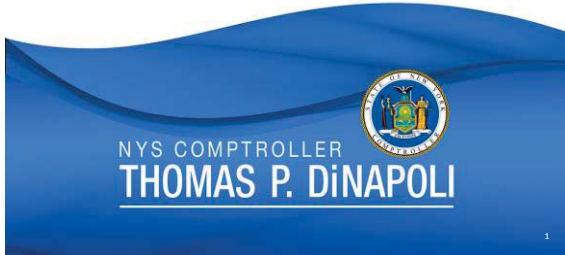


Managing Travel and Conference Expenses

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What are they?

Expenditures related to municipal travel/conferences/job related

- Association conferences
- Attendance at professional training
- Meals while traveling
- Lodging
- Mileage/taxis/parking/planes/trains
- Others?



Policies

Should travel costs comply with procurement policy?

- YES
 - Your procurement policy should not be allowed to be circumvented by municipal employee travel practices.
 - You should adopt a corresponding travel policy and/or procedures to specifically address proper and acceptable behavior.



Responsibility

Who is responsible for adopting the travel policy?

- The Board is generally responsible for the high level oversight of local government or school district resources. (Fiscally Responsible)
 - Including the adoption of policies that guide operations and protect assets



Responsibility

Who is responsible for adopting procedures?

- Management (as directed by the Board) is responsible for creating the day-to-day written procedures that assist them in implementing and monitoring the board's policies.
 - Establishes an effective system of internal controls



Responsibility

Who is accountable to comply with adopted policies/ procedures?

- Management
 - Responsible for implementation & enforcement
- Individuals
 - Responsible for clearly understanding adopted policies, understanding the procedures expected of them to follow, and to comply



Communication

Who must be involved in the communication of policies/procedures?

- The Board
 - Must clearly communicate their expectations to management
- Management
 - Must clearly communicate their expectations and the board's expectations to employees
- Everyone
 - Must allow 2-way communication



Elements of an Effective Policy

Consideration for your policy/ procedures:

There are certain elements that should be included in a travel and conference policy/ procedures. There are some fundamentals management should consider when developing or updating their policies and procedures. Also keep in mind other elements, pertinent to your operations, that we may not cover.



Pre-Approval

Process and Authority

- The policy/ procedures should include the detailed process employees must follow to obtain approval to travel **prior** to conducting travel.
- Additionally, the policy/ procedures should identify the hierarchy of approval and who is authorized to provide final approval to travel.



Approval Authority

Sample Hierarchy



Authorized Expenses

Actual and Necessary

- A listing of travel expenses typically reimbursable should be clearly identified by the policy/ procedures, but should only be authorized if **actual** and **necessary**.
 - Should also identify specific non-reimbursable expenses.

Samples

Authorized:

1. Parking
2. Tolls
3. Lodging
4. Authorized Meals
5. Mileage to function
6. Train
7. Others?

Unauthorized:

1. Alcohol
2. Mileage from Home to normal work location
3. In-room movies
4. Personal Calls
5. Tipping
6. Others?

Overnight Travel

Policy/ Procedures should include clear guidelines

- If overnight travel is authorized:
 - Explanation of why it is required
 - What type of reimbursements are authorized
 - Minimum distance required to travel in order to approve overnight.
 - How is distance verified?
 - Are employees required to share rooms or carpool?



Reimbursement Rates

Policy/ Procedures should set clear reimbursement rates for:

- Lodging
- Meals
- Mileage
- Airfare
 - Policy should also set clear guidelines on when exceeding these rates might be appropriate, and the methods to obtain approval to exceed.



Documentation

Documentation should be required

- Original receipts
 - Detailed receipt, not summary receipt
 - Not Hand written
- E-Z Pass Statements
- \$0.00 Balance hotel receipt
- Conference attendance record/certificate
- Others?



Federal Per Diem vs. Other Rate

Rates Set by the United States General Services Administration (GSA)

- GSA publishes annual rates for lodging and meals that federal officers and employees may not exceed.
 - For lodging, employees can ask for the “government rate” when making reservations.

www.gsa.gov/perdiem



Federal Per Diem vs. Other Rate

GML § 77-c

- The governing board is authorized to provide for a meal allowance instead of paying for actual and necessary meal expenses.
 - Actual and necessary: provide receipts for all allowable meals. Board must set maximum allowance.
 - Per Diem: No receipts required. Established rate is paid to employee regardless of amount spent.



Exceptions to Maximum Rates

Occasionally, exceptions may be allowed

1. If the hotel charges a conference rate higher than the maximum allowed.
2. Lodging is unavailable at the maximum rate, or lodging is not found reasonably close to location.
3. Meals are included as part of the lodging.
4. Special needs of travelers.
5. Others.



Mileage

Reimbursable or not?

1. What rate will you use?
2. Where does travel start from?
3. Will you reimburse travel to the office?
4. What documentation is needed?
 - a) On-Line map
 - b) Toll Receipts
5. What consequences exist for violations?



Travel Reimbursement Form

A travel reimbursement form should request :

- Purpose and dates of travel
 - Evidence of pre-authorization
- Mileage (personal vehicle)
 - Identify all departures/arrivals for all legs of trip
- Lodging Charges
 - Dates, amounts and method of payment
- Meals claimed
 - Dates and types.
 - # of people
- Other transportation costs
 - Rental cars/taxis/tolls/parking
- Other actual and necessary
 - Registration fees, phone calls
- Net amount
 - Calculate net amount if applicable
- Certification
 - Statement signed by traveler on the accuracy



Sample Claim Form

http://www.osc.state.ny.us/agencies/forms/ac132s_fe.pdf



Tax Exempt Form

https://www.tax.ny.gov/pdf/current_forms/st/st129_fill_in.pdf



Credit Cards

Must be in accordance with internal credit card policy

- Are credit cards checked out?
 - Need approved authorization to check out card
- Only original receipts should be accepted
 - Detailed receipt, not summary receipt
- Only travel expenses should be charged
 - No personal expenses
- Credit card turned back in upon return



Cash Advances

If your municipality does not use credit cards

- The governing board may authorize, by resolution, a cash advance in anticipation of travel.
 - Original receipts should be obtained for all expenses.
 - Any surplus must be returned or deducted from the employee's salary (check with attorney).



Claim/Voucher Requirements

Upon return from travel, a claim must be submitted for audit

- Copy of the approval form for travel and all authorizations if applicable.
- Original signed travel reimbursement form
- Original receipts for all amounts claimed (except when meal allowances are approved)
- All other supporting documentation, cross-referencing charges

Audit

Who audits travel reimbursements?

- The Board
 - Unless a designee authorized by law (school internal claims auditor, town comptroller, etc.) is appointed.
- Travel reimbursements should follow the same legal audit requirements of all other claims against the local government.

Audit of Claim

- Was the travel approved?
- Is the travel reimbursement form attached?
- Is the math correct?
- Is sales tax included?
- Is there information on the conference/training (dates, times, location)?
- Is there evidence of attendance at the conference/training?
- Do the conference/ training dates correspond to the dates of travel?
- Are original receipts attached for all expenses being claimed?
- Is the claim sufficiently itemized?
- Do expenses incurred exceed the maximum lodging/meal rates?
- Are expenses necessary?
- Are there unauthorized expenses?
- Are any expenses personal in nature?
- Was there a personal trip added to the end?

Audit of Claim

- Are expenses related to a spouse?
- Is there evidence that the credit card was used only by the traveler?
- How many meals are being claimed, and how does that compare to the number of people traveling?
- Is there alcohol reported on the receipts and not deducted from the claim?
- Are credit card purchases made within the same area as the travel?
- Have reimbursement amounts already been charged to the municipality?
- Is mileage reasonable based on departure/arrival dates and times?
 - Is there an internet mapping tool print-out attached?
- Does everything make sense?
- Are charges reasonable, or reasonably explained?
- Does it comply with your policy?

Violation of Policy

What do you do when an employee violates the policy?

- Denial of reimbursement to employees who do not submit documentation?
- Denial of reimbursement for expenses incurred that are not actual and necessary?
- Reimbursement of unreturned cash from a cash advance, not supported by proper documentation?
- Other?

Questions?