

Proposed Travel Ordinance Changes

Finance and Personnel Committee Meeting
Wednesday, March 25th, 2014

Agenda

1. Background Information
2. Key Audit Recommendations
3. Best Practices
4. DOA Proposed Changes
5. Key Areas
 - a. Transportation
 - b. Lodging
 - c. Car Rental
 - d. Meals/Entertainment
 - e. Expense Reporting
6. Other Items
 - a. Travel Advances
 - b. Citywide travel procedure

Background Information

- ▶ Comptroller's Audit on Travel Expenditures & Reimbursements
 - Considered by Finance & Personnel Committee and full Common Council March 2014
 - Covered all travel expenditures from July 1, 2012 – July 31, 2013
 - Identified opportunities to improve internal processes and controls
 - Ordinance governing travel expense reimbursement incomplete and interpreted differently by various departments

Key Audit Recommendations

- ▶ Audit concluded ordinance governing travel expenses reimbursements should be revised to:
 1. Communicate clearly expenses that are allowable and unallowable.
 2. Include the cost of transportation, lodging, car rental, meals/entertainment, documentation and expense reporting.

- ▶ Audit recommended that DOA work with City departments and offices of elected officials to:
 1. Revise travel expense reimbursement ordinance.
 2. Develop travel guidelines for Citywide Travel Policy.
 3. Develop, revise, and maintain universal forms to authorize travel, request travel advances, and travel reimbursements.
 4. Communicate citywide travel expense reimbursement policy (i.e., City website, seminars).
 5. Restrict traveler from approving voucher control group register for own expense report as part of the effort.

Best Practices – Internal Controls/Parameters

- ▶ Parameters that ensure tight internal processes and controls:
 - Use of preferred air, hotel and car rental vendors
 - Use of a corporate card
 - Use of appropriate class of air service
 - Submission of appropriate receipts to substantiate expenses
 - Submission of expense reports within encouraged time frame
 - Staying within meal/hotel spending guidelines

- ▶ DOA's recommendations in large part reflect best practices and departmental input.

Participating Departments and Designee(s)

Department	Designee(s)
(DOA) Intergovernmental Relations	Tobie Black
(DOA) Information Technology Management Division	Rich Watt
(DOA) Community Development Grants Administration	Abigail Behl
(DOA) Budget and Management Division	Dore Rozwadowski and Molly King
(DOA) Business Operations Division/Purchasing	Cindy Matz
Assessor's Office	Amy Stenglein
City Attorney	Laura Bergner
City Clerk/Common Council	Rebecca Grill and Terry MacDonald
City Comptroller	Chris Wanty
City Treasurer	Jim Klajbor
Election Commission	Denise Walton
Mayor's Office	Patty Doll

Participating Departments and Designee(s)

Department	Designee(s)
Milwaukee Fire Department	Assistant Chief Gerard Washington and Emma Stamps
Health Department	Yvette Rowe and Peggy Luckow
Milwaukee Public Library	Taj Schoenig and Bill Lenski
Department of Neighborhood Services	Todd Weiler and Lynne Steffen
Milwaukee Police Department	Dan Rotar
Department of Public Works	Dan Thomas, Arvis Williams, and JoAnne Lessing
Department of City Development	David Schroeder
Port of Milwaukee	Paul Vornholt
Fire and Police Commission	Renee Keinert
Municipal Court	Debbie Taylor
Department of Employee Relations	Sarah Trotter and Therese Biernat

Allowable Expenses

- ▶ Directly related to the employee's ability to conduct business on behalf of the City, provided the expense has not been prepaid by the City or other entity
 - Registration fees
 - Meals not provided by the conference or training event
 - Lodging
 - Transportation
 - Mandatory additional fees
 - Other approved expenses

Unallowable Expenses

- ▶ Unrelated to conducting business on behalf of the City and those that have been prepaid by the City or any other entity
 - Alcohol and entertainment
 - This excludes City sponsored events related to legislative advocacy.
 - Unauthorized expenses
 - Charges related to guests accompanying an employee
 - Expenses for personal vacation time added to the trip
 - Tickets / fines (parking, traffic, or other law violations)
 - Damages caused by the employee
 - Charges for “extra” or “luxury” items, services, and upgrades

Transportation

Current

- ▶ For actual expense up to but not exceeding a roundtrip airline coach fare
- ▶ A receipt or other verification form is required for public transportation
- ▶ If a personal automobile is used, reimbursement shall be in accordance with s. 350-183.
- ▶ If one person is traveling by car, the reimbursement for mileage shall not exceed coach air fare for the same trip

Proposed Change(s)

- ▶ Reimbursable up to the cost of roundtrip coach fare (air, rail, etc.) unless otherwise approved
- ▶ Parking and transportation (taxi, shuttles, etc.) in the destination area are reimbursable.
- ▶ Reimbursement for travel to Chicago up to the cost of a roundtrip coach rail ticket
 - Exception can be made if the employee must drive to carry materials, etc.
- ▶ The cost for up to one checked bag is reimbursable.
 - Exceptions can be made if the employee must carry additional materials for a business purpose or has a physical need for additional baggage

Lodging

Current

- ▶ For actual expense incurred not to exceed the single rate for a standard hotel room.
- ▶ For the number of days of actual attendance, or for other City business travel, not to exceed 5 days
- ▶ Receipt must be provided.
- ▶ Exceptions to this policy may be made on a case by case basis.

Proposed Change(s)

- ▶ Allowable if timely same day travel is not economical or practical
- ▶ Standard room unless otherwise approved
- ▶ Number of days of actual attendance at the event plus one night before or after the event, not to exceed 5
 - Exceptions may be made at the discretion of the Dept. Head on a case by case basis
- ▶ Charges for luxury or deluxe rooms and amenities are not reimbursable.

Car Rental

Current

- ▶ If a management pay plan employee chooses to drive to the event, he or she shall use a pool car, a rental car or be reimbursed through travel allowance for travel.

Proposed Change(s)

- ▶ Must be approved prior to travel
 - Must provide proof that this is the most economical or practical option
- ▶ Reimbursable expenses:
 - Rental fees for a standard car
 - Taxes
 - Standard surcharges
 - Fuel
- ▶ Charges for upgrades or added services are not reimbursable unless pre-approved.
 - Must demonstrate need
- ▶ Charges for luxury or deluxe services and items are not reimbursable .
- ▶ Mileage and fees related to personal use are not reimbursable.

Meals & Entertainment

Current

- ▶ Actual miscellaneous expenses up to \$50 per day for the number of days of actual attendance plus one.

Proposed Change(s)

- ▶ Reimbursement for meals allowable up to the federal per diem rate (provided by GSA website) for the destination
- ▶ Individual departments may reimburse for actual meal expenses plus tips
 - Meal receipts may be required at their discretion
- ▶ Travel advances to cover meal expenses are allowable with the appropriate documentation.

Documentation

Current

- ▶ Receipts currently required only for alternative transportation, lodging, and registration fee
- ▶ Conference agenda required

Proposed Change(s)

- ▶ Itemized receipts required for all expenses except meals
 - Required receipts must show full payment/\$0 balance.
- ▶ Acceptable alternatives for lost or unavailable receipts
 - Ex. payment confirmation page, proof of course/training completion, signed sworn affidavit approved by the Comptroller's Office, etc.
- ▶ Enforce conference agenda requirement.

Expense Reporting

Current

- ▶ Statement of Expenses Incurred form has no deadline
 - The 15 day deadline in the ordinance appears to apply only to reconciling travel advances and not to general travel.

Proposed Change(s)

- ▶ Statement of Expenses must be submitted with required documentation no later than 15 days after return.
 - Exceptions may be made on a case by case basis and in cases of hardship.
- ▶ All expenses, unless otherwise noted, should be accompanied by an itemized receipt or acceptable alternative.

Travel Advances

Current

- ▶ 15 day deadline from the return date to file documentation
- ▶ Employees must :
 - Submit itemized statement of actual and necessary expenses.
 - Submit a copy of the program or agenda
- ▶ Current deadline not strictly enforced

Proposed Change(s)

- ▶ Early advances for airfare will be allowed.
- ▶ One advance allowed per trip
 - Advances for trip related expenses in addition to airfare should be requested simultaneously
- ▶ Enforce repayment deadline and documentation policy.
 - Consequences for non-compliance
 - Full amount of advance retained from payroll check
 - Ineligible to receive future advances
 - Exceptions may be made as needed in cases of hardship.
- ▶ Receipts required unless otherwise noted

Citywide Travel Procedure

- ▶ All City departments must implement and follow a universal travel procedure.
 - Individual departments may make changes to meet their needs however, Recommendation 3 of the Comptroller's Audit requires the development of universal forms to be used citywide. Any changes must comply with the ordinance. Modified forms should be approved by the Comptroller's Office.
- ▶ The procedure should include the following:
 - Travel Request Form
 - Statement of Expenses Incurred for the City of Milwaukee
 - Conference/Training Evaluation Form (*Encouraged*)
- ▶ All forms are to be submitted with the Statement of Expenses form. Departments should retain copies for their records.

Citywide Travel Procedure

- ▶ Travel Request Form (Pre-travel approval)
 - To be completed and submitted within an amount of time specified by individual departments
 - Requires expense estimations. Supervisors may use this information in deciding whether or not to approve the travel and/or to compare to actual costs incurred.
- ▶ Statement of Expenses Incurred for the City of Milwaukee
 - Must be completed, signed, and submitted no later than 15 days after return
- ▶ Conference/Training Evaluation Form
 - Brief summary of the event and derived benefits to be completed and submitted at the discretion of City offices and departments

Single-day Travel

- ▶ Mileage will be reimbursed up to the IRS mileage rate for single-day trips 50 miles one-way (100 miles roundtrip) or further unless otherwise noted.
- ▶ Registration and other fees directly related to official business will be reimbursed with receipts.
- ▶ Reimbursement will not be provided for meals and mileage during trips of less than 50 miles one-way (100 miles roundtrip) from the City.
 - ▶ This includes multiple single-day trips for the same conference or training event. (Example: a three-day event being held in Brookfield)
- ▶ Exceptions may be made on a case by case basis.

Signatures and Approval

- ▶ Travelers cannot provide approval signatures on their own forms. Departments must designate an appropriate staff member.

Cancellation Fees

- ▶ Cancellation and reservation change fees are the responsibility of the employee unless they are due to some business necessity or in cases of emergency.
 - Emergencies include hardship events such as the employee's illness or the death or illness of a family member. Documentation may be requested.
- ▶ Employees are responsible for contacting the appropriate entity to cancel or change reservations. Employees must also contact the appropriate City personnel to give notice of the cancellation or change and any resulting charges.