

# Deferred Compensation Plan BOARD REPORT 17-24

Date: July 18, 2017  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: City Travel Policy Recommendations

*Board of Deferred  
Compensation Administration  
John R. Mumma, Chairperson  
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Don Thomas*

## **Recommendation:**

That the Board of Deferred Compensation Administration:

- a) Approve modifications to the Plan's Training/Education/Travel Policy as delineated in this report that will designate the Board Chairperson as the approving authority of Board member and Plan staff training/travel reimbursement requests, designate the Vice Chairperson as the approving authority of the Board Chairperson's Plan training/travel reimbursement requests, and approve changes to the Plan's Training/Education/Travel Policy as delineated in this report establishing a process for the Board to resolve contrary findings relative to individual training/travel reimbursement requests; and
- b) Receive and file information on current practices to expedite processing of training/travel reimbursements.

## **Discussion:**

### **A. Background**

At its January 17, 2017 meeting, staff presented to the Board background regarding the various City governing documents that provide administrative authority related to City travel. In light of the information reviewed, the Board discussed potential options for refining and clarifying authoritative and administrative issues related to Deferred Compensation Plan travel. This includes amending the Plan's Training/Education/Travel policy (**Attachment A**) to streamline the travel reimbursement approval process and/or potentially exploring ways to lessen the financial burden for Board members and staff with respect to paying the upfront costs related to Plan travel. The Board asked staff to return to the Board with findings and recommendations in order to achieve these objectives.

### **B. Reimbursement Review & Approval**

Plan travel is currently administered by the Personnel Department's Administrative Services Division (ASD), which performs budgetary and accounting functions for the Personnel Department, including travel administration. The Employee Benefits Division Chief, who also serves as Executive Director of the Deferred Compensation Plan, is currently the initial approving authority of Plan travel reimbursement submissions, otherwise known as Personal Expense Statements (PES), prior to their submission to ASD for final review/approval and processing.

At its January 2017 meeting, the Board asked that the approving authority for the PES be designated as the Board Chairperson. As a result, staff recommends that the following language be inserted into the Plan's Training/Education/Travel policy.

#### **Section IV(f)**

***The Board Chairperson shall serve as the initial approving authority of a Personal Expense Statement (PES) submitted by a member of the Board and/or Plan staff. The Vice Chairperson shall serve as the initial approving authority of a PES submitted by the Board Chairperson. The Personnel Department will then review and execute the reimbursement in accordance with City policy.***

#### **C. Travel Reimbursement Appeals Process**

As previously communicated to the Board, although using the Personnel Department's Administrative Services Division (ASD) staff/resources leverages their broader experience and knowledge with the City's accounting policies and practices, there may be situations where there may be differing interpretations of the Controller's travel policies and their application to Plan travel reimbursements. To address these situations, staff proposes the following additional review process, which would work through the Personnel Department/ASD to refer certain inquiries to the Controller for review and guidance. Staff recommends that the following language be inserted into the Plan's Training/Education/Travel Policy.

#### **Section IV(g)**

***In the event the Personnel Department reaches a finding relative to a PES contrary to both the claim of the individual requesting reimbursement and the finding of the initial approving authority, the Chairperson of the Board of Deferred Compensation Administration, or the Vice Chairperson if the finding involves the Chairperson's PES, may request that the Personnel Department refer the matter to the City Controller's office for additional review. Any decision of the City Controller relative to the PES shall be final.***

#### **D. Streamlining Reimbursement Process**

At its January meeting, the Board requested that staff further research the option of issuing travel advances in order to reduce the financial burden of paying upfront costs incurred by Board members and/or staff for lodging and per diem expenses associated with Plan travel. Though the Controller's travel policy allows for travel advances, it indicates that, "*because the processing of travel advances is labor intensive and may result in overpayments, departments can reduce the need for an advance by booking flights with the TravelStore when feasible, paying registration fees directly, and processing reimbursements in a timely manner*". Currently, the Personnel Department applies all of these methods.

Staff reached out to ASD to review the travel reimbursement process. ASD indicates that as long as a completed and approved PES is submitted in good order, it will take no longer than one week to generate the reimbursement check, plus an additional few days for the check to

be sent and received via U.S. mail. It is important to note however, that delays in the process can occur when there is missing information or documentation. Therefore, to enable quicker turnarounds and efficient processing of travel reimbursements, it is recommended that: a) Board members and/or Plan staff promptly submit their reimbursement requests immediately following the conclusion of a training event; and b) Plan staff, in coordination with ASD, communicate and conduct an advance review of the submitted documents to confirm that they are in good order before submitting them for final processing and check issuance. Plan staff will be responsible for immediately reviewing/transmitting the submitted PES to the initial approving authority upon its submission, and facilitating the immediate transmission of the PES once signed by the approving authority to ASD. These steps, when promptly taken, should mitigate the potential financial burden for travelers, providing that travel reimbursement checks would likely be processed and issued prior to a balance being due on a credit card utilized to pay for lodging and/or per-diem costs associated with Plan travel.

Submitted by: \_\_\_\_\_  
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