

United States General Accounting Office Washington, D.C. 20548

Accounting and Information Management Division

B-271885

May 17, 1996

Mr. William D. Barnard Executive Director United States Nuclear Waste Technical Review Board 1100 Wilson Boulevard, Suite 910 Arlington, VA 22209

Dear Mr. Barnard:

This letter responds to your February 23, 1996, request that we provide you with our views on whether your two proposed changes for processing employee travel claims conform to the requirements in Title 2, "Accounting," and Title 7, "Fiscal Procedures," of GAO's Policy and Procedures Manual for Guidance of Federal Agencies. Specifically, you asked if (1) the threshold for which a traveler would have to submit receipts for expenses could be raised to amounts over \$75 (currently, your procedures require the traveler to submit receipts for all items costing more than \$25) and (2) the traveler could provide an aggregate amount for all expenses that individually cost \$75 or less.

As described in your letter, the Nuclear Waste Technical Review Board (NWTRB) is proposing to reengineer and streamline the procedures for processing employee temporary duty travel claims in response to the National Performance Review (NPR) initiative to simplify administrative processes and reduce federal costs. We support initiatives to create a government that works better and costs less. At the same time, we believe that agencies must protect the government's interest.

To more fully understand your request, we contacted your staff and discussed the proposal in more detail. However, we did not test your current or proposed system. Consequently, our response only addresses your proposal conceptually. It does not address whether your present system can accommodate the proposed changes. Each of the questions you asked is discussed in the following sections.

¹The Joint Financial Management Improvement Program (JFMIP), in line with the NPR initiative, established an interagency team in 1994 to address travel reengineering. The obstacles, suggested improvements, and specific recommendations for temporary duty and relocation travel are documented as guidance to agencies in JFMIP's report, Improving Travel Management Government, December 1995.

Receipts for Expenses More Than \$25

Under your current procedures, the traveler must provide receipts for any claimed expense in excess of \$25. Under the proposal explained in your letter, the traveler would only have to submit receipts for expenses that are more than \$75. However, as set forth in General Services Administration (GSA) regulations, receipts would still be required for lodging, common carrier charges in excess of \$25, and telephone charges regardless of the amount.

While Title 2 requires that all transactions be clearly documented and that the documentation be readily available for examination, GSA is responsible for issuing employee travel regulations, including documentation requirements, which are published in its manual, entitled Federal Travel Regulations (FTR). Since your request was made, GSA revised the dollar threshold for requiring receipts for expenses from amounts over \$25 to amounts over \$75. As pointed out by your staff, JFMIP's guidance on travel management recommended removal of the requirement to collect and review receipts for small dollar amounts to enable and encourage agencies to institute electronic, paperless processing of travel documents and to expedite travel voucher preparation and processing. We have no objection to your proposed change if your implementation is consistent with GSA's guidelines as set forth in the FTR.

Summarize Expenses Costing \$75 or Less

As explained in your letter, under the current system, GSA requires that all expenses be itemized individually. With certain exceptions, your proposal would allow the traveler to merely list an aggregate amount of all expenses that individually cost \$75 or less. GSA granted you a waiver of the requirement to itemize expenses costing \$75 or less as long as we concur.

Title 7 requires that payments be based on sufficient evidence to establish the validity of a claim. The officer certifying travel vouchers for payment must ensure the (1) propriety of amounts claimed, (2) legality of disbursements, (3) correctness of the computations, and (4) accuracy of the facts stated on the voucher and supporting documents.

Since Title 7 requires the validity of travel claims to be established prior to certification for payment, we believe that listing all expenses individually on the travel voucher helps satisfy this requirement. Such a listing provides the official administratively approving the voucher and the certifying officer additional evidence for determining the reasonableness

 $^{^2\!\}text{Titles}\,2$ and 7 do not specify dollar thresholds for requiring receipts to be obtained related to employee travel.

of the claims. It also reduces the risk of errors and irregularities occurring and going undetected.³ Consequently, we believe that all claims under the threshold should be itemized individually, even those items for which a receipt is not required. Therefore, we suggest that NWTRB modify its proposal to require travelers to list each expense individually on the travel youcher.

Several agencies are modifying existing systems or implementing new ones to improve the processing of temporary duty travel claims. They are using available technologies to reduce paper generation, document flow, and associated costs. You may wish to consider what other agencies are doing in this area as you look for additional ways to improve your system. For example, we have supported allowing the travelers to retain the receipts documenting expenses if adequate controls exist and the traveler is prepared to forward the receipts to the appropriate officials if the voucher is selected randomly under statistical sample or other review basis. If this concept were applied to your proposal, the traveler would need to keep all required receipts for the specified retention period and provide the receipts to reviewing officials upon request.

The contents of this letter were discussed with Michael Carroll of your staff. I hope our comments are helpful to you in looking for ways to streamline your travel processes and reduce the cost of government. If you have any questions or would like to discuss these matters further, please contact Bruce Michelson, Assistant Director, at (202) 512-9366.

Robert W. Dramling

Sincerely yours,

Robert W. Gramling
Director, Corporate Audit

Director, Corporate Audits and Standards

³As an example of an error under your proposed system, a traveler could summarize taxi fares costing \$17.99 as \$71.99 on the travel voucher by transposing the seven and the one on the voucher. The approving official and certifying officer, who would generally expect much lower taxi fare claims would have no basis to assess the reasonableness of the claim. The approving and certifying official would lose the capability for determining whether the claims over \$25 but under \$75 appeared reasonable under the circumstances.

 $^{^4\}mathrm{Two}$ examples are Air Force Automated Travel System (GAO/AIMD-95-74R, February 6, 1995) and Employees' Travel Claims (DOD) (GAO/AIMD-95-171R, June 26, 1995).

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