Travel Initiatives

Ron Sanders, Associate Controller Disbursements/Accounting
Julie Hughes, Travel & Complex Payment Supervisor
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?