

DEPARTMENTAL REGULATION		Number: 2300-002
SUBJECT: Advance of Funds for Official Travel	DATE: April 19, 1990	
	OPI: Office of Finance and Management	

1 PURPOSE

The purpose of this regulation is to establish guidelines for the control of travel advances to reduce cash advanced and to decrease outstanding travel advances, without imposing a personal financial burden on traveling employees.

2 BACKGROUND AND REFERENCES

- a Title 41 Code of Federal Regulations (CFR) Chapter 301, Section 301-10.3 (revised 02/89), which allows agencies to issue travel advances for certain authorized expenses.
- b Title 41 CFR Chapter 101 (FPMR Temp. Reg. A-34), which requires reducing travel advances to the estimated out-of-pocket expenses that a traveler expects to incur for authorized travel purposes before reimbursement, without creating personal financial burdens on travelers.
- c Title II Office of Finance and Management's National Finance Center (OFM/NFC) Procedures Manual, Chapter 2, Section 1, which provides instructions to USDA travelers for obtaining a travel advance and specifies the OFM/NFC's, agency's, and traveler's responsibilities.
- d 63 Comptroller General 462 (1984), which states an advance is, in effect, a debt of the employee that is reduced to the extent of the allowable expenses incurred.
- e Kaskowitz, Herman L., B-178595, June 27, 1973, which held the advance of funds places the individual in debt to the United States for the amount of the advance; the Government may offset the final salary, retirement deductions, and other funds due to employees by the Government against debts due to the Government.
- f Chapter 1, Part 10, Paragraphs 1-10.1 and 1-10.3 of the Agriculture Travel Regulations, which provide for the use of Government contractor-issued charge cards and permit advances of funds for official Government travel.

g Departmental Regulation 2300-1, Agriculture Traveler's Charge Card Program, which requires employees traveling two or more times per year to receive a Government contractor-issued charge card.

3 POLICY

In compliance with the increased availability and use of Government contractor-issued charge cards, the head of each agency or his or her delegated representative may provide, through proper disbursing officers, an advance of travel funds in an amount considered necessary within the criteria stated in 3b and 3c to persons on official Government travel.

With the exception of the two categories of employees listed below, an individual may not approve his or her own travel advance. Employees exempted from this policy include: (1) holders of unlimited open (Type A) travel authorizations, and (2) those employees affected by unique circumstances. An example of unique circumstances includes employees stationed at remote continental United States (CONUS) locations or at foreign duty stations where no approving officials are present. Agencies must maintain written documentation detailing the unique circumstances and the specific employees authorized to sign their own advance authorizations.

a Receipt of Travel Advances. Where available, employees will be issued advances in the form of travelers checks. The employee should convert cash to travelers checks for his or her financial protection. The cost of conversion is a reimbursable expense on the AD-616, Travel Voucher.

b Cash Transaction Expenses. This regulation assumes that travelers will normally be able to use a Government contractor-issued charge card to charge major expenses such as common carrier transportation fares, lodging costs, and rental of automobiles and airplanes. Expenses that an employee cannot normally charge on a Government contractor-issued charge card and pays by cash include:

- (1) Meals and incidental expenses (M&IE) covered by the per diem rate or actual subsistence allowance;
- (2) Miscellaneous transportation expenses such as local transit system fares; taxi fares; parking; bridge and tunnel fees; airplane parking, landing and tiedown fees; and gasoline and expenses covered by the mileage allowance for use of a privately owned vehicle for official business; and
- (3) Other authorized miscellaneous expenses which an employee cannot charge using a Government contractor-issued charge card and for which he or she can reasonably estimate before travel.

c Limitations on Travel Advances. Except as provided in 3d, agencies shall limit the advance of travel funds to those estimated expenses that a traveler will incur during authorized travel (including travel incident to permanent change of station) which the traveler normally pays by cash.

- (1) Maximum amounts allowable for M&IE. For travel within the CONUS, the amount advanced shall not exceed the prescribed M&IE

rate or other amount authorized under FTR Section 301-7 or 301-8, as appropriate.

For travel outside the CONUS, the amount advanced shall not exceed 50 percent of the rate or actual expense, rate authorized under FTR Section 301-7 or 301-8, respectively.

(2) Types of travel authorizations. This limitation applies to advances issued for travel covered by an individual trip authorization (Type C) as well as travel covered by open or limited open travel authorization (Types A, B, or N). For travel covered by open travel authorizations, agencies should limit advances to the estimated out-of-pocket expenses for no more than a 45-day period from the date of the advance authorization and for 45-day increments thereafter. For such travel, employees should file travel vouchers at least every 30 days.

d Exceptions to Travel Advance Limitations.

(1) Travel advances. Agencies may, under the circumstances listed below, increase the travel advance provided to the traveler:

(a) Travel circumstances preclude the use of a Government contractor-issued charge card to purchase items normally chargeable.

(b) The agency does not permit issuance of a Government contractor-issued charge card to an employee or a group of employees in certain situations, e.g., intermittent employees, temporary employees, or undercover employees. The agency must document the basis for this determination in the agency's internal travel regulations. These reasons might include infrequent travelers or travel circumstances where use of a charge card is nearly always impractical.

(2) Change of official station expenses. This regulation assumes that individuals will use the Government contractor-issued charge card for househunting trips and for change of official station expenses:

(a) If the agency does not permit an employee to request a Government contractor-issued charge card or the Government contractor does not issue a Government contractor-issued charge card or the traveler is unable to use it, the limitation does not apply to the following change of official station expenses: temporary quarters subsistence, transportation and temporary storage of household goods when the individual was authorized relocation under the commuted rate method, or transportation and temporary storage of the employee's automobile, or transportation of mobile homes.

(b) The agency determines that the use of Government contractor-issued charge cards is not feasible for en route travel and househunting trip expenses during transfers between official stations. Agency authorizing officials shall ensure an employee does not use travel advances during official change of station for relocation real estate expenses; for example, closing costs in purchasing a residence.

(3) Exception Precluded. No exceptions are allowed in the following situations:

(a) The employee has elected not to use alternative funding resources made available by the Government; for example, Government contractor-issued charge cards.

(b) The agency or the Government contractor issuing the charge cards has suspended or revoked the traveler's card because of delinquent payments or misuse.

(4) Amount allowed. The following amounts are permitted if the travel authorization allows the additional cash expenses:

Travel advances under exceptions 3d(1) and (2) shall not exceed 80 percent of the estimated additional cash expenses that the traveler expects to incur unless the agency determines that the 80-percent limitation will result in a financial hardship on the employee.

For this regulation, an agency will determine the criteria for a financial hardship. The individual must submit a written request and adequate explanation of the financial hardship to the approving official for determination before receipt of the travel advance.

An approving official must authorize a financial hardship exception on a case-by-case, trip-by-trip basis, except for individuals on open travel authorizations.

If a financial hardship exists, the agency may advance up to 100 percent of the estimated expenses for an individual trip or for an open travel authorization not to exceed a 45-day period and for 45-day increments thereafter.

Travelers on an open or a limited open travel authorization (Type A, B, or N) should file travel vouchers at least every 30 days.

(5) Maximum advances allowed. An agency may approve the following maximum amounts, including any advance currently outstanding:

(a) \$500 for a normal day-to-day cash travel advance from an imprest fund. For emergency imprest fund transactions over \$500, see DR 2250-1 (January 10, 1988).

(b) \$5,000 for temporary duty or relocation travel advances requested from the OFM/NFC or in the form of Government contractor traveler's checks from participating agency imprest fund locations.

(c) The heads of agencies may authorize an amount, not to exceed \$7,500, if the traveler uses the commuted rate method for the movement of household goods and the estimated costs require substantially all of the travel advance; the employee's allowable costs for a 30-day period of temporary quarters exceeds the \$5,000 maximum amount; or the employee is detailed for longer than 30 days to an area where receipt of additional advances and filing of travel vouchers would be difficult.

(d) If a traveler requires an advance in excess of the amount stated in 3d(5)(c), the agency must submit the employee's request for the advance, including a justification statement, to the Director, Office of Finance and Management for approval.

e Responsibilities and Internal Controls. To minimize outstanding travel advances, the agency should comply with the following responsibilities and agency internal controls:

(1) The OFM/NFC. The OFM/NFC will issue an advance upon receipt of an approved AD-615, Application for Advance of Funds, or an approved AD-202, Travel Authorization (for agencies under the Redesigned Travel System). The OFM/NFC will monitor and report the traveler's outstanding advance balance to agency officials. The OFM/NFC will send repayment and final notices to employees who maintain an excessive advance balance. When necessary, the OFM/NFC will collect an excessive advance balance by direct deduction from the employee's salary paycheck.

(2) Agencies. Each agency must have internal financial controls to notify travelers with outstanding travel advances of any delinquencies in filing vouchers and to ensure the prompt repayment of outstanding advance balances by the traveler to the agency.

The agency head or his or her designee who approves the advance must determine the propriety of the advance; that the amount requested is necessary to accomplish the travel objective; and that unused advance funds are promptly repaid.

Agency internal controls must include procedures for reviewing monthly reports identifying employees with outstanding travel advances; taking administrative action to have employees liquidate outstanding travel advance balances when no longer needed for official travel; authorizing, when appropriate, the traveler's retention of an excessive travel advance balance by signing approval on the demand letter; delivering repayment notices to employees and notifying employees when the OFM/NFC has scheduled salary offset to collect an excessive advance from the employee; submitting written requests to the OFM/NFC Fiscal Officer to justify an employee's further retention of an excessive advance balance after the employee has received the FINAL repayment notice; and promptly notifying the OFM/NFC Travel Unit when an employee scheduled for separation has an outstanding travel advance balance.

The agency head or his or her designee who approves the advance shall ensure that the traveler deducts the amount previously advanced from the total expenses allowed or that the advance is otherwise recovered.

If an individual is in continuous travel status or the traveler submits periodic reimbursement vouchers on individual trip authorizations, the traveler may be reimbursed the full amount of travel expenses allowed to that traveler without any deduction of the advance until the individual submits the final voucher.

(3) Agency travelers. The traveler must account for the advance by submitting an AD-616, Travel Voucher, promptly upon completion of the travel. Any balance not reported on the travel voucher must be promptly repaid to the OFM/NFC or, with permission of the approving official, retained for planned travel needs.

If the trip is canceled or indefinitely postponed, the individual shall immediately notify the appropriate agency officials and refund any monies advanced in connection with the authorized travel.

(4) Other means of recovery. Outstanding advances, not recovered by deductions from reimbursement vouchers or by voluntary refunds from the individual, shall be recovered promptly from the person receiving the advance by a setoff of salary due the employee.

Outstanding advances also may be repaid from the individual's estate, by deduction from any amount due from the United States, or by any other legal method of recovery that may be necessary.

4 INQUIRIES

Direct inquiries to the OFM on 382-1204.