQUIREMENTS:** Receipts must be submitted (for reimbursement) or retained (for HRA Credit Card charges) under the following circumstances:

When Receipts Are Required	
Form of Payment	Receipts Required for:
HRA Credit Card	All amounts.
Personal Funds	All amounts.
Advances	All amounts.
Office Supply Petty Cash	All amounts: see separate HRA Office Supply Petty Cash policy located here: http://www.health-research.org/files/pcs.pdf
Research Participant Compensation Fund Payments (i.e., “Patient Reimbursements”)	All amounts: see separate HRA Research Participant Compensation Fund policy located here: http://www.health-research.org/files/pcr0.pdf

NOTES ABOUT RECEIPT REQUIREMENTS:

- **COMMERCIALLY AVAILABLE:** Receipts for tolls and tips are examples of transactions that may not generally produce a commercially available receipt. Therefore, these can be justified for reimbursement by providing a written business purpose for any such transactions and obtaining approval from HRA’s President & CEO;
- **HRA RECEIPT RETENTION:** Receipts for all HRA transactions must be retained by the Finance Department, in an easily retrievable form, for a minimum of four years and are subject to audit. If a receipt is linked to a sponsored project account, receipts for all HRA transactions must be accompanied by a stated "business purpose" for the purchase (see

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Policy bullet point #4 below). All receipts and back-up documentation must be retained by HRA's Finance Department in an easily retrievable format for a period of no less than three years after the completion of the project, and/or after the completion of an audit of the project which was begun prior to the three-year deadline mentioned earlier in this paragraph;

- **RECEIPT SUBMISSION:** For check reimbursements, advances, Research Participant Compensation Fund replenishment, and Office Supply Petty Cash replenishment, receipts must be submitted to HRA's Project Accounts Payable Department. Receipts and submitted support documentation will be scanned and are retrievable through Laserfishe;

4. **BUSINESS PURPOSE:** Regardless of what was purchased and what form of payment was used, all transactions must be supported by a written business purpose. This requirement applies even when the type of transaction may inherently imply a business purpose (toner, paper, pens, business cards, letterhead, lab supplies etc.). For these types of transactions, it is still necessary to provide a business purpose that states for which general location, department or project within HRA the merchandise is being purchased. For some industry-sponsored project accounts, these types of purchases are only allowed if they are solely used for the specific project associated with the account; provided that they are IRB-approved and already included in the study budget.

Additionally, all expense reports or HRA Credit Card statements must be signed by the person who incurred the expense. By signing an expense report statement, the individual certifies that the amount shown is the amount they actually paid, that they have not and will not submit a duplicate claim, and that they have not and will not seek a claim for these expenses from any other source.

PROCEDURES

1. **MISSING RECEIPTS:** When a receipt is required and cannot be obtained, or has been lost; and all measures to obtain a copy or fax (or other acceptable alternative) of the receipt have been exhausted, a Missing Receipt Declaration (attached as page 6 of this policy) should be completed and signed by the person who incurred the expense. The declaration requires an explanation of why such receipts are not being submitted as well as requires a business purpose for expenses.

The Missing Receipt Declaration form must be signed by HRA's President & CEO and then submitted to HRA's Project Accounting Department for reimbursement;

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When <u>Missing Receipt Declaration</u> Needs to Be Submitted What Approvals Are Required	
Form of Payment	All Missing Receipts
All forms of payment	<ul style="list-style-type: none"> • All amounts; • HRA's President & CEO needs to sign <u>Declaration</u> if missing receipt was \$15 or more; • HRA's President & CEO needs to sign <u>Declaration</u> for each missing hotel expense receipt (all amounts).

NOTES ABOUT MISSING DECLARATION RECEIPT:

- **ONE DECLARATION PER EXPENSE ITEM:** Each expense for which a receipt is missing must be itemized on a separate Declaration. Do not bundle multiple expenses that are missing receipts on a single Declaration;
- **OVERUSE OF DECLARATION:** The Declaration was designed to accommodate the rare occasion when a receipt is lost or misplaced. The Declaration may not be completed on a routine basis. Frequent use of the Declaration may revoke one's privilege to use the Declaration;
- **JUSTIFICATION:** Each expense supported by a Declaration requires a business purpose and an explanation as to why the receipt is not available;
- **APPROVAL BY HRA'S PRESIDENT & CEO:** When indicated in the above chart, approval by HRA's President and CEO is required;
- **RETENTION/SUBMISSION OF DECLARATION:** The Declaration should be treated like a receipt and submitted with a reimbursement request to HRA's Project Accounting Department and retained according to the document retention requirements described previously in this policy and procedure.

RESPONSIBILITY

All HRA Staff Members and Supervisors
HRA's Project Accounts Payable Department
HRA's Finance Department

**HRA Project Accounting
Missing Receipt Declaration**

When a receipt is not available or has been lost and all measures to obtain a copy or fax (or other acceptable receipt alternative) have been exhausted, this Missing Receipt Declaration should be completed by the person who incurred the expense. It must be signed by HRA's President & CEO and submitted to HRA's Project Accounts Payable Department for reimbursement.

I am missing a receipt for: _____
Description of item

I incurred this expense at: _____ **on:** _____ **for:**
Supplier Date

_____ *Price in US Dollars* _____ *Project# (if applicable)*

The receipt was (check applicable):

Lost Never Received Other _____ (Please explain "Other")

The form of payment I used (check applicable):

HRA Credit Card Personal Credit Card
 Check Cash Other _____ (Please explain "Other")

Please describe this transaction's business purpose:

I understand that a Missing Receipt Declaration may not be completed on a routine basis and that overuse may revoke the privilege of providing a declaration in lieu of a receipt. By signing below, I certify that the amount shown is the amount actually paid, that I have not and will not submit a duplicate claim, and that I have not and will not seek a claim for these expenses from any other source. I understand that violation of this policy may result in disciplinary action, including termination.

First Name

Last Name

Signature

Date

Approval – Signature of HRA President & CEO

Date