



“Department Responsibilities Regarding Travel Expenses”

Report #0204

November 14, 2001

Introduction

The purpose of this report is to provide advice to City departments on language to be included in contracts when authorized travelers (vendors) are to be reimbursed for travel expenses incurred in the performance of contracted services.

Background

Our office recently completed an audit that addressed travel reimbursement procedures for other authorized travelers (i.e., vendors under contract with the City). (Audit Report #0203). As part of the audit, we noted that the vendor was not required to comply with the travel policies and procedures of the City. Rather, the department reimbursed the vendor based upon summary invoices prepared in accordance with the vendor’s travel policy.

The vendor’s travel policies and subsequent invoices were determined to be reasonable by the contracting department and the Office of the City Attorney. The vendor was not required to submit detailed documentation to support the travel costs claimed.

Travel by City personnel is covered by City Ordinance #00-O-86, but the ordinance appears to be silent regarding travel by non-city personnel. The administrative procedures manual (Section 602), to implement this ordinance, indicates that the travel procedures apply to all out-of-town and in-town travel for any purpose and for which officials and employees of the City and **other authorized travelers** (emphasis added) will claim reimbursement.

In Section 602.04 the procedures manual states:

“Individuals/entities that provide services to the city and will be reimbursed for travel related expenses

shall be reimbursed in accordance with this procedure unless other requirements have been specified in the relevant contract or PO.”

The procedures manual also defines traveler as a City official, employee or other authorized person performing travel.

We believe that all City contracts should include a provision for travel to conform with City travel policies. We should note that such provision would not be necessary if the contract provides for the vendor to absorb all travel related costs.

When contracts make provision for travel reimbursement in accordance with City policies, we identified the following advantages:

- Simplifies the preparation of a request for proposal, a vendor’s response, and the City’s evaluation of proposals if travel policies are the same;
- Provides citywide contract consistency;
- Eliminates the need for contracting department and/or the Offices of the City Attorney and Management and Administration to review vendor

travel policies to determine equivalency with City policies;

- Allows the contracting department and Department of Management and Administration staff to readily review and preaudit vendor travel reimbursement requests; and
- Simplifies the review of travel expenses incurred when reviewed by other parties, including the external auditors, state and federal granting agencies, the media, and the public.

Recommendation

We recommend that all contracts that include provision for reimbursement of travel expenditures require all authorized travelers to comply with the provisions of the City’s travel policies and procedures. In addition, documentation to support the reimbursement of travel expenses should be submitted by the contractor and reviewed by the City’s contract manager and Department of Management and Administration for compliance with City policy prior to payment. Recommended contract language is shown below.

Recommended Contract Language

Reimbursement for travel performed in carrying out the terms and conditions of this contract will be made in accordance with City of Tallahassee Ordinance No. 00-O-86 and Administrative Travel Procedures Manual No. 602. Claims for reimbursement of travel shall be submitted on the approved City of Tallahassee Travel Expense Form.

Copies of this Assistance and Guidance Report #0204 (project #0103) may be obtained from the City Auditor’s web site (<http://talgov.com/citytlh/auditing/index.html>), or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

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