

SAM – OFFICE REVOLVING FUNDS

COMPLIANCE

8116.3

(Revised 12/2011)

The intent of the travel expense policies and procedures is to avoid reporting travel advances as taxable wages or compensation by deducting it from an employee's payroll warrant if the submission requirement of the travel expense claim is not met. In state government, unlike in private industry, a travel advance is never provided as additional wages or compensation, which is a gift of state funds. The Constitution of California prohibits the gift of state funds.

If a department fails to satisfy these requirements, IRS penalties could occur. Any IRS assessed penalties and interest for non-compliance will be paid from the department's support appropriation(s).