



Postal Regulatory Commission's **Travel Documents**

Table of Contents

Synopsis of Travel Policy & Travel Policy	1
Standard Operating Procedures & Travel Folder Checklist	2
Pre-Travel Authorization & Itinerary Form (PRC Form T-1011).....	3
Expense Reimbursement & Travel Certification Form (PRC Form T-002)	4
Commission’s Office of the Inspector General Final Audit Report - May 2009	5

Synopsis of Travel Policy for the Postal Regulatory Commission

The current travel Policy, issued on April 20, 2010 is responsive to recommendations from the Inspector General (IG) Audit of May 26, 2009.

- The Commission has a written travel policy that is the same for all employees including the Commissioners:
 - Travel policy requires a compliance review by the Commission Travel Manager and final approval by the Chairman. The Chairman has designated a small discretionary travel allowance for each Commissioner to use for domestic travel that is subject to Travel Manager compliance review but does not require Chairman approval.
- The Commission also has a Standard Operating Procedure and a checklist to ensure uniformity of travel folders and compliance with the Travel Policy and travel procedures.
- The Office of Secretary audits travel files on a quarterly basis.

Highlights of the travel policy that were put in place to address items from the 2009 PRC Inspector General's Audit Report:

The Travel Policy Ensures:

- Adequate preparation and proper authorization of travel.
- Justification as to whether a trip is for an official business purpose.
- Review of the reasonableness of airfare, lodging, per diem and car rental expenses.
- Proper authorization of exceptions, deviations, and international travel.

The policy responds to general recommendations from the Inspector General's Report:

- Requires government-issued travel card use for all customary travel expenses.
- Establishes specific criteria on the spousal travel provisions.
- Explicitly prohibits reimbursement for alcoholic beverages.
- Incorporates a 50-mile rule for overnight travel.
- Establishes specific criteria for allowable laundry and dry cleaning, health club and business center expenses.
- Requires coach class for air travel, with specific exceptions (for reasons such as length of flight or medical needs). Business Class travel may be approved if the duration of the flight exceeds 12 hours, including layovers.

The policy also responds to specific recommendations from the Inspector General's Report:

- Travelers provide written justification if more expensive services are used, explaining the benefit to the Commission of the higher-cost service.
- Requires that the sales tax exemption is taken (where applicable).
- Establishes a review process for travel reports by traveler and travel manager.
- Requires the traveler to certify with their signature that expenses reported were actually incurred and were incurred for an official purpose.
- Ensures that the Traveler, Travel coordinators, Travel Manager, Office of the Secretary, and Chairman understand their roles and responsibilities to ensure that travelers adhere to the policy and that Commission funds are protected.

The policy responds to recommendations from the Inspector General's report to modify Authorization Form 1011 to include:

- Adding a section for the traveler to describe the business purpose of the trip.
- Expanding the lodging section to include the General Services Administration (GSA) rate in the destination city and, if applicable, the rationale for exceeding the GSA rate.
- An updated per diem section that reflects the current method for per diem reimbursement.
- An additional section (attachment) for the traveler to use to justify any policy deviations.



Travel Policy

Issued By: Shoshana Grove

Effective Date: April 20, 2010

The purpose of the Postal Regulatory Commission Travel Policy is to provide guidelines, resources and information for the essential travel needs of its employees. All travel must be for the purpose of conducting business of the Commission or for essential training which is necessary for business efficiency. All Commission travel must comply with this policy. Any request for an exception from the requirements of this policy must be submitted to the Chairman accompanied by written justification for the variance.

Approving officials are to protect and safeguard the use of government funds against improper and unauthorized use. It is each employee's responsibility to comply with the provisions of the policy and avoid inappropriate expenses.

I. Prerequisites to Travel

Other than attendance at required in-person training, before requesting permission to travel you must make every reasonable effort to conduct business by using mail, telephone, fax, e-mail, or another equally less costly, less time-consuming method. The approving official will approve travel only when it is essential, meaning that no other method of conducting business is considered to be satisfactory.

All employees who travel on behalf of the Commission must have a valid government travel card issued in their name. *See Section III.A below (related to use of government travel card).* Employees must have approval from their Department Heads prior to initiating the travel process as designated in the steps below.

II. Commission Travel Process Organization

The Chairman has final authorization and approval for all employees with regard to travel and reimbursement related to travel.

Travel Coordinators have been designated by the Chairman to coordinate transportation and lodging arrangements, review and complete government travel forms, respond to questions relative to travel requirements and facilitate communications with the Travel Manager.

The Travel Manager is designated by the Chairman to review and submit travel requests for approval or reimbursement, and respond to questions relative to travel requirements

Travel Coordinators will submit requests for travel approval to the Travel Manager. Once the Travel Manager reviews the "travel request" and determines that the reservations and proposed travel are within the Commission's travel policy guidelines, the travel request will be forwarded to the Chairman or designee for final approval.

Upon return from business travel, employees are to submit all receipts within five (5) days to the Travel Coordinator, who then enters the reimbursement request into the *eTravel* system. Once the employee has signed off on his or her reimbursement, the Travel Coordinator will review all forms and receipts and forward them to the Travel Manager for review and submission for approval and reimbursement.

III. Government Travel Card

A. Use of the Government Travel Card

The Government Travel Card System is a program offered to Commission employees which allows designated employees to use a government-issued travel credit card with automatic teller machine (ATM) privileges while on official travel. If you are issued a travel card and the card is in your name, you are responsible for all charges that are billed to you.

If you have this card, you **MUST** use it for the following:

- Transportation, lodging, and any other travel-related services when traveling on official business for the Commission.

- Miscellaneous expenses associated with travel required for official business of the Commission.
- Employees who have individually billed travel cards **MUST** use the ATM feature of their card to obtain travel advances.
- On approved travel for Commission-related functions, payment for meals for a group by an individual traveler should be paid using the government travel card. In the event your government travel card is not available and payment is made using a personal credit card, a receipt must be submitted and a narrative explanation must be provided in order for reimbursement to be considered.

****IMPORTANT:** You may not use the government travel card for personal business or personal travel.

B. How to Request a Card

To request an individual government travel card, follow these steps:

1. Obtain an application from the Travel Manager.
2. Fill out the application.
3. Return it to the Travel Manager.

In approximately two (2) weeks, the travel card company will send both your travel card and STM personal identification number (PIN) to the address you specified as your billing address.

C. Responsibilities as the Cardholder

As a cardholder, you are accountable for all charges made with the card. Therefore, you must always do the following:

- Protect the card from unauthorized use.
- Pay the portion of your monthly travel card bill on time that is not directly reimbursed to the government travel card vendor through *eTravel*.

Individual employees can only be reimbursed for travel-related expenses for other government employees traveling in the group in instances of shared

transportation expenses while on travel which includes personal vehicle use, car rental, shuttle service or taxi expenses, parking, tolls etc.

D. If the Card Is Lost or Stolen

If your card is lost or stolen, follow these steps:

1. Notify the travel card company. Use the instructions that accompanied the card when it was issued to you.
2. Notify your Travel Coordinator.

E. Cancelling the Card

If You Voluntarily Cancel Your Card. You should voluntarily cancel your card only when you are retiring or terminating your employment with the Commission.

If the Travel Company Cancels Your Card. The government travel card company will cancel your card for:

- Repeated suspensions in a 12-month period.
- Payments of undisputed charges that are delinquent for 120 days.
- Payment by nonsufficient funds (NSF) checks.

The individual government travel card is the only way that employees can obtain government-rate travel tickets. If your government travel card is canceled and you must travel on official business, you will only be reimbursed up to the government rate for tickets. You will be responsible for any additional costs incurred for the travel tickets.

F. Reinstatement of the Travel Card

To reinstate a card that was suspended, you must pay all outstanding charges in full. When the travel card company receives full payment, it may remove the suspension.

To reinstate a card that was canceled for nonpayment, follow these steps:

1. Pay all outstanding charges in full.

2. Request reinstatement by writing a letter to the travel card company explaining your reasons for nonpayment.
3. If you are reinstated, send a copy of the reinstatement notice to your Travel Coordinator.

IV. Requirements for Travel Approval

When traveling on official business, you represent the Postal Regulatory Commission. You are, therefore, expected to perform your duties in a professional manner. Adhere to the current travel policy and read it in its entirety. The following guidelines must be observed:

Plan your itinerary to accomplish your purpose with a minimum investment of time and expense. The Commission gives you as much freedom as possible within the guidelines of this policy to decide what expenditures are necessary, and you will be reimbursed for allowable expenses that you incur while conducting official business. Travel approval on behalf of the Commission is based on compliance with the policy and any authorized exceptions. Expenses submitted for reimbursement associated with official Commission travel that are not approved for reimbursement are the responsibility of the Commission employee for payment in full.

Select the mode of transportation that provides adequate service at a reasonable cost. The Commission is committed to conserving energy and reducing travel costs; you must consider these factors when selecting modes of transportation.

V. Commissioner Travel

The Chairman allocates an annual travel allowance for each Commissioner. This covers domestic travel for the Commissioner and staff. The Commissioners are required to get travel authorization from the Chairman for international travel only.

A. Domestic Travel

Each Commissioner's confidential assistant is responsible for completion of the Pre-Travel Authorization and Itinerary Form 1011 for his/her Commissioner. The form is then given to the Travel Manager for review. Upon return from travel, the

Commissioner is to sign and date the travel expense and certification reimbursement form and submit all receipts related to the travel. The personal assistant will then forward the travel expense and certification reimbursement form and receipts to the Travel Manager for reimbursement.

B. International Travel

Each Commissioner requests authorization from the Chairman for international travel. Once trip approval is received, the Commissioner's confidential assistant arranges accommodations and transportation. The requirements for visas, passports and country clearances will be verified by the Travel Manager prior to the departure.

Upon return from travel the Commissioner is to sign and date the travel reimbursement form and submit all receipts related to the travel. The Commissioner's confidential assistant will then forward the reimbursement form and receipts to the Travel Manager for reimbursement and approval.

With the exception of obtaining approval for domestic travel, all Commissioner travel must comply with the official travel policy.

VI. Requirements for Travel within the United States

A. Regular Travel

Regular travel is travel to another city within the United States to conduct official business for the Postal Regulatory Commission. Most of your travel will be in this category.

You must have your Pre-Travel Authorization and Itinerary Form 1011 prepared and submitted for approval before your scheduled departure.

B. How to Get Approval

Follow the steps below to get approval for your trip:

1. You must submit a brief explanation explaining the nature of the trip to be included in their travel folder prior to final authorization. If you request travel

arrangements or services which are more expensive than generally available more cost effective services, written justification must be provided that explains the benefit to the Commission of the higher-cost service.

2. After receiving preliminary approval from your department head, contact your Travel Coordinator to make your travel arrangements. Always use a government rate for transportation and lodging.

Your Travel Coordinator will place reservations for air on HOLD only. An airline ticket MUST NOT be purchased until the travel request has been approved. If for any reason an airline ticket is purchased without completing the approval process, the Commission has the right to refuse payment on the charge(s). The Travel Manager must concur with your travel arrangements.

Your Travel Coordinator will make your hotel reservations. If a hotel requires pre-payment of any amount for your lodging, you ARE NOT authorized to do so until you have obtained approval on your actual travel request from the Travel Manager.

3. Have your Travel Coordinator complete the Pre-Travel Authorization and Itinerary Form 1011. This form conveys your itinerary and travel arrangements to your immediate supervisor and all others who review travel.
4. You are required to review and sign your travel request. After you sign the Pre-Travel Authorization and Itinerary Form 1011, submit it to your immediate supervisor for signature. After it is signed, your

Travel Coordinator will forward it to the Travel Manager for review, and the Travel Manager will forward a recommendation to the Chairman for approval and signature.

***Supporting documentation should be submitted with all travel requests.**

****All travel requests should be submitted as far in advance of the travel date as possible.**

VII. International Travel

A. Requirements

Prepare a memo to your department head explaining the purpose of your trip. The memo should include information on the costs associated with the trip, and discuss the scheduled agenda. The memo, along with the department head's approval, and all your supporting documentation must be submitted to the Travel Manager and the Chairman.

B. Visas, Passports and Country Clearances

If your supporting documentation sets forth the requirements for visas, passports and country clearances, this information must be provided to the Travel Coordinator. If the information is not provided in your materials, contact your conference or meeting coordinator to determine the proper documents required for your international travel. The Travel Coordinator and Travel Manager will verify that all necessary documents have been obtained prior to your departure.

C. Reimbursed Expenses

If you are traveling to another country, your daily expenses are reimbursed at the per diem rate established by the Department of State for the areas where you are traveling. These rates are published monthly by the Department of State.

D. Business Travel Permission Change in Class of Service or Cancelled/ Missed Flight, Train or Bus

Permission to change your class of service must be obtained in advance. You are not authorized to make changes to your reservation at any time while in travel status if it will result in additional cost to the Commission for your ticket.

In the event that you miss a flight you must contact the toll free number provided to you by Omega World Travel (the Commission's designated travel agency) to be advised how it will modify your itinerary to accommodate your travel needs.

E. Business Class Travel

If you are traveling overseas on official travel you may receive permission to fly business class if the duration of your flight, including layovers to change planes, exceeds 12 hours. However, the business class service costs will be evaluated. If costs for business class travel are excessive, it will not be authorized. See note below regarding service upgrades. The following restrictions apply to trips where business seating is requested:

- The point of departure and return must be your regular duty station.
- The flight must be the most direct route possible to your destination.
- The flight may not be combined with a domestic trip.
- You must obtain business travel reservations/requests from Omega World Travel.

***If you arrange for better services than those specifically authorized, solely for personal preference – such as upgrading the class of service – YOU MUST PAY the additional costs.**

F. F. Getting Advances

ATM Feature. You must use the ATM feature on your government travel card to get a travel advance. Do not make your withdrawal until immediately prior to departure, preferably no sooner than two (2) to three (3) days.

International Travel Expenses. If you are traveling to another country, the Commission may reimburse you for the special expenses required for international travel. Some examples are listed below:

- Costs for passports and visas along with the cost of photographs for the passport and visas.
- Costs for obtaining certificates of birth, health and identity.
- Charges for inoculations that you cannot obtain through a federal dispensary.

VIII. Arranging Transportation

Transportation includes all official travel by air or surface and any other expenses related to that travel.

A. Your Responsibilities

Setting Up Your Itinerary. In consultation with the Travel Coordinator, you are responsible for using the method of transportation most advantageous to the Commission, taking the most direct route, and using the least expensive services available that still meets your needs.

Currently, the Commission has contractual arrangements with Omega World Travel World to provide such services as reservations and ticketing for official travel. Your Travel Coordinator **MUST** use this travel agency when arranging transportation. *Tripmanager* must be used to book airline travel and the employee may not book directly with the airline.

Consideration of Costs. When you travel on official Commission business, you should consider all costs – actual transportation costs as well as all other related costs to the Commission, such as per diem, mileage, parking, etc., in planning your itinerary.

Benefits from Frequent Flyer or Frequent Traveler Programs. You must **NEVER** use a more expensive means of transportation or accommodations solely to accumulate mileage, points, or other benefits from frequent flyer or frequent traveler programs. You must always make the most economic and convenient arrangements available that allow you to complete business efficiently.

Acquisition and Use of Mileage or Points. You may keep and use for personal travel any accumulated mileage or points that you receive by participating in frequent flyer or frequent traveler programs, such as those sponsored by airlines or hotels.

B. Air Transportation

Airline Reservation—What is Required. Generally Federal employees are required by 49 U.S.C. 40118, referred to as the —Fly America Act|| to use U.S. flag air carrier service for all air travel funded by the U.S. Government. This requirement means that all foreign air travel funded with U.S. Government dollars is to be performed on U.S. flag air carriers unless there is a valid reason not to or the travel falls within an exception as provided in the Act. Exceptions include travel subject to bilateral or multilateral agreements to which the U.S. government and the government of a foreign country are parties and which the Department of Transportation has determined meets the requirements of the Act.

You must work with the Travel Coordinator to make reservations as far in advance as possible to allow the Commission to take advantage of any special fares that may be available for advance reservations and ticket purchases. International travel has additional requirements – See Section VII.

Airline Reservations. Reservations must be made by your Travel Coordinator through www.tripmanager.com. The reservation should be placed on **HOLD** until your travel has been approved. After your travel has been approved, your ticket may be purchased using only the *tripmanager* system for booking.

Changing Your Itinerary. If you request a **CHANGE** to your itinerary **AFTER** it has been ticketed, and you are told that there will be an increase in the cost of the ticket, you ARE **NOT** allowed to agree to the additional charges unless you have received written approval from the Travel Manager.

C. Transportation by Train or Bus

Determining Appropriate Use. For trips of a short distance, consider traveling by train or bus. In consultation with your Travel Coordinator compare all costs involved, including the following:

- Train or bus fares.

- Any taxi fares to train stations, bus stations, or airports at both your departure and destination cities.
- The distance involved getting to and from the train station or bus station as well as any fees for parking.

Buying a Ticket. When buying a ticket, your Travel Coordinator must do the following:

- Use the government rate, if available.
- Purchase the ticket using your government travel card only AFTER receiving approval for travel from the Travel Manager.

If your travel is by train and you miss the train, you must contact Amtrak directly using the toll-free number provided to you when you receive your tickets.

D. Use of Your Privately Owned Vehicle (POV)

Circumstances That May Justify Use of Your POV. You may receive approval to use your POV if it will be advantageous to the Commission. You may also receive approval to use your POV for personal convenience. However, you must present a cost comparison with your Pre-Travel Authorization and Itinerary Form 1011. The cost associated with using your personal vehicle must not be substantially more than the cost of other transportation options,

Criteria To Be Used. The Travel Manager's decision will be based on, but not limited to, the following criteria: whether commercial air, train, or bus service is suitable, and whether using your POV would reduce the overall cost of travel, such as by saving on per diem rate or local transportation expenses.

Allowable Expenses When Using Your POV. You can be reimbursed for all mileage incurred for official business. Gas is non-reimbursable. If parking is required while on official business, you will be reimbursed for this expense. However, if your dates of travel include a portion of personal travel and you have parking associated with the personal portion, you are responsible to pay for parking that is non-business travel related.

E. Rental Cars

A rental car is allowable for travel on official business if it is advantageous to the Commission.

Requirements. You must justify why you are requesting the use of a rental vehicle and explain the special circumstances that make the vehicle necessary.

The Travel Manager must approve all vehicle rentals in advance. The Travel Coordinator will secure the rental vehicle. When renting a vehicle, the Travel Coordinator will request the usual discount given to government employees. No rental vehicle expenses will be paid without prior approval.

Reimbursable Expenses. The Commission will allow reimbursement for the cost of the vehicle and for any costs associated with the vehicle, such as ferry fees, bridge, road, and tunnel tolls; and parking fees.

Reimbursement for Insurance. The Commission generally will not reimburse you for collision damage and/or personal injury accident insurance offered in commercial contracts by rental agencies. However, you may be reimbursed if you are on international travel, and request collision damage insurance for a rented vehicle in a foreign country. Additionally, you may receive reimbursement for collision damage and/or personal injury accident insurance coverage when traveling with other Commission employees on regular travel within the contiguous United States (CONUS).

F. Damage to Rental Car

Allowable Expenses for Reimbursement. If your rental car is damaged while being used for official business, the Commission, in appropriate circumstances, pays for one of the following:

- The damage to the rental car up to the deductible amount stated in the rental contract.
- The cost to repair the car up to the amount of its value, minus its salvage value.

Accident Report. You must report the accident as soon as possible and pay, or arrange to pay, for the repairs, and then claim the amount of damages on an expense report.

If the rental vehicle has mechanical problems unrelated to an accident, and is not fit for use as transportation, any expenses resulting from the employee's return of the vehicle to the rental agency or a replacement vehicle may be reimbursed if no reimbursement is provided by the rental agency. Proper receipts and any other supporting documentation must be provided to receive reimbursement.

IX. Arranging Lodging

A. Travel Manager's Responsibilities and Travel Coordination

Your Travel Coordinator will reserve accommodations at the government rate for any lodging facility when available. You must pay for lodging accommodations using the government-issued travel card. Travel accommodations are reserved at the government rate for a single traveler. Any additional costs incurred as a result of the lodging facility charging an additional per-person cost, will not be reimbursed by the Commission.

Control over lodging expenses is an integral part of the Travel Manager's management duties. Prior to all travel, the Travel Manager will review all Pre-Travel Authorization and Itinerary Form 1011's to ensure that all reservations comply with the travel policy.

B. Reimbursement of Expenses

General Policy. The Commission reimburses you for actual expenses for lodging when you are in official travel status. If you are on travel on a non-workday, and require lodging, the Commission will reimburse you for the expense.

***Be sure to save your receipts. To be reimbursed, you must submit your receipts to your Travel Coordinator.**

Exemption from Sales Tax. If you are going on official travel and lodging is required, your Travel Coordinator will confirm whether or not the state in which you are traveling has a tax exempt form. If it does, you will be given a copy of the tax exemption certificate that you are required to submit to the hotel upon check in.

X. Reimbursement for Local Travel and Regular Travel

Review and Approval of Expense Reports. The Travel Coordinator must electronically enter *eTravel* expense reports and submit them to the Travel Manager. The Travel Manager reviews and approves the electronic expense report. The Travel Coordinator will verify that the transportation and expenses comply with this policy, and certifies that the transportation and expenses are the most advantageous to the Commission. The Travel Coordinator verifies all —flags|| within the report are explained and any —remarks|| entered are accurate. When the Travel Manager receives an *eTravel* expense report, he will also do the following:

- Make sure that all charges claimed are reasonable, based on this policy, considering the area where they were incurred.
- Send the report back to the Travel Coordinator for correction or explanation of expenses claimed, if necessary. (The Travel Manager is not able to alter the report.)
- Once the expenses are approved, the Travel Manager may electronically submit the approved expense report to indicate that the expenses are approved. The electronic approval sends the expense report for processing for possible audit and payment processing.

As of the effective date of this policy, employees must go to the *PostalEASE* website to establish electronic fund transfer (EFT) for reimbursement. After logging on to the *PostalEASE* website, select —eTravel net to bank|| and follow the directions. There will be no paper checks issued.

Periodic random audits of scanned reports and processed expense reports will be performed. If items on an expense report are not properly supported by the required report, the expense report will not be paid.

In order to get reimbursed for your travel expenses you are required to do the following:

Submit all applicable receipts for travel expenses including meals, parking, rental cars, etc., to the Travel Coordinator.

Review your expenses as reported and sign the expense reimbursement form to certify your approval of the expenses related to your travel for reimbursement.

Documenting Your Expenses. As you travel, be sure to save all of your receipts. You will need to submit them to your Travel Coordinator within 5 days of your return from business travel.

To be reimbursed when you pay cash, you must submit paid invoices or receipts with your expense report. If you paid with your government credit card you are still required to turn in a receipt for each expense.

For the purpose of Commission business efficiency, reimbursement expenses are only paid by EFT.

A. Local Travel

What Constitutes Local Travel. Local travel is defined as travel to a location within a 50-mile radius of your permanent duty station in which overnight lodging is not needed.

What Is Allowed. For local travel, the Commission reimburses you for your actual expense—all reasonable subsistence expenses that you incur as a result of your official travel. You are not eligible to claim per diem rates.

B. Regular Travel within CONUS

If your destination is within a 50-mile radius of your permanent duty station and if you are required to stay overnight, your trip is considered regular travel, not local travel.

If you are on regular travel within CONUS, including any overnight trips within a 50-mile radius of your permanent duty station, your daily expenses are reimbursed

at the per diem rate for that area. The per diem rates are set by GSA, which can be viewed at www.gsa.gov.

C. The Duration of Your Trip

Travel Completed Within 12 Hours During the Same Day. If you are in travel status for less than 12 hours during the same calendar day, no per diem is allowed.

Travel Lasting More than 12 Hours but Less Than 24 Hours With or Without Lodging.

Without Lodging— If you are in travel status for 12 hours but less than 24 hours, you are reimbursed for 75 percent of a full day's per diem at the rate listed for your travel destination.

With Lodging— If you are in a travel status for 12 hours but less than 24 hours over a 2-day period and lodging is required, you are reimbursed 75 percent of the 2 days per diem at the rate listed for your travel destination.

D. What Per Diem Includes

Per Diem includes the following expenses: Meals; incidental expenses, such as fees, tips to waiters, bellhops and porters; and laundry and dry cleaning expenses. The expenses incurred for laundry, dry cleaning, or pressing of clothing are reimbursable as a miscellaneous travel expense. However, you must incur a minimum of 5 consecutive nights' lodging on approved travel to qualify for reimbursement.

E. How Per Diem Works

The Per Diem Calculation. The estimated per diem rate is limited to the amount allowable if you had used the approved mode of transportation.

If your trip included more than one temporary duty station, you must reconstruct the entire trip so that you claim only the per diem periods that you would have claimed if you had used the approved mode of transportation.

On the first day of your trip, you are reimbursed 75 percent of the daily per diem rate of your destination, regardless of the time you left to go on official travel. On

the last day of your trip, you are reimbursed 75 percent of the daily per diem rate of the last destination of your trip regardless of the time that you returned to your home or duty station.

For example: if you travel to Los Angeles, CA, for a 5 day meeting, your per diem for the entire trip is at the rate for Los Angeles.

If your trip has multiple destinations, the location in which you end the day determines the per diem rate for the entire day. For example: if your traveled from Washington, DC to Minneapolis, MN for a morning meeting and then travel on to St. Louis, MO, that afternoon for business, and you spend the night in St. Louis, you are reimbursed for the rate for St. Louis for the entire day.

When calculating per diem allowances, your official travel begins when you leave your permanent duty station, home, or other authorized point, and ends when you arrive back at your permanent duty station, home, or other authorized point.

Official travel may include non-workdays.

Reimbursement for Meals. If meals are provided at no cost to you or at a nominal fee, you must reduce the per diem by an appropriate amount.

For example, meals might be provided to you by the sponsors of a meeting, conference, or training session.

The amount by which your per diem allowance should be reduced varies depending on your location. Once your reimbursement is entered into the *eTravel* system, the actual rates for each destination are automatically calculated by the program, regardless of the destination (CONUS or International).

XI. Additional Expenses for Reimbursement While Traveling

Allowable Expenses. Whether you claim your actual daily expenses or the per diem rate, some expenses are reimbursable in addition to the standard expenses.

Travel to and From the Terminal. Receipts must be submitted for travel involving commercial operators, *i.e.*, taxi, garage or parking fees. You are allowed to claim expenses incurred when



Standard Operating Procedures Travel

Purpose

- Travel by members of the Postal Regulatory Commission will follow Commission policy and practice.

Duties and Responsibilities

- The Traveler will ensure that all requested travel is necessary to conduct the official business of the Commission and that travel expenditures are within the policy and practice of the Commission.
- The Travel Coordinator will prepare and maintain the travel spreadsheet, 1011's, approval letters and any other travel documents to ensure that all required papers as outlined in the PRC Travel SOP are properly prepared, approved and placed in the file.
- The Secretary and/or Assistant Secretary will review all travel files listed on the travel spreadsheet. The files will be reviewed for compliance with the PRC travel policy.
- Should the Secretary and Assistant Secretary both be absent, their designee will conduct the review.
- The file check list will be initialed on the review date by all parties present at the review.
- Once the file is closed out, the hardcopy will be electronically scanned and the electronic copy will be deemed the official copy and will be maintained in the Office of the Secretary and Administration.

Pre-Travel Procedures

1. The Traveler advises the Travel Coordinator (TC) at least 30 days prior to travel. (Include all information necessary to make appropriate travel arrangements.)
2. The Travel Coordinator will:
 - a. Make tentative travel reservations (on hold);
 - b. Prepare the 1011 for signature;
 - c. Obtain the signature from the traveler and manager; and
 - d. Submit the travel folder to the Travel Manager (TM) for review and signature.
 - o All changes must be approved in advance. Complete a revised 1011 if changes are made. Include copies of the revised items (ex. hotel or air). Remove obsolete information when change is approved.
 - o For domestic travel, provide tax-exempt form to the traveler prior to departure (when available/applicable).
 - o It is the Traveler's responsibility to notify TC of any personal days during the trip.

NOTE: The travel folder must be complete before travel will be approved.

Supporting documents required:

- a. Signed T-1011 (***must include trip purpose***)
- b. Letter of invitation (if available)
- c. Letter of approval to travel internationally (if applicable)
- d. Detailed trip and travel itinerary
- e. Flight itinerary
- f. Hotel reservation
- g. Rental car (if applicable)
- h. Registration form (ex. conference)
- i. File Checklist (PRC Form T-001)

Travel folder label format:

ACTON FY12
TAMPA, FL 2/5/12-2/10/12

Approval signatures are obtained in the following order:

1. Traveler
 2. Manager
 3. Travel Manager
 4. Commission Secretary (or designee)
 5. Chairman
3. The Travel Manager will:
 - a. Review travel file for accuracy and completeness;
 - b. Send to the Secretary for approval;
 - c. Send to the Chairman for approval; and
 - d. Advise the TC when travel is approved and reservations can be finalized.

REMEMBER, PRIOR APPROVAL IS REQUIRED FOR ALL TRAVEL PURCHASES.

Post-Travel Procedures

1. The Traveler will:
 - a. Provide ALL receipts to the TC within 7 days of returning from official travel;
 - b. Tape all receipts to an 8 ½ X 11 sheet of paper to ensure no receipts are lost;
 - c. Sign the Expense Reimbursement and Travel Certification Form (Form PRC-002).
2. The Travel Coordinator will:
 - a. Begin the eTravel reimbursement request;
 - b. Print out a detailed itemized report;
 - c. Print out an Expense Reimbursement and Travel Certification Form and send to Traveler for approval and signature;
 - d. Make requested corrections (if any) and discard and replace obsolete information with revised detailed report;
 - e. Have Traveler approve and sign the final Expense Reimbursement and Travel Certification form;
 - f. Update travel spreadsheet;
 - g. Submit reimbursement for approval in eTravel; and
 - h. Sign the certification form and submit entire travel folder to the TM for review and approval.

NOTE: The travel folder must be complete before travel will be approved.

Supporting documents required:

- a. All receipts.
- b. Signed expense reimbursement and travel certification form.
- c. Final detailed itemized expense report.

Note on post-travel expenditures:

If the host provides a meal, the Traveler MUST claim that meal, even if the Traveler chooses NOT to eat the meal. (A continental breakfast at a hotel does NOT qualify.)

4. The Travel Manager will:
 - a. Review travel file for accuracy and completeness;
 - b. Sign the certification form;
 - c. Submit to the Secretary for approval;
 - d. Print out the final approved detailed itemized report; and
 - e. Submit the travel file for audit.

PRE-TRAVEL FILE CHECKLIST

- Pre-Travel Authorization & Itinerary (Form 1011)
- Letter of invitation
- Letter of approval to travel internationally (if applicable)
- Agenda/itinerary
- Flight or train itinerary/reservation
- Hotel reservation
- Rental car (if applicable)
- Registration form (if applicable)

Reviewed by:

Signature Date

POST-TRAVEL FILE CHECKLIST

- Receipt report
- Approved detailed itemized report
- Detailed report
- Signed reimbursement certification form
- Receipts
- Final flight itinerary (showing that the ticket was purchased)

I certify that all necessary records are present in the travel file.

Signature

Date

Expense Reimbursement and Travel Certification Form

INSTRUCTIONS:

Please complete and sign the statement below that certifies the "Detailed Itemized Report" submitted from *eTravel* is accurate and results from travel necessary to conduct the official business of the Postal Regulatory Commission. This document is maintained as part of our internal records of travel expenditures of the Commission.

Comments on this reimbursement:

I certify that the expenses incurred on the attached *eTravel* "Detailed Itemized Report" were incurred in the furtherance of the official business of the Postal Regulatory Commission.

Signature (Commission Traveler)

Date

Expenses submitted within policy

Signature (Travel Coordinator)

Date

Signature (Travel Manager)

Date

Expenses approved to pay

Signature (Commission Secretary)

Date

Pre-Travel Authorization and Itinerary

Name of Traveler <i>(First, M.I., Last)</i>	Please choose type of travel
	Is a Country Clearance Required?

Travel Dates: From: _____ To: _____ **Destination:** _____

Mailing Address: _____ **Office Phone Number:** _____
 901 New York Avenue, NW, Suite 200, Washington DC 20268-0001

Purpose of Travel: _____

TRANSPORTATION							Estimated Cost:
1. Mode of Transportation & Company:	Origin:	Date	Destination:	Date			
2. Mode of Transportation & Company:	Origin:	Date	Destination:	Date			
LODGING							
1. Establishment Name and Address:	Telephone #:						
2. Establishment Name and Address:	Telephone #:						
Government Rate Used?	Choose One:		Was tax exempt form used?				
If NO, please provide an explanation:			If NO, please provide an explanation:				
List other legs of your trip and any other travel expenses (lodging, rental car, etc):							
1.							
2.							
3.							
Car Rental Company:	Rate:	X	Number of days:				
Miscellaneous/Other Expenses							

PER DIEM							
			=	0			
	Periods at a Rate of		=	0			

Approximate Cost of Travel						\$0.00
Signature of Traveler:	Date:	Signature of Supervisor:	Date:			
Signature of Travel Manager:	Date:	Signature of Approving Official:	Date:			
By signing this document, I am certifying that the funds are available to cover all business related expenses associated with this trip.						
Signature of the Commission Secretary:	Date:					

Privacy Act Statement: Your information will be used to account for your official duty, travel, and relocation expenses. Collection is authorized by 39 U.S.C. 401, 404, 410, 1001, 1005, 1206, and 2008.

Providing the information is voluntary, but if not provided, we may be unable to process your request. We may disclose your information as follows: in relevant legal proceedings; to law enforcement when the becomes aware of a violation of law; to a congressional office at your request; to entities or individuals under contract with the PRC; to entities authorized to perform audits; to federal, state, local or foreign government agencies regarding personnel matters; to the Equal Employment Opportunity Commission; to the Merit Systems Protection Board or Office of Special Counsel; and to financial entities regarding financial transaction issues as required by law.

**POSTAL REGULATORY COMMISSION
OFFICE OF INSPECTOR GENERAL**



FINAL AUDIT REPORT

PRC TRAVEL POLICY AND PRACTICES

Audit Report 0901A02

May 26, 2009

Table of Contents

INTRODUCTION	1
Background	1
Objectives, Scope, and Methodology	2
RESULTS	2
Adequacy of Travel Policy and Practices	2
Compliance with PRC Policies and Practices	3
No Written Justification for Travel Cost Less Advantageous to PRC	3
Recommendation 1	3
Management’s Comments	4
Evaluation of Management’s Comments	4
Sales Tax Exemptions Not Taken	4
Recommendation 2	4
Management’s Comments	4
Evaluation of Management’s Comments	4
No Review Process of Travel Reports	4
Recommendation 3	5
Management’s Comments	5
Evaluation of Management’s Comments	5
Recommendation 4	5
Management’s Comments	5
Evaluation of Management’s Comments	5
Other Suggestions	6
Appendix I	7

Introduction

Background

This report represents the results of a self-initiated audit of the Postal Regulatory Commission (PRC) travel expenses. The PRC consists of approximately 70 staff members including one chairman, four commissioners, and various professional and administrative staff. The PRC incurred \$162,704 in travel expenses for 25 travelers between October 1, 2007 and December 31, 2008.

PRC travelers are required to adhere to the PRC Travel Policy, issued on June 15, 2007. Under the policy, travelers must use available cost-effective services, within reason, balancing the need for efficiency in conducting business against convenience, safety, and comfort. Government rates and discount contract fares arranged by General Services Administration (GSA) should be used when available and practical. If a more expensive service is used, travelers must obtain prior approval from the Office of Secretary and Administration (OSA) and include a statement on the travel voucher explaining why a more expensive service was used and how the higher cost service was beneficial to the agency.

Travel coordinators prepare all travel requests including making arrangements and processing travel reimbursements. The traveler provides a tentative itinerary to the travel coordinator. Upon receipt of the tentative itinerary, the coordinators prepare a *Postal Service (PS) Form 1011, Travel Advance Request and Itinerary Schedule*, by researching and estimating the costs of travel. Once preliminary estimates of the trip are made on *PS Form 1011*, the coordinators discuss the details with the traveler, who reviews and approves the form. The traveler then submits the form to OSA and the Chairman for approval.

Upon returning from the trip, the traveler provides all receipts to the travel coordinators. Travel expense reports must be submitted no later than the end of the month in which travel is completed. The coordinators submit the expenses for processing on behalf of the traveler through the United States Postal Service's eTravel system.¹ Once expenses are recorded in eTravel, the coordinators provide the traveler with a copy of the expense report to review for accuracy and approval. However, there is often no physical evidence, such as a signature, that the traveler approved the expense report. The expense report is forwarded by the eTravel system to OSA for approval. Once OSA electronically approves, the expense report is submitted through the eTravel system, and a physical copy of the expense report, along with the appropriate receipts, are mailed to the Postal Service's Information Technology/Accounting Service Center for reimbursement.

¹ The eTravel system processes business travel expenses and invoices the PRC's accounts within the Postal Service accounts payable system for reimbursement.

Objective, Scope and Methodology

The objective of our audit was to evaluate the key management controls over travel policies and practices within the PRC. Specifically, we evaluated the adequacy of travel policies and practices and determined if travel expenses were properly supported and complied with PRC policies and procedures. We statistically selected 40 travel expense reports from a universe of 117, dated from October 1, 2007 through December 31, 2008.

To evaluate the adequacy of travel policies and practices, we compared PRC travel policy to the Postal Services Board of Governors and Officers' travel policies and guidelines. We also considered suggested changes to the Board of Governors and Officers' guidelines made by the Postal Service OIG, which were based on benchmarking travel guidelines prescribed by other federal agencies and local government entities, private corporations, and not-for-profit organizations.

To determine if travel expenses were properly supported and complied with PRC policies and procedures, we examined expense reports within our sample and supporting documentation to analyze:

- Adequate preparation and proper authorization of travel.
- Whether the trip was for official business purpose.
- The reasonableness of airfare, lodging, per diem and car rental expenses.
- Whether travel exceptions, deviations, and international travel were properly authorized.

We conducted this review between January and April 2009 in accordance with generally accepted government auditing standards and included tests of internal controls that were necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with the Director of OSA on April 23, 2009.

Results

Adequacy of Travel Policy and Practices

Based on benchmark analysis of the PRC's Travel Policy, we identified opportunities to strengthen the policy. We offer the following suggestions to assist with the overall management of these expenditures:

- Require government-issued travel card use for all customary travel expenses.
- Establish specific criteria on the spousal travel provisions.
- Prohibit reimbursement for alcoholic beverages.

- Incorporate a 50-mile rule for overnight travel.
- Establish specific criteria for allowable laundry and dry cleaning, health club and business center expenses.
- Require coach class for air travel, with specific exceptions (for reasons such as length of flight or medical needs).

Compliance with PRC Policies and Practices

Based on the sample results, the compliance of PRC travelers' expenses with PRC policy was not always properly supported. We found 24 occurrences on 17 travel expense reports² where travelers (1) did not provide written justifications for travel costs less advantageous to the PRC; (2) did not use the state tax exemption for lodging and/or (3) did not review travel expense reports for accuracy. As a result, we statistically projected that at least 37 expense reports³, 32%, of the 117 reports in the universe, did not contain adequate documentation to support compliance with PRC travel policy.

No Written Justification for Travel Cost Less Advantageous to PRC

There were fifteen occurrences where the travelers did not submit written justifications for higher travel expenses, including fourteen occurrences of hotel expenses greater than the GSA rate without written justification, and one occurrence of car service when better transportation options may have been available. We did not find written justification for these less advantageous costs in the travel report files, which contain Form 1011 and a paper copy of the eTravel report.

The PRC travel expense policy states that travelers must use available cost-effective services, within reason, balancing the needs for efficiency in conducting business against convenience, safety, and comfort. If a more expensive service is used, travelers must obtain prior approval from the OSA and include a statement on the travel voucher explaining why a more expensive service was used and how the higher-cost service was beneficial to the agency. Without this written justification, there can be no assurance that travelers obtained the most advantageous costs for the PRC.

Recommendation 1

We recommend that the PRC clarify their policy requiring that the traveler provide written justification if more expensive services are used, explaining the benefit to the PRC of the higher-cost service.

² An occurrence can appear on more than one travel report.

³ We projected with 95% confidence that the number of noncompliant travel expense occurrences is at least 37 reports of the 117 reports in the universe population.

Management's Comments

PRC Management provided a response to the draft report of this audit on May 19, 2009. A copy of that response is included as Appendix I of this report.

Management agreed with this recommendation and committed to immediately requiring PRC travelers to provide a written justification whenever a more expensive service or lodging is used and to explain the benefit of the higher-cost service/lodging.

Evaluation of Management's Comments

Management's comments are responsive to the recommendation, and the action taken or planned should correct the issue identified.

Sales Tax Exemptions Not Taken

We also observed six occurrences where travelers did not obtain an exemption for sales tax for lodging as allowed by the state to which they had traveled. The PRC travel expense policy states that the traveler, when checking into a hotel, should request an exemption from state and local taxes. The PRC could potentially save funds if travelers consistently obtain sales tax exemption.

Recommendation 2

We recommend that the PRC reiterate to travelers the significance of obtaining exemption for sales taxes for lodging.

Management's Comments

Management agreed with this recommendation and will immediately reiterate to travelers the importance of securing exemption for sales taxes for lodging while on travel.

Evaluation of Management's Comments

Management's comments are responsive to the recommendation, and the action taken or planned should correct the issue identified.

No Review Process of Travel Reports

There is no written policy requiring that the traveler review and certify travel reports submitted in the eTravel system. In addition, the PRC policy is unclear as to who is responsible for ensuring that expense reimbursements adhere to travel policy. We found three occurrences where travelers were reimbursed for expenses in error or in violation of policy. Specifically, we noted the following: reimbursement for an incorrect number of per diem days; paid gratuities for car services that was more than allowed by PRC policy; and reimbursement for both mileage and gas when gas is a non-reimbursable expense included in the mileage. These occurrences could

have been corrected with an adequate review process. A review process ensures that travel expenses adhere to policy and are properly paid.

In addition, since travel coordinators submit travel expenses in the eTravel system on behalf of PRC travelers, it is important that travelers validate the accuracy of the reports by certifying with their signatures that the expenses reported were actually incurred and were incurred for an official purpose. Overall, the traveler, travel coordinators, OSA, and Chairman must understand their roles and responsibilities to ensure that travelers adhere to the policy and that PRC funds are protected.

Recommendation 3

We recommend that the PRC modify its travel policy to better define roles and responsibilities to review and approve travel reports.

Management's Comments

Management agreed with this recommendation and plans to immediately enhance PRC Travel Policy to better define roles and responsibilities in the approval and reimbursement request process.

Evaluation of Management's Comments

Management's comments are responsive to the recommendation, and the action taken or planned should correct the issue identified.

Recommendation 4

We recommend that the PRC modify its travel policy to require the traveler to review and sign their request for reimbursement, certifying with their signature that the expenses reported were actually incurred and were incurred for an official purpose.

Management's Comments

Management agreed with this recommendation and committed to immediately modify PRC Travel Policy to require the traveler to certify expenses by signing the reimbursement request prior to having it submitted electronically for payment.

Evaluation of Management's Comments

Management's comments are responsive to the recommendation, and the action taken or planned should correct the issues identified.

Other Suggestions

During our audit review, we noted that the *Postal Service (PS) Form 1011, Travel Advance Request and Itinerary Schedule*, currently used by the PRC to plan travel arrangement, could be modified to better carry out PRC travel policy. We suggest that the PRC redesign the form with the following modifications:

- Add a section for the traveler to describe the business purpose of the trip.
- The lodging section should be expanded to include the GSA rate in the destination city and, if applicable, the rationale for exceeding the GSA rate.
- Per diem section should be updated to reflect the current method for per diem reimbursement⁴.
- Add a section for the traveler to input justification for any deviations to policy

⁴ Number of days on per diems times per diem rate less meals provided.



Office of the Secretary and
Administration

May 19, 2009

Jack Callender, Inspector General
Postal Regulatory Commission
901 New York Avenue, NW
Washington, DC 20268

Dear Jack:

The Commission is pleased to receive the guidance contained in your PRC Travel Policy and Practices Report Number 0901A02, which was recently completed and will serve as a basis for the Commission in continuing efforts to strengthen its internal controls and improve its written policies and procedures. Management's responses to the individual recommendations contained in your Report are:

- Recommendation 1: Beginning immediately, management will require PRC travelers to provide written justification if more expensive services are used explaining the benefit to the PRC of the higher-cost lodging or services;
- Recommendation 2: Beginning immediately management will provide additional guidance on the importance of securing a sales tax exemption while on travel;
- Recommendation 3: Beginning immediately management will enhance its Travel policy and better define the roles and responsibilities in the approval and reimbursement request processes, and
- Recommendation 4: Beginning immediately management will modify its Travel policy to require the E-Travel submitter to print out and have the traveler personally sign the request for reimbursement of travel expenses before being submitted electronically in E-Travel, thus certifying the expenses to which they are seeking reimbursement were actually incurred for an official purpose.

Management will also redesign its Travel Itinerary and Reimbursement forms to include sections that the traveler complete to describe the business purpose of the trip, uses the posted GSA rate as a guideline in seeking lodging and include a place on the form to explain why the GSA rate for the area was exceeded, adapt to the change in per diem calculation and include a section for the traveler to explain any deviations from the PRC Travel Policy. Management will implement these actions by June 30, 2009.

The Commission appreciates your assistance with this review and the guidance for establishing stronger and more effective internal controls.

Sincerely,

A handwritten signature in blue ink that reads "Steven W. Williams".

Steven W. Williams
Director