



Memorandum

To: Arnold B. Combe, Vice President
From: Randy Van Dyke
Date: March 8, 2013
Subject: Approval of Vice Presidents and Deans Travel Reimbursements

Within the past year Internal Audit has been prompted to review travel expenses of two high level individuals and noted instances where reimbursements for some past expenses didn't comply with University policy. Both individuals were very responsive and were distressed that the issues weren't identified and resolved when the reimbursements were prepared and processed.

I'd like to suggest a review of current practices for approving travel of deans, vice presidents, and other cabinet-level individuals. My motivation is to reduce risks to the individuals and to the University. For these leaders there is much higher probability that expense reimbursements will be subject to outside scrutiny at some point and any problems, perceived or actual, would impact their reputations along with the University's public image.

Per current University policy, the President and Vice Presidents may allow authorized alternates to approve travel reimbursement requests submitted by Deans and others. However, alternates are not generally in a position to judge whether the trips are fully justified. Also, the Travel Office doesn't question policy violations on trips approved by alternates from a belief that the Vice President's authority to approve policy exceptions extends to authorized alternates.

I recommend adjusting approval procedures for travel of Deans, Vice Presidents, and Cabinet-level individuals as described below. If desired, these changes could subsequently be incorporated into written policies.

- If the President or a Vice President wishes to delegate approval authority, it should be to a high-level individual who is knowledgeable about policies and documentation requirements. This person's signature on travel forms would signify compliance with University policy and related requirements. Approval of the business purpose and justification for the travel itself would be by the next higher level University officer on a periodic basis, as described in the next bullet point.

Vice President Combe

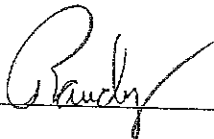
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- The authorized alternate would be responsible to provide the President or Vice President a periodic report detailing the trips he/she has approved. The report could identify for each trip details such as destination, purpose, duration, costs by major category, source of funds, and any unusual expenses such as costs relating to a spouse or family member. I suggest the reports be submitted quarterly. The President or Vice President's signature on this report would signify approval of the need and business purpose of the travel.
- The Travel Department would be responsible to review each trip and refer back to the authorized alternate potentially significant policy violations. An example would be unallowable first class airfare. If a policy exception is considered appropriate, the President or Vice President would personally sign the travel form also.

Please note that these recommendations only apply if approval authority is delegated to an authorized alternate—no changes are needed if the President or a Vice President prefers to personally approve reimbursement forms for travel of his/her subordinates.

Whether or not these changes are adopted, I'd be happy to meet individually with vice presidents and deans and/or their assistants to discuss the importance of care in this area and offer suggestions regarding travel documentation.



c: David W. Pershing, President
Vivian S. Lee, Senior Vice President
Michael L. Hardman, Interim Senior Vice President
Jeffrey J. West, Associate Vice President for Financial and Business Services



Approvals for Travel by Vice Presidents and Deans

Objective

Reduce reputational risks to Vice Presidents, Deans, and the University. There is higher probability that expense reimbursements of high level individuals will be subject to outside scrutiny at some point and any problems, perceived or actual, would impact their reputations and the University's public image.

Background

Within the past year Internal Audit has been prompted to review travel expenses of two high level individuals and noted instances where reimbursements didn't comply with University policy. Both individuals were responsive and were distressed that the issues weren't identified and resolved when the reimbursements were prepared and processed.

Per University policy the President and Vice Presidents may allow "authorized alternates" to approve travel reimbursement requests submitted by Deans and others. This has presented two weaknesses:

- The alternates are not generally in a position to judge whether the trips are fully justified.
- The Travel Office hasn't questioned policy violations on trips approved by alternates from a belief that the Vice President's authority to approve policy exceptions extends to the authorized alternate.

Approvals

The following procedures apply only to travel of deans and vice presidents when travel documents are approved by an authorized alternate. If the President or the approving Vice President personally reviews and signs travel documents no change is recommended.

- If the President or a Vice President wishes to delegate authority to approve travel reimbursements of a dean or vice president, such delegation should be to a high-level individual who is knowledgeable about policies and documentation requirements. The "authorized alternate's" signature on travel forms signifies compliance with University policy and related requirements. Approval of the business purpose and justification for the travel itself is provided by the next higher level University officer at least quarterly, as described in the next bullet point.
- The authorized alternate provides the President or approving Vice President a quarterly report detailing the trips he/she has approved. The report should identify details for each trip, including the traveler(s), destination, purpose, duration, costs by major category, source of funds, and any unusual expenses such as costs relating to a family member.
- The President or approving Vice President reviews and signs each quarterly report to signify approval of the need and business purpose of the travel.
- The Travel Department also reviews each trip and is responsible to contact the authorized alternate regarding any potentially significant policy violations. An example would be unallowable first class airfare. If an exception to policy is considered necessary and justified, the President or approving Vice President personally grants the exception by adding his/her signature to the travel form.

Since these procedures apply to a limited number of individuals, they will not be incorporated into the University travel policy.