

# Travel Initiatives



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# Agenda

- Goals for Initiatives
- Travel Advances Exception Basis
- Maximization of P-card usage
- Prepayments to vendors only
- Delegated Authority
- Questions and Answers



# Goals for Travel Process Initiatives

- Decrease processing time, paper, and associated costs
  - Reduce 4,000+ travel reimbursements to be pre-audited
  - Reduce at least 1,500 requests for prepayments and advances
  - Risk based approach while maintaining acceptable threshold of accuracy
- Increase transparency and department knowledge and accountability
  - Emphasize importance of departmental review
  - Training and communication efforts increased
    - Clearer understanding of travel process and requirements
  - Better customer service
    - Detailed review within department administrative units that are closer to the source of information
- All changes **Effective July 1, 2016** – follow current processes until July



# Travel Advance Exception Basis

Travelers should expect some out of pocket expenses when traveling that will be reimbursed after submitting a travel reimbursement

- Travel Advance can be requested when this presents a difficulty
  - Travel more than 1 week
  - International travel
  - Student/Group travel
  - Financial need
- **July 1** will be moved to a separate request form (not part of Travel form package)



# Maximization of P-card Usage

- Travel costs that need to be paid before and during travel (e.g., registration, airfare, and hotel) should be made using a University Purchasing Card (p-card)
- Department required to have at least one p-card – July 1
- Most cost effective tool for travel prepayments
- Department controls the purchase
- Eliminates the need for paper checks and voucher codes
- Vendor setup is not required



# Maximization of P-card Usage

- Less out of pocket expense for the traveler
- Streamline processes
- Eliminate the need for prepayment
- Departments can have multiple card holders that can be managed with few reconcilers and approvers
  - Example: Advancement/Development/Alumni Affairs
    - Multiple card holders 20-30
    - Have administrative staff as reconcilers (just as departments that have admins to process travel paperwork)
    - They upload receipt to Works and complete TR for traveler
- Not more work different work



# Prepayments to Vendors Only

- Effective July 1
- If a vendor does not take VISA (purchasing card) payments
  - Utilize DPR form (with support) to prepay travel expense to vendor
- Will no longer process prepayment requests that effectively reimburse the traveler for expenses prepaid by traveler's personal funds
  - Traveler can seek reimbursement for expenses paid with personal funds with the travel reimbursement form when the trip is completed



# Delegated Authority

- **Campus Wide Delegated Authority – July 1**
  - Under \$500 reimbursable to Traveler (approx. 70% of TRs)
  - Not International Travel
  - No Travel Advance issued
  - Submitted within the 60 day taxable requirement
  - New forms to be rolled out to identify these payments
- **GOAL: IMPROVE THE TRAVEL PAYMENT PROCESS AT UNC CHARLOTTE**
  - Reduce processing time (**3 business days or less**) within defined risk levels
  - Put responsibility of departmental funds in the hands of those who manage them
  - Allow the central travel office to better provide targeted, ongoing customer service, issue up-to-date guidance, and monitor compliance with travel policies





# Delegated Authority

- **Risk-based approach**
  - Travel program at UNC Charlotte (approximately \$12 million annually)
  - Based on pilot - relatively low error rates and amounts
    - Errors are small and less expensive for the University on a cost/benefit basis when considering the time spent pre-auditing.
  - More efficient and within risk tolerance levels to move to a post-audit sample review University-wide
  - Certain activities lend themselves to higher institutional reputation risk, such as international travel. These higher-risk reimbursements should continue to be reviewed by the Travel Office prior to payment being made.
  - No requirement in policy or legislation requires a 100% pre-payment audit of travel expenses
    - Confirmed with UNC-GA.
  - Planned process until an automated travel system is implemented



# Delegated Authority

- **Due diligence performed to date**
  - Three pilot phases of program successfully conducted since May 2014:
    - 18 departments participating in pilot program
    - Over 700 delegated approval TR processed since 9/30/15
      - Sample have been “post-audited” by Travel
      - Minimal exceptions noted – Average of **\$3.51 over-reimbursed** per reimbursement audited (**97.5% confidence level** on those unaudited)
      - Average 1 day processing time in Travel Office
  - **Practices of other UNC institutions**
    - UNC-Chapel Hill currently has a delegated authority program in place,
    - Larger schools (UNC-CH, NC State, ECU) have automated their travel reimbursement processes, which mitigates error risks and allows quicker, more accurate reviews prior to reimbursement.
    - The Controller’s Office believes that an automated solution is what UNC Charlotte should eventually adopt.



# Delegated Authority

- **Program has been vetted through key constituencies:**
  - Internal Audit
  - NC Office of the State Auditor
  - Grants & Contracts Administration
  - Campus Business Officers Advisory Panel
  - Key management positions (AVC for Finance; VC for Business Affairs; Cabinet)
- **Post-audit procedures will:**
  - Be well documented and consistently administered.
  - Be based on a post-audit sample size sufficient to obtain a 95% confidence level (federal government agencies also use this standard).
  - Identify errors and their associated dollar values, data that will be used to report results to departments, for training/educational purposes, and to continuously assess the effectiveness of the delegated authority program.
  - Be supplemented with ongoing training and enhanced available resources (updated forms, manual, guides, and FAQs).



# Questions?

