



January 2, 1996

MEMORANDUM FOR The Federal Co-Chairman
 ARC Executive Director
 Director, Finance and Information Services

SUBJECT: Memorandum Report 96-10(H)--ARC Travel Vouchers
 and Reimbursement Calculations

We have completed a survey of travel voucher processing and concluded that a need exists to revise the travel voucher form currently used by ARC in order to permit more efficient voucher preparation and review.

The survey was initiated based on noting an incorrect sample ARC travel voucher used in the functional requirements analysis package prepared by the Treasury Finance and Information Services Staff. The survey included a review of 23 vouchers. These included 1 voucher each for 17 ARC employees who had multiple-day official trips in FY 1995 or FY 1996, 4 vouchers for 1 employee, and 2 vouchers for another employee. Also, the tested vouchers included 8 cases where actual subsistence was claimed.

In 12 of 23 cases, we noted the voucher claim was inaccurate by small amounts and for a wide variety of reasons. Also, errors not affecting the claim calculation, e.g., insufficient documentation or approval, were noted in some cases. These errors indicate the need for improved voucher preparation and review; but also, we believe the type of errors noted would be substantially reduced if ARC developed a revised travel voucher section for the per diem calculation. The key need is to clearly separate lodging costs and the meals and incidental expenses (M&IE) calculations and allow the two totals to be added to identify the appropriate eligible per diem claim.

These errors included 6 instances where the claimed lodging costs were not reduced to reflect the maximum allowable lodging costs when using maximum per diem rates, 1 case of incorrect calculation due to averaging of lodging and M&IE, 4 cases where maximum actual subsistence allowances were exceeded, 1 case where a meal provided at no expense was not deducted, and 1 case where an incorrect amount was claimed for the final travel day. Excess claims totaled \$165.12.

The individual vouchers were provided to the Director, Finance and Information Services.

Due to the unworkable per diem claim format on the travel voucher, a variety of methods were used to try to identify and calculate per diem claims. These included lumping the lodging cost and M&IE reimbursement together on the lodging cost line and the inclusion of only partial data to support the total claim. Thus, it was necessary in most cases to reconstruct the appropriate

per diem claim based on additional information such as hotel receipts and per diem tables rather than trace the daily voucher entries to the total per diem claim noted on vouchers.

Contacts with other agencies did not identify a travel voucher form that did not require employees to essentially prepare separate calculations rather than use the formats noted. Thus, we have attached two potential revisions that separate the lodging and M&IE calculation (Exhibit A).

Also, during a prior survey of travel vouchers (OIG Report 93-10), we recommended that actual subsistence should be approved in advance. The file copies and related documentation for the vouchers reviewed for which actual subsistence was claimed did not indicate advance approval or the maximum allowances--e.g., 150 percent of maximum per diem rates.

We did not attempt to determine the actual disbursement to the employees or the effectiveness of the Department of Commerce voucher review process.

Based on this limited review, we recommend that:

- the ARC travel voucher be revised to ensure correct per diem claim, including the separation of lodging and M&FIE cost calculations;
- the General Counsel determine any employee liability for noted overpayments;
- accurate travel voucher preparation be emphasized to employees and reviewers;
- vouchers include explanations of variances such as periods of time for which claims are not made;
- actual subsistence be approved to the maximum degree prior to start of travel.


Hubert N. Sparks
Inspector General

Attachment

PER DIEM CLAIM SECTION

PER DIEM	Per Diem Days					Total Claim
	1	2	3	4	5	
Eligible Lodging Amount	\$	\$	\$	\$	\$	\$
Daily M&IE Claim						\$
Total Per Diem Claim	\$	\$	\$	\$	\$	\$

SAMPLE COMPLETED PER DIEM CLAIM SECTION
 Assumes \$60 per day maximum lodging, \$32 per day for M&IE.
 Departing 9:00 am on first day, returning 5:00 pm on fourth day.
 Lodging costs of \$50 on first 2 nights and \$70 on last night.

PER DIEM	Per Diem Days					Total Claim
	1	2	3	4	5	
Eligible Lodging Amount	\$ 50	\$ 50	\$ 60	\$	\$	\$ 160
Daily M&IE Claim	24	32	32	24		\$ 112
Total Per Diem Claim	\$ 74	\$ 82	\$ 92	\$ 24	\$	\$ 272

PER DIEM CLAIM SECTION

A Day	B Lodging Cost	C Maximum Eligible Lodging Cost	D M&IE Rate	E Day--Full or Partial	F Claim (D x E)	G Total Claim (C + F)
1	\$	\$	\$		\$	\$
2						
3						
4						
5						
TOTAL CLAIM		\$			\$	\$

SAMPLE COMPLETED PER DIEM CLAIM SECTION

Based on leaving Washington, DC at 10:00 am on Day 1 and returning at 5:00 pm on Day 3. Maximum daily lodging cost, \$60; maximum daily M&IE, \$32.)

A Day	B Lodging Cost	C Maximum Eligible Lodging Cost	D M&IE Rate	E Day--Full or Partial	F Claim (D x E)	G Total Claim (C + F)
1	\$ 65	\$ 60	\$ 32	.75	\$ 24	\$ 84
2	55	55	32	1	32	87
3			32	.75	24	24
4						
5						
TOTAL CLAIM		\$ 115			\$ 80	\$ 195



Memorandum

To: Hubert N. Sparks
From: Robert M. Decker 
Through: Thomas M. Hunter
Date: April 2, 1996
Subject: OIG Report 96-10(H), 2/2/96

There are significant efforts under way to reengineer government wide travel management. ARC is no exception. Of particular concern will be implementation of modifications recommended by the JFMIP Travel Improvement Project, some of which go directly to concerns raised in report 96-10. The ARC strongly agrees with the JFMIP that travel is not an end in itself, but a support function that exists only to enable travelers to fulfill the agency mission. Accordingly, the system should be based on common sense, be simple, and be easy to administer. Specifically and among other things, the JFMIP has recommended elimination of variable proration of M&IE; increasing the threshold for receipts; use of the federal travel card; and consolidation of forms and data. ARC plans to reengineer its own travel management system by the end of the fiscal year, following on the implementation of our new accounting system and payments processing. We agree with your report on the question of needed revisions to forms and documentation of approvals related to special circumstances, and are confident that a revised policy and process at ARC will eliminate most problems.

ARC is currently instituting its own ECS system linked to the Treasury in Philadelphia. We now have the capability to begin withdrawing travel processing from NOAA and the Department of Commerce. This means that ARC can begin to devise its own forms for vouchers and trip authorizations. Your concern that lodging and M&IE calculations be clearly distinguished will be built into the forms that ARC adopts.

You identified apparent overpayments totaling \$160.00 in your audit sample.

The four instances in Exhibit D, totaling \$72.08, were authorized to use actual expenses. See attached memo of 7/18/95. The Executive Director may approve travel costs exceeding FTR maximums.

We have asked the traveler in Exhibit C (\$15.00) to respond to the apparent overclaim. Repayment will be required if the claim is not substantiated.

The four instances cited in Exhibit B (total of \$20.29) should have been approved in advance for reimbursement of actual costs. While it is not cost-effective to attempt recovery of these small amounts, we concur that changes in the system are required. Future Commission travel policy will need to address the issue, however, that with some frequency the nature of Commission business requires ARC travelers to stay in hotels that cannot comply with standard government minimums.

The overcharge in Exhibit A resulted from a traveler explicitly following the directions of the Commerce travel form. As you note, we have had problems with this form in the past and it will be abandoned as soon as possible in favor of a Commission form that makes computations simple and accurate both for travelers and auditors.

We will involve the OIG in development of ARC travel policies and procedures.