

## **Business Travel Funding and Reporting of Expenses**

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*American University of Armenia*

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Business travel expenses are limited according to the Income Tax Law of RA:

- in the regions of Armenia the not taxable maximum amount of per diem is 8000 AMD per day and the minimum amount of per diem is AMD 2000.
- in countries abroad the amount of per diem should be paid according the established by Government scale for each country.

Reimbursements exceeding the established by RA government amounts are subject to income tax.

The business travels without passing the night are not applicable to per diem payments.

The traveling employee may also receive funds for transportation and accommodation. The requested amount for travel should include the expenses for transportation, accommodation and per diem for each person.

The business trips should be approved by the President or Vice president and based on it the HR should issue an order including all the details (business trip time period and payment amounts) for each employee. The person appointed for the travel within RA should obtain a Business Trip Form (see Appendix 1.3) from the department one day before the travel takes place, have it signed by the appropriate department head (who has authorized the travel) and sealed by the AUA Financial Services department officer. The form should also be signed and sealed at the destination place of the travel upon arrival and upon departure. After returning back, the form should again be signed and sealed by the AUA department head. Departure, arrival and return times and dates should be mentioned in the form. If the travel form is not submitted to the AUA Financial Services department, the disbursed money will be considered as an income to the employee and income tax and social security tax will be withheld correspondingly from that amount and paid to the state budget.

The person appointed for the travel outside RA don't need to obtain a Business Trip form, but he/she has to submit the copy of the airplane ticket (or passing board).

The employee has to submit a detailed report on the expenses to the AUA Financial Services department in three days after returning back from travel, return the excess money, or request for reimbursement for additional expenses. The appropriate receipts in the format acceptable for tax inspection should be attached to that report. If the receipts are not provided then the amount will be considered as an income for the employee and Tax withholding will be done according to the scale for salaries and honoraria.