



Office of the Inspector General

Commonwealth of Massachusetts

Gregory W. Sullivan
Inspector General

Guide to Writing Effective Travel Policies

December 2004



The Commonwealth of Massachusetts
Office of the Inspector General

GREGORY W. SULLIVAN
INSPECTOR GENERAL

JOHN W. MCCORMACK
STATE OFFICE BUILDING
ONE ASHBURTON PLACE
ROOM 1311
BOSTON, MA 02108
TEL: (617) 727-9140
FAX: (617) 723-2334

December 2004

Dear Public Official:

The Office of the Inspector General prepared this guide to help public officials write effective travel policies and to assist public employees in complying with established travel policies.

All of the approximately 1,500 municipalities and local jurisdictions should have established travel policies. Effective travel policies and reimbursement procedures help to prevent fraud, waste, and abuse. Since 2001, we have issued a series of reports concerning the misuse of travel and meal expenses by employees of various municipal light departments.

The Office of the Inspector General is charged with preventing and detecting fraud, waste, and abuse in state and local government. When possible, we emphasize prevention.

We hope this guide assists public officials prevent problems before they occur. As always, I welcome your suggestions. Please do not hesitate to contact my staff with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Gregory W. Sullivan".

Gregory W. Sullivan
Inspector General

This page intentionally left blank.

TABLE OF CONTENTS

Section One: Introduction to Travel Policy Guide 1

Section Two: Writing an Effective Travel Policy 3

Section Three: Complying with Travel Policies 7

Section Four: List of Selected Resources for Travel Policies 11

Massachusetts Office of the Inspector General

Address:
Room 1311
John McCormack State Office Building
One Ashburton Place
Boston, MA 02108

Contact Information:
(617) 727 - 9140
(617) 523 - 1205 (MCPPO Program)
(800) 322 - 1323 (Confidential 24-hour Hotline)
(617) 723 - 2334 (FAX)
www.mass.gov/ig

This page intentionally left blank.

SECTION ONE

Introduction to the Travel Policy Guide

Travel policies and reimbursement procedures have long been a topic of concern for this Office. This Office has issued a number of reports detailing the abuse of travel, meal, and entertainment expenses. These abuses have led to the preparation of this guide to assist public officials with creating effective travel policies and to provide suggestions for public employees when complying with existing travel policies.

Travel policies can cover a wide range of topics including reimbursement procedures for travel expenses. Travel expenses are the costs incurred when employees are sent off site for agency-related training, conferences, and/or meetings. Costs incurred may include the cost of attending a training session, as well as the cost of transportation, meals, parking, hotel, and other accommodations.

The Massachusetts Executive Office of Administration and Finance provides state agencies with general guidelines to account for money expended by employees during business related travel. However, it is ultimately the discretion of each agency to establish specific travel policies that are in addition to the general guidelines.

In the following sections of this guide, this Office has provided information useful to public officials, as well as, reference materials for public employees. Section two presents information that can assist public officials when preparing written travel policies; section three provides suggestions for public employees when complying with travel policies, and section four contains a list of references to assist with the writing of and complying with travel policies. The information in this guide, however, is not meant as a substitute for an established travel policy.

This page intentionally left blank.

SECTION TWO

Writing an Effective Travel Policy

The absence of a written policy for the management and control of travel related costs creates an opportunity for fraud, waste, and abuse. Without a written policy, travel and related expenses cannot be effectively monitored and controlled. **Therefore, this Office recommends that an effective, written policy for management and control of travel related costs be established for your jurisdiction.** Creating a formal written policy detailing reasonable expenses and reimbursement procedures will provide employees with guidelines to ensure proper control of travel related costs.

Travel policies should be written documents that are distributed to each employee of your agency. The policy may be a stand-alone document or part of a larger employee manual or regulation. Regardless of the shape of the document, any travel policy should include the specific points discussed below.

When preparing a written travel policy for your jurisdiction, the following information should be included:

- Definition of necessary travel;
- Travel arrangement methods;
- Daily travel expense limits;
- Required documentation and approval steps, and
- Exception policy.

Travel policies should be revised and reissued periodically in order to stay current with any changes, such as mileage and per diem rates. The policies should be issued and communicated by the senior management of each agency.

Necessary Travel

Travel should be restricted to necessary and critical activities only. Travel that is necessary and critical for state and local government activity should provide a public benefit. This means the benefit of the information gathered, face-to-face contact, or skills developed is greater than the costs incurred during travel. Travel guidelines should define what a critical activity is for your jurisdiction. This should include statements about travel for training, professional development, professional conferences, as well as, specific work related activities.

Travel Arrangement Methods

To best ensure cost savings and value, this Office strongly recommends that travel arrangements be procured centrally in each agency or municipality.

Daily Travel Expense Limits

Obtaining the best value for the money spent on travel services should be a priority for your jurisdiction. Convenience and personal preferences of employees should not outweigh best value concerns. Finding the best and most reasonable package for travel, meals, and accommodations is the jurisdiction's obligation and should not be the individual employee's responsibility.

A jurisdiction may choose to provide employees with a specific budget for travel related expenses. The budget specifies how much money an employee will be reimbursed for each travel related expense, most often, meal or hotel charges. Meal expenses may be budgeted at a per diem rate. Any expense above the per diem rate is the responsibility of the employee. If your agency chooses to use a per diem rate for meal or other reimbursement, the rate should be clearly stated in your written travel policy. Per diem rates can be adjusted for travel destination or for other reasons.

Required Documentation and Approval Steps

All travel should require prior authorization from a designated authority within the jurisdiction. All reimbursements must be verifiable (except for certain expenses like gratuities for hotel staff)¹, receipts must be clear, meals listed individually, and the date time, and location of the meal must be noted. Additionally, a list of all employees attending the meal should be written on the back of the receipt.

Exception Policy

If an exception to your entity's travel policy is requested, additional authorization from a designated authority must be sought before approval is given. Requests for exceptions to travel policies should be infrequent. If an exception is needed, a written request should be made in advance with back up documentation to support the request. Requests for an exception may be considered if expenses are unavoidable and necessary for an employee to complete the assignment. The following circumstances would be considered for exception requests:

- Special accommodations for physical disabilities;
- Number of people traveling does not allow for maximum cost savings;
- Materials or luggage required for the trip prevent normal travel and/or accommodations, or
- Travel in a high cost area.

Repetitive requests for exceptions should be monitored and carefully reviewed.

¹ However, limits and guidelines for gratuities should be established.

This page intentionally left blank.

SECTION THREE

Complying With Travel Policies

Employees who violate office travel policies should be held directly responsible for their actions. Consequences of disregarding company travel regulations may include revocation of travel privileges, reparation payments, suspension, or termination. Moreover, improper documentation of otherwise valid travel expenditures create the appearance of fraud, waste, or abuse and may result in similar consequences. The following section presents suggestions for public employees when complying with travel policies. While these suggestions will assist public employees avoid the appearance of fraud, waste, or abuse in travel expenditures, they are not a replacement for individual employees being aware of their jurisdiction's specific policies related to travel expenses.

In most cases, a reimbursement form or other travel voucher issued by the agency or municipality must be submitted and signed off by or approved by a supervisor to receive reimbursement. The voucher or reimbursement form should have the employee certify under penalty of perjury that the submitted reimbursement amounts are true and correct, were incurred by the employee during necessary travel in the service of the jurisdiction, and conform fully to the jurisdiction's travel rules and regulations. Misrepresenting expenses and intentionally submitting false claims is fraudulent and could result in criminal penalties.

The following suggestions are intended to assist public employees when complying with travel policies. By following these suggestions, you should be able to avoid the appearance of fraud, waste, or abuse in travel expenditures and reimbursement requests.

Reimbursement

- Employees traveling together should fill out reimbursement requests separately, being careful not to overlap claims.
- Employees should sign all claims.
- All expenses must be business related.
- Receipts should be attached to all travel expense reimbursement requests. All receipts should be itemized and dated. In addition, names of the persons who are included in the bill should be listed on the back of the receipt to avoid multiple reimbursements for the same expense.²
- Travel approvals should be attached to the reimbursement claim.
- Employees should submit travel reports that identify the reason for the travel and benefits derived from such travel.
- Business associates, vendors, or family members accompanying an employee traveling for business purposes are not eligible for travel reimbursement costs.

Accommodation

- If an employee is required to lodge while traveling, reimbursement should cover only the employee's cost of lodging and should not extend to any family members or other travel companions. Reimbursement may include the use of telephones, fax machines, computers, laundry services, and storage (if necessary). Whenever possible, lodging and travel should be arranged by the jurisdiction's purchasing official. This could avoid the need for employees to incur the costs and the jurisdiction to reimburse the employees for these expenses.

Transportation

- The most economical means of transportation should be used at all times.
- Odometer readings should be recorded at the beginning and end of every trip.

² Massachusetts General Law (M.G.L.) Chapter 44, Section 58 prohibits cities and towns to pay a bill incurred by any official for wines, liquors, or cigars.

- Receipts for fuel costs should note the date and time when accumulated.
- Employees should obtain receipts for parking, tolls, fuel, and any related transportation cost.
- Any traffic violations or accidents occurring during use of an agency or municipality car should be reported to the designated authority within the agency.

Additional Requests

- Your travel policy should specify a per diem or specific allotted amount for travel related expenses (such as meals or hotels) and if additional reimbursement is required than is allotted within the office travel policy, a detailed explanation for the request for additional reimbursement should be submitted in advance. The request should be subjected to scrutiny and may, if determined unnecessary, be rejected.

Alternatives to Travel

Employees should consider using alternatives to travel. The following are suggested ways of reducing agency travel costs:

- Use of teleconferencing or video-conferencing technology;
- Reduce the frequency of regularly scheduled out-of-town meetings;
- Limit the staff members traveling to the same destination to necessary employees only;
- Bring training and professional development programs to the jurisdiction rather than sending staff off-site.

Ethical Considerations

- Section 3 of Massachusetts General Law (M.G.L.) Chapter 268A prohibits state, county, or municipal employees from soliciting or accepting anything of substantial value for or because of any official act they have performed or will perform. This section of the law also prohibits the giving or offering of anything of substantial value to public employees for or because of their official position,

even to express gratitude or goodwill. The State Ethics Commission has determined that anything worth fifty dollars (\$50.00) or more is always of substantial value for purposes of the conflict of interest law.

- Acceptance of numerous items that are less than “substantial value” (\$50.00) may establish a pattern of gift giving from a private party or entity, hence violating Section 3 of the M.G.L. 268A. Therefore, it is best for a public employee to avoid all gifts, discounts, or benefits from vendors or other private parties.³

³ Agency wide discounts on transportation and travel related accommodations are often offered from vendors as part of their contract agreements with government agencies. While the cumulative value of an agency wide travel or accommodation discount exceeds the substantial gift value of fifty dollars limited by the Ethics Commission and Section 3 of M.G.L Chapter 268A, acceptance of these discounts are not in violation of the law.

SECTION FOUR

List of References for Travel Policies

- Arizona Department of Administration and General Accounting Office
GAO Technical Bulletin: Implementing Statewide Travel Economy
www.gao.state.az.us/publications/tb/bulletins/tb041.pdf
- Department of Audits and Accounts and by the Office of Planning and Budget: State of Georgia
Statewide Travel Regulations, (July 2004).
www.georgia.gov or www.audits.state.ga.us/internet/nalgad/trvlpg.html
- Executive Office of Administration and Finance: State of Massachusetts
Administration and Finance Bulletin No.08. Travel Guidelines.
www.mass.gov/eoaf/docs/administrativebulletin8.doc
- Office of Finance Management: State of Washington
State Administrative Accounting Manual: Travel, Chapter 10.
www.ofm.wa.gov/policy/saamintro.htm
- State Ethics Commission: State of Massachusetts
Commission Fact Sheet No.12, Guidelines for Public Employees Regarding Business Travel and Related Expenses.
www.mass.gov/ethics/factsheet12.htm
- United States General Services Administration and Office of Governmentwide Policy
Travel Management Policy and Federal Travel Regulations, (January 2004).
www.gsa.gov
- Washington General Services Administration: State of Washington
Executive Order 93-05-Controlling State Travel Expenditures.
www.ga.wa.gov/ada/eotravel.doc