

**Travel Cards: Our Review  
Found Issues with Record Retention;  
the New Financial System  
will Help but not Solve the Issue**

**February 2023**

**Milwaukee County Office of the Comptroller  
Audit Services Division**

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# Milwaukee County

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To the Honorable Chairwoman  
of the Board of Supervisors  
of the County of Milwaukee

February 14, 2023

We have completed an audit, *Travel Cards: Our Review Found Issues with Record Retention; the New Financial System will Help but not Solve the Issue*. A response from the Office of the Comptroller Payroll Division is attached as **Exhibit 4**. In addition, a response from the Department of Administrative Services Procurement Division is attached as **Exhibit 5**. We greatly appreciated the cooperation extended by the Office of the Comptroller, the Department of Administrative Services, and other County departments during the course of this audit.

We conducted a review of the transactional data for travel cards along with post transactional record retention and oversight. The audit was requested by the Comptroller. Our overall objective was to evaluate the adequacy of internal controls, policies, procedures, and processes of the program. We also sought to determine compliance with travel purchasing guidelines and to determine if any improper transactions occurred. We requested documents from various departments and divisions to evaluate the compliance with post transactional administrative requirements.

We found during our period of testing from 2018 to May 31, 2021, which coincided with the change in central administration of the travel card from the Procurement Division to the Payroll Division, there were 58 possible transactional violations within our judgment sample of 135 transactions. We reviewed compliance with post transactional administrative requirements in our sample of 135 and found 28 were missing receipts, 46 were missing required signed U.S. Bank statements and 57 were missing required purchasing logs. Twenty-four of the transactions were missing all three requirements.

We made five recommendations that we believe will help the County address the issues raised in the report. Please refer this report to the Committee on Audit.

Jennifer L. Folliard

JLF/mrp

Attachment

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## Why We Did This Audit

We conducted a review of the transactional data for travel cards along with post transactional record retention and oversight. The audit was requested by the Comptroller.

## What We Recommend

ASD made 5 recommendations that, if implemented, will address the issues raised in the audit. Key items include:

- *The Payroll Division work with the DAS CBO on an annual basis to determine if any new allowable categories should be added to the T Card based upon use and request for exemptions within the year.*
- *The Payroll Division work with the DAS CBO to determine if meal expenses at Milwaukee Mitchell Airport en route to travel and local parking are allowable expenses and if so, update the manual to provide clarity to employees.*
- *The Payroll Division meet annually with the Procurement Division to discuss proper card usage for transactions and to maintain consistency between the two card programs.*
- *The Payroll Division design and require a training program for the Card Coordinators, Card Approving Supervisors and the Departments Heads to ensure that proper review of purchases at the departmental level is occurring and purchases are appropriate.*
- *The Payroll Division work to design a review process to periodically verify the completion of the purchasing log and signature on the U.S. Bank statement and add additional training to the current training program to ensure proper record retention of the purchasing log and U.S. Bank statement.*



February 2023

# Travel Cards: Our Review Found Issues with Record Retention; the New Financial System will Help but not Solve the Issue.

## BACKGROUND

In 2000 and 2001, the County instituted a purchasing card program establishing credit cards for the use of employees for County expenses for both general purchases and travel. In 2022, we released an audit reviewing the issuance of purchasing and travel cards. In addition, it reviewed transactions and post transactional administrative compliance for the P card. This report provides the review of the transactions and post transaction administrative compliance for the travel card program from 2018 to May 31, 2021. The County's transition to a new financial system, Infor XM, caused travel card central administration to change from Procurement to the Payroll Division effective May 31, 2021.

## OVERALL OBJECTIVE

Our overall objective was to evaluate the adequacy of internal controls, policies, procedures, and processes of the program, determine compliance with travel purchasing guidelines, determine if any improper transactions occurred and evaluate the compliance with post transactional administrative requirements.

## WHAT WE FOUND

- The County's travel policies are established in Chapter 56.05 of the Ordinances with a corresponding Administrative Manual of Procedures (AMOP) and a T card manual issued by the then Program Administrator Procurement. Travel expenses include: lodging, meals, transportation, registration fees and incidental expenses while traveling for County business.
- The period of our review concluded with the transition of the T card program to the Payroll Division in June of 2021 but a review of subsequent updates to both the manual and the AMOP was conducted.
- The 2018 Manual was blended for the P and T card programs which caused confusion during our review. An updated AMOP and new separate manuals for the programs should alleviate some of the confusion.
- We created a judgment sample of 135 transactions to review for potential violations of procedures including unallowable expenses, expenses within Milwaukee County, items that should be placed upon a P card and items in excess of the \$2,000 transaction purchase limit.
- We found 58 possible violations in our judgment sample listed in the table below. Registration for events in Milwaukee County or virtual was the largest category with 18 violations.
- Most departments have both a T and a P card and we found 14 instances where departments placed items that should be on a P card upon their T card.

Type of Potential Transactional Violations by Number	
Type	Number
Potentially Unallowable Expense	4
Registration within MC or Virtual	18
Membership Dues	4
Food within Milwaukee County	4
Local Hotel w/o Documentation	7
Lack of itemized receipt	2
Purchasing Card Expense (Non-travel)	14
Over Transaction limit of \$2,000	5

- The 2018 Manual established record retention policies. We reviewed compliance and found 28 were missing receipts, 46 were missing required signed U.S. Bank Statements and 57 were missing required purchasing logs as shown in the table below. Twenty-four of the 135 judgment samples did not complete all three steps.

Administrative Violations By Type	
Type	Count
No Receipts	28
No Signature on Bank Statement	46
No Purchasing Log	57
Missing all three (also included in the categories above)	24

- We conducted interviews with departments and divisions to seek documentation and explanations for missing documents. The lackadaisical attitude toward receipt retention was concerning.
- The transition to the XM system should allow for immediate inquiry into missing receipts while the old system could have a multi-year delay before receipts were requested.

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# Travel Cards: Our Review Found Issues with Record Retention; the New Financial System Will Help but not Solve the Issue

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## Background

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In February of 2022, we released an audit of the County's credit card program, *Procurement's Purchasing Card Program: Efficiency is Achieved but more Oversight and Updated Guidelines are Needed*. That audit reviewed issuance of both purchasing and travel cards but only reviewed transactions and post transaction administrative compliance for the purchasing card (P card) program. This report provides the review of the transactions and post transaction administrative compliance for the travel card (T card) program. The issuance of two reports is due primarily to a change with the implementation of the County's new financial system, Infor XM, where central administration for the T card only has transitioned to the Office of the Comptroller's Payroll Services Division from the Department of Administrative Services - Procurement Division. This transition occurred on May 31, 2021. This audit contains the review of the transactional data for travel cards from January 1, 2018 to May 31, 2021 and post-transaction record retention and oversight of the travel card program along with a look at what changes to the program result from using the County's new financial system. The recommendations contained in this audit regarding the travel cards are directed to be led by the Payroll Division rather than Procurement.

In our prior audit, we found the issuance of cards followed Procurement's Policy and Procedure Manual for Purchasing/Travel Cards with few exceptions. Our review of transactional data for the purchasing cards found the biggest issues to be with the use of internet service providers such as PayPal, payment of sales tax, and consideration of an increase to the \$2,000 limit. There was no documented system to track when approval was granted to departments to vary from the purchasing policies identified in the manual. We also conducted a review of the post-transactional record retention and found multiple areas that require additional oversight by both Procurement and departmental staff. We made ten recommendations that we believe will help the County address the issues raised in that report.

The credit card program began in 2000 for P cards and in 2001 for T cards to reduce paperwork, increase efficiency, reduce time for vendor payments, and to improve vendor relationships with the County. From 2018 to 2020, the travel card activity totaled over \$1.0 million with an allowable purchase value of \$2,000 and 88 cards in use. In comparison, P card expenses from 2018 to 2020 totaled \$12.4 million. Table 1 shows total transaction costs by year per card type for 2018 to 2020.

**Table 1**  
**Transaction Costs by Year for P and T Cards 2018 to 2020**

	<u>P Card</u>	<u>T Card</u>	<u>Total</u>
2018	\$4,236,211	\$336,847	\$4,573,058
2019	4,332,817	546,508	4,879,325
2020	<u>3,829,876</u>	<u>162,405</u>	<u>3,992,281</u>
Total	\$12,398,904	\$1,045,760	\$13,444,664

Source: Chart created by Audit Services Division based on data from the U.S. Bank system.

In addition, there was \$75,306 in transactions on the T card from January of 2021 to May 31 of 2021 which is the date of the transition to the new Infor XM financial system and the assumption of oversight by the Payroll Division.

T cards are used to reserve and pay for travel primarily for County employees. Milwaukee County Ordinance 56.05 *Travel authorization and expense reimbursement policy* establishes the parameters for County travel. This ordinance sets up the definitions of allowable travel items such as lodging, meals, transportation, seminar/meeting attendance, and related activities in the conduct of official county business.

There were four main roles responsible for the operation of the travel card program during 2018 to May 31, 2021 at the County:

- The **County Travel Card Administrator** within the Department of Administrative Services Procurement Division is responsible for the central administration of the purchasing card program. This includes the initial set-up of cards, any subsequent changes or replacements to existing cards and training. In addition, Procurement acts as the County's liaison with U.S. Bank. This role transitioned to the Office of the Comptroller's Payroll Division in June of 2021.
- The **Cardholder** is a full-time employee who has been issued a personalized purchasing and/or travel card or has been granted temporary use of a department's pool card and is authorized to make purchases.
- The **Cardholder Approving Supervisor** within the department who is responsible for approving purchases placed upon the purchasing and travel card.
- The **Department Card Coordinator** is responsible for communicating all changes to the County Purchasing Card Administrator, oversight of the process, maintenance of central files for all department cardholders, and ensuring that all documentation is submitted and appropriately signed by the Cardholder and the Cardholder Approving Supervisor.

Due to the implementation of the Infor XM system, the approval of travel expenses within Infor XM is now required by the supervisor of the traveling employee and the department head.

We were cognizant of fraud that may occur within the program while we conducted our fieldwork and any questionable items we found were discussed with the Audit Services Division's Fraud Manager. However, it should be noted that this audit was not a complete review of every transaction that occurred within the scope of this audit which was more than three years and encompassed over 8,184 transactions.

Table 2 contains a listing by department of active cards during 2018 to May 31, 2021 with both total charges and total transactions during the period.

<u>Department</u>	<u>Cards</u>	<u>Charges*</u>	<u>Transactions</u>
County Board	2	\$12,900	60
Office of Corporation Counsel	1	456	7
Risk Management	1	2,072	10
Highway	2	2,342	17
Register of Deeds	3	2,932	23
Airport	1	3,462	26
Human Resources	2	4,930	9
CEX Gov't Affairs	3	7,037	125
Fleet	2	10,327	32
Medical Examiner	1	11,031	37
MC Director of Transportation	2	11,391	95
Office of African American Affairs	2	18,765	122
Transportation	2	19,388	101
Zoo	2	29,506	117
Parks	2	32,753	110
DAS-Fiscal Affairs	7	36,478	133
House of Correction	6	50,040	622
Office of Emergency Management	7	65,115	617
Information Management Services Division	5	66,440	471
Behavioral Health Division	2	86,581	207
District Attorney	1	154,494	825
Dept. of Health and Human Services	12	205,792	1,813
Sheriff	<u>20</u>	<u>286,838</u>	<u>2,605</u>
<b>Total</b>	<b>88</b>	<b>\$1,121,065</b>	<b>8,184</b>

Source: Chart created by Audit Services Division based on data from the U.S. Bank System.

\* Numbers are rounded in the table.

We found the largest three categories of spending on the T card for the period of our review to be airlines, hotels, and business expenses such as payments to schools and organizations for training. Those costs totaled \$876,166 which was 78% of all T card expenses. Table 3 details the purchases within merchant categories from 2018 to May 31, 2021.

<b><u>Category</u></b>	<b><u>Examples of Expense or Vendors</u></b>	<b><u>Amount</u></b>	<b><u>Transactions</u></b>
Airline	United, Southwest	\$ 391,766	1,793
Hotels	Marriott, Hyatt, Hilton	\$ 290,798	1,481
Business Expenses	UWM, Wisconsin Jail Association, County Highway Association	\$ 193,602	537
Eating/Drinking	Subway, IHOP, Wendy's	\$ 68,527	2,389
Office Services	Defensive Edge Training, Travel Insurance Policy, WI IT Symposium	\$ 58,331	162
Other Travel	Uber, Taxi Services	\$ 33,821	501
Vehicle Expense	Kwik Trip, Exxon	\$ 20,147	749
Rental Cars	Avis, Budget	\$ 16,452	125
Wholesale Trade	Pick-N-Save, Walmart	\$ 13,947	224
Other	Newsstands, GARE Racial Equity	\$ 12,102	149
Office Supplies	The Experience Management, Equity Summit 2018 Pay	\$ 11,926	22
MRO Supplies (Direct Marketing)	American Public Works	\$ 3,015	15
Book Sellers	Calibre Press	\$ 2,768	4
Misc Personal Svcs.	Coffee shop, Union Taxi Coop	\$ 2,635	10
Medical	CVS, Walgreens	\$ 482	17
Catalog Merchants	Wolters Lumer health, Professional Resources Exec	\$ 460	2
Building Service	Professional Law Enforcement	\$ 198	1
Auto/RV Dealers	U Haul	\$ 88	1
Annual Fee	Charge and offsetting credit of \$12	\$ 0	2
	<b>Total</b>	<b>\$ 1,121,065</b>	<b>8,184</b>

Source: Chart created by Audit Services Division based on data from the U.S. Bank system.

In keeping with the County's focus on racial and gender equity, we reviewed the racial and gender identity of cardholders. While there are 88 travel cards, most of the cards are pool cards and are not held by an individual. There were 23 cards which named an individual. Only four racial or ethnic groups had cardholders. We found those who identify with the White racial group to be



overrepresented with 74% of cardholders from this group while the 2019 share of the workforce was 57%. Black or African American cardholders were 17% of cardholders and were 31% of the workforce in 2019. The Hispanic or Latino cardholders were 4% of cardholders and were 7% of the workforce. The Two or More Races cardholders were 4% of cardholders and were 2% of the workforce. In 2019, 52% of the County work force identified as female, we found the percentage of cardholders to be 48% people who identify as female.

We conducted this audit at the request of the Comptroller and our overall objective was to evaluate the adequacy of internal controls, policies, procedures and processes of the T card program, determine compliance with purchasing guidelines and how purchases are approved and determine if any improper purchases occurred within our judgment sample on the T cards.

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**Section 1: Our review of the appropriateness of Travel card transactions found minimal issues but a lack of receipts hindered a complete review. The new financial system, if used properly, should help to alleviate most of the issues but clarification on some purchases is needed.**

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The County’s travel policies are established in the Milwaukee County Code of Ordinances Chapter 56.05 with a corresponding Administrative Manual of Procedures (AMOP) and Procurement Manual providing clarification of the ordinance.

Travel policy and procedures at the County are established via ordinance, the Administrative Manual of Procedures and a user Manual issued by Procurement for the County’s credit card program.

Chapter 56.05 of the Milwaukee County Code of Ordinances (attached as Exhibit 2) states that the purpose of the section is to establish a procedure for the authorization and reimbursement of business-related travel for elected officials, officers, and employees of the County. Expenses to be reimbursed are limited to expenses essential to County business, personal expenses are not reimbursable. The chapter establishes that travel expenses consist of the following costs:

Per the ordinance major travel expenses include lodging, meals, transportation and registration fees.

- **Lodging** – receipts are required, lodging costs are limited to 125% of the federal lodging rate (excluding taxes) and the best government rate should be obtained.
- **Meals or other incidental expenses** - meals including tips at a maximum rate of 20% and are not to exceed the federal meal and incidental expense rate. Guidelines also state meals are reimbursed while on County business outside of the County.
- **Transportation** - including automobile rental and taxi/limousine services.
- **Registration fees** - conventions, conferences and seminar/meeting attendance - receipts are required.
- **Incidental expenses** – parking, ferries, tolls, subway fares, business related telephone calls.

- **Related activities** - in the conduct of official county business.

**AMOP 7.12 provides guidance on travel related expenses and reimbursement.**

**Revised in 2010, AMOP 7.12 provides additional guidance on travel procedures to departments such as receipt requirements, approval of deviations from policies, and states alcohol is not reimbursable.**

In March of 1972 the County developed and issued Administrative Manual Chapter 5.11 entitled Travel Preparation Guidelines and Expense Reporting. In January 2010 a revision to the procedure was issued and was in place until the latest edition which was released in September of 2022. The overall purpose of the AMOP is “to establish an orderly procedure in accordance with Milwaukee County Ordinance 56.05 for the authorization and reimbursement of business-related travel for elected officials, officers, employees of Milwaukee County and municipal police officers.” This AMOP was updated and renumbered to 7.12 as of September 2022 and is attached as Exhibit 3.

The 2010 version of the procedure provides definitions and guidelines to departments when travel occurs regardless of the payment mechanism. Travel can be paid either via a travel advance, which provides reimbursement to the employee who placed expenses on their own credit card or using a T card.

Provisions contained in the AMOP that are in addition to those found in the Ordinance include:

- Deviations from travel policies are to be pre-approved by the Department of Administrative Services.
- Personal expenses are not reimbursable.
- Receipts are required for: all modes of public transportation (itemization required), lodging, meals, registration fees, taxicab and shuttle fares in excess of \$15, car rental (with rental agreement and paid invoice).
- Lodging is reimbursable when travel is in excess of 100 miles.
- Alcohol is non-reimbursable.
- Milwaukee County is exempt from sales tax which should not be paid at a hotel within Wisconsin.
- Meal costs incurred while on official County business within Milwaukee County are not reimbursable.

**The AMOP states that meal costs within Milwaukee County are not reimbursable.**

Items listed as non-reimbursable include valet services, personal trip insurance or flight insurance, personal telephone calls, entertainment and travel to places of entertainment, medical or hospital services, and travel costs for family members.

**In 2018 the Procurement Division which oversaw both the T card as well as the P card issued a Policy and Procedure Manual for Purchasing/Travel Card.**

**In 2018 the Procurement Division issued a manual for using a County credit card including for travel.**

In August of 2018 the Procurement Division issued a manual entitled, Policy and Procedure Manual for Purchasing/Travel Card. It provided direction for both P cards and T cards and allowable transactions along with the required post-transaction administrative recordkeeping.

The manual lists the following items as allowable purchases for the T Card:

- Airline Tickets
- Hotel room and taxes
- Registration fees
- Train Tickets
- Car Rentals
- Food – cost of food while on the trip
- Road tolls and parking
- Any other costs shall be the responsibility of the traveling employee. The travel card should not be used for personal trip expenses

**Included in the manual is the ability to use the T card to pay for travel to Milwaukee County for an individual or agency providing services to Milwaukee County.**

Section 4.5.3 of the manual allows the T card to be used to pay the travel costs of an individual or agency providing services to Milwaukee County, for example, an outside instructor who travel to Milwaukee to provide training to employee.

The 2018 manual listed prohibited items for the T card as:

- Personal purchases or identification.
- A single transaction that exceeds \$2,000. (Unless authorized by the County Purchasing Card Administrator).
- Entertainment expense.

The manual requires the department maintain a purchasing log monthly of all items placed upon a County credit card and that the monthly statement from U.S. Bank be signed by the Cardholder Approving Supervisor.

**The period of our review concluded with the transition of the T card program to the Payroll Division in June of 2021 but a review of updates to both the manual and the AMOP issued by the Payroll Division in 2022 was conducted.**

**In June of 2021, the T card program transitioned to both the County's new financial system and oversight by the Comptroller's Payroll Division.**

In September of 2022 AMOP 7.12 was issued that contained revisions to AMOP 5.11 but maintained the same objective and purpose as was contained in 5.11. The end of the scope of our review coincided with the transition of the oversight of the program to the Payroll Division of the Office of the Comptroller. This occurred on May 31, 2021 which was prior to the release of the new AMOP. However, we conducted a review of the new AMOP to see what items had been updated and how they may impact our recommendations.

The changes we noted include:

- Instructions on submittal into the Infor XM system including notation of the explanation warning box for uncommon items.
- Expense reports within the Infor XM system are forwarded for review first to the traveler's manager then the department head and finally to the Payroll Division for review.
- A listing of 30 expenses that are considered personal, not essential to the transaction of official County business and are not reimbursable.
- Inclusion of the County's financial and supply chain application, Infor XM System.

**In September of 2022 a revised AMOP was issued to update the T card program for the new Infor XM system. Other changes included additional items that are not reimbursable and the designation of DAS CBO as the grantor of exceptions.**

- There should be a formal and documented approval for travel by an employee's supervisor or manager.
- Deviations from travel policies are to be approved by the Department of Administrative Services, Central Business Office (DAS CBO).
- A section detailing the review and approval of travel expense reports including a statement that all charges in excess of \$25 require a receipt and a list of questions to be reviewed prior to submittal to ensure the expenses are in line with County policies.
- Most economical fare must be selected regardless of carrier or airport. First-class and business upgrades are prohibited.
- Car rental is not allowed for travel within the Milwaukee Metropolitan Area. Car rental is reimbursed at the compact car rate and only one car rental per trip including when more than one employee travels.
- Inclusion of Uber, Lyft and other such transportation services.
- Every effort should be made to take advantage of early registration or group rate discounts.

**We conducted a high-level review of 8,184 transactions totaling over \$1.1 million to identify purchases that were potentially in violation of procedures including unallowable expenses, expenses within Milwaukee County, P card items, and items in excess of the \$2,000 card limit.**

**We obtained the transactional data from U.S. bank from 2018 to the point the program transitioned to the Payroll Division and created a judgment sample of 135 transactions for additional review.**

We obtained all transactional data from the T cards during the period of our review from 2018 to May 31, 2021 which included 8,184 transactions and over \$1.1 million in expenses. We conducted a high-level review to flag any items that appeared to be a potential violation of the allowable purchases as outlined in the 56.05 Ordinance, the 2010 AMOP and the 2018 Policy and Procedure Manual.

We primarily used the list of allowable items from the 2018 Procurement manual to generate a judgment sample of 135 transactions to review for potential violations. In order to review these 135 transactions, we requested purchasing logs, bank statements, and receipt documentations from 17 departments or

divisions. In total, the transactions were \$84,546 in expenses. We found violations of both administrative procedures and purchases for unallowable items on T cards. Some cards had multiple violations.

**Our review of 135 transactions was hindered by the lack of receipts at times, but we found 58 possible violations within our judgement sample.**

**We found 58 possible violations in our sample of 135 transactions and an additional 21 that were missing receipts and could not be evaluated.**

We found there were 58 possible violations of the policies for allowable transactions while using the T card in our judgement sample of 135 transactions. There were 21 transactions that we selected for review that departments were unable to find receipts for and did not contain enough information in the U.S. Bank statement to be reviewed. One transaction was flagged as a potential violation for registration within Milwaukee County and was also in excess of \$2,000. We discuss the lack of receipts in Section 2 under compliance with administrative requirements. Table 4 shows the number of possible violations by type and the amount of the transactions from 2018 to May 31, 2021.

<u>Type</u>	<u>Number</u>	<u>Amount</u>
Potentially Unallowable Expense	4	506
Registration within Milwaukee Co. or Virtual	18	15,051
Membership Dues	4	4,020
Food within Milwaukee County	4	145
Local Hotel without Documentation	7	1,976
Lack of Itemized Receipt	2	43
Purchasing Card Expense (Non-Travel)	14	6,459
Over Transaction Limit of \$2,000*	5	18,483
<b>Sub-Total</b>	<b>58</b>	<b>\$46,683</b>
Unknown due to lack of Receipts**	21	\$13,502
<b>Total</b>	<b>28</b>	<b>\$60,185</b>

Source: Chart created by Audit Services Division based on data from the U.S. Bank system and department submittals.

\* The cost of one transaction over \$2,000 is excluded from the total cost amount for over \$2,000 items as the transaction was also a training within Milwaukee County and is included in the amount for that registration within Milwaukee Co. or Virtual category.

\*\* There are an additional seven transactions that did not have receipts but did have enough information from the U.S. Bank system such as a local hotel name to be placed within a potential violation category above. Total transactions missing receipts was 28.

**We found four expenses which were not allowed under the T card or P card parameters, and which were deemed unallowable spending although with additional documentation the expenses might have been allowable for Milwaukee County.**

**There were four expenses that we flagged as potentially unallowable County expenses and which, if deemed allowable, should have been on the P card instead.**

In our judgment sample we found four items that we deemed “potentially unallowable.” Three of the items were in part due to missing documentation which could have provided justification for the purchase on a P card rather than the travel card. Purchases of clothing and men’s shoes by the Department of Health and Human Services were listed on the receipts; however, no documentation was provided to indicate who the items were purchased for. According to the Department of Health and Human Services, personal items may be purchased for residents in need of attire or supplies during their detention period. We did not flag a transaction where we were provided a receipt that noted the name and the Juvenile Detention Center Identification Number for the individual for whom the department was making purchases on the receipt.

One department used the T card to provide a staff development experience at an Escape Room and placed the cost for the outing on the T card. This is not an allowable County expense or should have required approval from the Procurement Division which the department was unable to provide.

**The largest group of transactions that were flagged for potential violations were expenses for membership dues or online training or training within Milwaukee County. There was a total of 22 such transactions in our judgment sample.**

The ordinance, AMOP and Manual establishes the T card to be used for employees conducting travel while on County business. There were two types of expenses we found in the judgment sample that appear to be in violation of these instructions as no travel outside of Milwaukee County was required.



**The largest group of transactions we flagged were for local or virtual training where no travel occurred and the purchase of membership dues.**

The first is the use of the T card for registration for trainings, seminars, or conferences that were occurring within Milwaukee County or virtually which do not require an employee to travel. We found a total of 18 of these transactions. In some transactions there was inadequate detail to determine if the training was virtual or local. The new Infor XM system requires a destination to be entered by an employee when entering a travel expense report. According to the Payroll Division, the new system will flag or require an override when an employee attempts to create a travel expense report with Milwaukee as the destination.

In addition, we found four examples of departments using T cards in order to renew or establish membership dues for various organizations. Purchasing memberships in some cases may lead to access to training but as currently written membership dues are not an allowable T card expense.

The updated AMOP that was released in September 2022 addressed requests for exemptions to the T card rules. Requests for approval to deviate from policies are required to be submitted in writing to the DAS CBO a minimum of ten days prior to the date of departure. If approved, a copy of the approval must be forwarded to the Payroll Division at the Office of the Comptroller.

As the Payroll Division continues its assumption of the T card program and the use of the Infor XM system there will continue to be items that may be allowed on the T card that were previously prohibited. The AMOP established a request for exemption overseen by the DAS CBO, therefore we recommend,

- 1. The Payroll Division work with the DAS CBO on an annual basis to determine if any new allowable categories should be added to the T Card based upon use and request for exemptions within the year.*

**We found four food purchases within Milwaukee County which is not an allowable expense. We also noted there is ambiguity regarding the allowability of food items purchased**

**at Milwaukee Mitchell International Airport which is within the County.**

**Food purchases are allowed on the travel card while traveling. We found four examples of food purchases within Milwaukee County.**

The 2018 Procurement Manual prohibits food purchases for departmental functions of any kind including training and seminars. The T card allows for the purchase of food while on a trip. In our judgment sample, we found four examples of food purchases for meals for individuals that were within Milwaukee County. These purchases conflict with the ordinance which states meals are allowable expenses, “while on official County business outside of the County”. One purchase was for pizzas from Little Caesars which the department indicated was for youth in the detention center. However, the department had no documentation to show this. The remaining food items were from Kwik Trip, McDonalds and Oscars Pub and Grill.

**There are some items which require clarification on whether they are allowable on a T card including food purchases at the airport and local parking fees.**

While we did not select any food items in our sample for items purchased at Milwaukee Mitchell Airport, we noted approximately 26 transactions within the total transaction data where the Milwaukee-based vendor listed included an indication of being located at the airport. According to the Comptroller, the County has inconsistently handled food items purchased at the airport within Milwaukee County with reimbursement occurring in most but not all cases.

We found multiple examples of employees placing local parking fees upon the T card while attending meetings not at their main work location. Ordinance 56.05 does allow for parking with paid receipts as an allowable expense, however, the ordinance is also establishing travel policies for the County which may not allow for local parking.

We found there are expenses such as food at Milwaukee Mitchell airport and local parking fees that appear to have some ambiguity under the ordinance, procedures and manual language for employee regarding these expenses, therefore we recommend,

- 2. The Payroll Division work with the DAS CBO to determine if meal expenses at Milwaukee Mitchell Airport en route to travel and local parking are allowable expenses and if so, update the manual to provide clarity to employees.*

**We found seven transactions where a department paid for a local hotel room and did not have documentation to show that the use of the hotel room was work related or for an outside trainer as allowed under the T card manual.**

**We found seven transactions where a local hotel room was paid for by a department but documentation on why was not provided when requested.**

In our judgment sample we found seven hotel transactions that were for hotels located within Milwaukee County. The 2018 manual allows for the use of the T card to pay the travel costs of an individual or agency providing services to Milwaukee County. However, the three departments who had local hotel charges on their T card were unable to provide documentation of why the County was paying for the local hotels. In some cases, the departments had the receipt from the hotel but lacked the documentation of the use.

**Within our judgment sample, there were two transactions which were lacking an itemized receipt.**

In our judgment sample we found two transactions that were lacking an itemized receipt. One of the receipts was from a restaurant and one was from Capital Liquors. The AMOP states, that, "the cost of alcoholic beverages is non-reimbursable." Lacking an itemized receipts prevents the confirmation of what was purchased and placed, such as alcohol, upon the T card.

**The spending limit on travel cards during 2018 to May 31, 2021 was not to exceed \$2,000 per transaction. We found five instances of purchases in excess of the limit that we flagged as potential violations.**

**The current per transaction limit on the T card is \$2,000.**

According to the 2018 manual issued by Procurement the per transaction limit on the T card was not to exceed \$2,000. We found six instances of transactions in excess of \$2,000. All but one of the transactions were by the same department and occurred over a two-year period. One transaction was for a multi-

night hotel stay at the conference rate that totaled \$2,004 which we did not flag as a potential violation due to the small amount over the limit and the fact that the conference rate was used for the nights at the conference.

**We found one department with five transactions in excess of \$2,000 without documentation of approval from the Procurement Division.**

For the remaining five items, three of the transactions were for a vendor that provides suicide prevention training (two transactions at \$3,500 each and one for \$6,500). A payment of \$2,408 was made to the Medical College of Wisconsin and \$5,483 was made to the Institution of Health Care Improvement. According to the department, they received authorization from the Procurement Division to process the transactions but were unable to provide documentation of the approval. In our earlier audit on the P card transactions, we made the following recommendation. *Procurement establish a documented procedure for departments to request approval to the exceptions to the P card policy and establish written policies and procedure to track when exceptions to the policy are granted.*

**Most departments have both a T and a P card and we found departments to be placing items that should be on a P card upon their T Card. There were 14 instances of items which should have been placed upon a P card instead of a T Card.**

**Many departments have both a T and a P card and we found 14 items that belonged on the P card instead of a T card.**

In our judgment sample we found 14 items that should have been placed upon a P card instead of the department's T card. There were seven departments who placed P card items on the T card. All seven departments had both a P card and a T card during our review.

The following items should have been purchased using a P card such as:

- Rental of a car dolly
- Purchase of a jump starter
- Registration for Night at the Museum event
- Parking in the City of Milwaukee
- Screening license
- Copies and fliers at FEDEX office

- Rental fee to show movie for community event
- Milwaukee County bus cards from Pick n Save
- Rental of vans
- QuickBooks fee
- Medicaid certification
- Advertising

**The 2018 manual was a blended manual for the P and T card which caused confusion during our review. An updated AMOP and new separate manuals for the programs should alleviate some of the confusion.**

**The issuance of new separate manuals for the P and T card and new AMOPs should reduce confusion with the program.**

In August of 2018 the Procurement Division released a Policy and Procedure Manual for Purchasing/Travel Card. We used this document to provide us with the expectations of Procurement for the operation of the travel card program. Having both the P Card and the T Card programs contained with one manual led to some confusion on the allowable uses of the cards as the two credit cards have different allowable expenses. According to Procurement, a new manual is to be issued in 2023 for the P card. We were provided a copy of the new manual for the T card program developed by the Payroll Division that was distributed to card coordinators in the fall of 2022.

In September of 2022, an updated procedure was issued for the County's Administrative Manual of Operating Procedures (AMOP). Procedure 7.12 entitled *Travel Preparation Guidelines and Expense Reporting* was released. The AMOP establishes the procedure in accordance with Milwaukee County Ordinance 56.05 for the authorization and reimbursement of business-related travel. While the update to the AMOP was not issued until September of 2022, recommendations within this audit did factor in any updates contained within the AMOP.

**The new Infor XM system requires the approval of a traveler's manager, department head and the Payroll Division.**

As a part of the transition of the T card program to the Payroll Division, the County is now using the Infor XM system to process transactions on the T card. The system now receives all transactions from U.S. Bank electronically which are then assigned to the corresponding employee to complete a travel expense report. Completion of the report includes the uploading and storage of the receipts within the Infor XM system. Upon completion by the employee, both the employee's supervisor and the department head are required to approve the expense report within the XM system. After all approvals have been received the expense report progresses to the Payroll Division for its review and approval.

While the new AMOP, manual and review by the Payroll Division of items placed on the T card should reduce the instances where a transaction is placed on the wrong type of card there may continue to be confusion regarding which card to use. In addition, the policing of allowable items is best performed by the department that oversees that specific program, therefore, we recommend,

- 3. The Payroll Division meet annually with the Procurement Division to discuss proper card usage for transactions and to maintain consistency between the two card programs.*

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## Section 2: A lack of record retention and a lackadaisical attitude by department staff toward receipt retention results in poor administrative record compliance.

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The manual includes language regarding the required retention of documentation. Required documentation includes: a signed copy of the U.S. Bank statement, a monthly purchasing log and receipts.

The 2018 Procurement Manual establishes administrative record review and retention policies. We reviewed the documentation provided to determine compliance with the three administrative steps. Of the 135 judgment transaction samples we selected, 24 did not complete all three steps.

The Policy and Procedure Manual's first statement under the record keeping category is whenever a purchase is made, documentation shall be obtained and retained as proof of the purchase. The manual requires retention by the department of a monthly purchasing log of all travel transactions, receipts and a signed copy of the monthly statement from U.S. Bank. This documentation is required in order to verify the purchases listed on a cardholder's monthly purchasing log. The manual requires the retention of these documents for seven years.

We requested copies of the monthly U.S. Bank statements, the purchasing log and receipts for the selected transactions. We found missing documentation for all three categories with 24 selections missing all three. Table 5 shows the missing documentation by type. Table 6 shows the missing documentation by department or division and by type.

**Table 5**  
**Administrative Violations by Type**  
**From 2018 – May 31, 2021**

<u>Type</u>	<u>Count</u>
No Receipts	28
No Signature on Bank Statement	46
No Log	57
Missing all three (also included in categories above)	24

Source: Chart created by Audit Services Division based on data from the U.S. Bank system and department submittals.

**Table 6  
Administrative Violations by Department and Type  
From 2018 – May 31, 2021**

<u>Department or Division</u>	<u>Transactions in Sample</u>	<u>Missing Receipts</u>	<u>Missing Signature on Bank Statement</u>	<u>Missing Log</u>	<u>Missing all Three</u>
Airport	2	0	1	0	0
DAS-Information Management Systems	5	0	0	0	0
DAS-Risk Management	1	1	1	1	1
DAS-Fiscal Affairs	9	3	6	5	3
Dept. of Health & Human Services	29	4	7	29	4
Behavioral Health Division	14	2	0	0	0
District Attorney	3	3	3	1	1
Office of Emergency Management	7	2	2	2	2
DOT-Fleet Management	2	0	2	2	0
County Executive - Gov't Affairs	5	4	4	5	4
House of Correction	15	0	1	0	0
Human Resources	2	0	0	0	0
MC Dept. of Transportation (DOT) Dir. Office	3	3	3	3	3
Medical Examiner	1	0	0	1	0
Sheriff	19	1	1	1	1
Office of African American Affairs	1	0	0	0	0
Parks	9	1	9	1	1
DOT – Transportation Services	2	0	0	0	0
Zoo	6	4	6	6	4
<b>Total</b>	<b>135</b>	<b>28</b>	<b>46</b>	<b>57</b>	<b>24</b>

Source: Chart created by Audit Services Division based on data from the U.S. Bank system and department submittals.

**We conducted multiple interviews with the departments and divisions to seek documentation for the transactions. The lackadaisical attitude toward receipt retention was concerning.**

**21% of all transactions within our judgment sample did not have adequate receipt retention.**

There were 28 out of 135 transactions that did not have adequate receipt retention which is 21% of all transactions in our judgment sample. We conducted interviews with the relevant 17 departments and divisions. In our interviews, our request for receipts from 2018 to 2021 resulted in a number of missing items. Reasons given for the lack of receipts ranged from a death of an employee, turnover of card coordinators, and the packing up and moving of department files. One department responded with a statement that they knew the purchase was allowable and that they had done nothing wrong, so they had no need to retain the receipts.



Items lacking receipts included purchases from the following vendors, based upon information we obtained out of the U.S. Bank system:

- \$370 for membership dues for International Association of Chief of Police
- \$482 Hyatt Regency Milwaukee
- \$201 Cambria Suites Milwaukee
- \$260 Sig Sauer
- \$1,025 Association of Zoos and Aquariums
- \$184 Radisson
- \$131 Holiday Inn Wauwatosa
- \$126 Walmart
- \$2,000 Action Coach of Wisconsin
- \$1,745 Builder Inc.
- \$1,745 B2GNow
- \$700 Milwaukee Times
- \$619 Office Max
- \$384 Survey Monkey
- \$1,950 Policy Research

**The transition to the Infor XM system should allow for immediate inquiry into missing receipts while the old system could have a multi-year delay before receipts were requested.**

**The new Infor XM system allows and requires the updating of all receipts into the system which will improve record retention.**

The new Infor XM system requires an employee filling out an expense report to upload receipts for all purchases in excess of \$25. If a receipt is missing, the item is flagged. The Infor XM system also includes an explanation warning box where an employee or supervisor can include a notation regarding the missing receipt. These flags and notes are then reviewed by the Payroll Division staff. The flag and note system in the Infor XM system should alleviate issues we found such as the \$600 expense for a hotel in Milwaukee. Including the note within the system that would retain the justification for the room such as “zookeepers from Columbus delivering a primate.” Currently, the department has the receipt for the room but had no documentation to explain why the room was paid for by Milwaukee County.

The AMOP released in September of 2022 notes that each travel expense report is subject to review. It includes a statement that if

documentation is not attached to the travel expense form in the Infor XM system, the County may request the documentation from the employee. If an adjustment is necessary, an email will be sent to the employee and manager and a charge or additional reimbursement will be made against the employee's payroll.

The AMOP issued in September of 2022 identifies that the expense report entered into the Infor XM system by the employee will be forwarded to:

- First to the Direct Reports Manager for review
- Second to the Cost Center (department head) for review
- Third to Payroll for review

**The continued retention of the purchasing log and signed U.S. Bank statement which remains paper based may continue to be an issue.**

The manual issued by the Payroll Division includes the continuation of the requirement of the purchasing log and the signature upon the U.S. Bank statement. The draft manual also contains the language that transactions without documentation shall be held to a minimum or the Cardholder's Travel card may be revoked. In addition, the section on the review by the Supervisors includes that it is the responsibility of the Cardholder's Approving Supervisor to take corrective action if any transactions are found not to have been made in accordance with all applicable procedures. The correction action may include recovery of funds, return of goods, and card recovery.

It is imperative that all Cardholder Approving Supervisors and department heads understand their role in review and approval of the use of the T card. Our P card report recommended that training be required of Card Coordinators and Cardholder Approving Supervisors. The additional requirement in the Infor XM system of the approval of the department head is an essential control within the process. However, if the approvers do not receive training to understand allowable T card expenses the strength of the control is lessened, therefore we recommend,

- 4. The Payroll Division design and require a training program for the Card Coordinators, Card Approving Supervisors and the Departments Heads to ensure that proper review of purchases at the departmental level is occurring and purchases are appropriate.*

**In addition to missing receipts, required administrative documents including the monthly purchasing log and the signed copy of the U.S. Bank statement were missing in more than a third of the transactions.**

We conducted our review of the administrative requirements by reviewing whether the sample transactions that we selected had not only the required receipts but also the monthly purchasing log and the signed U.S. Bank statement. Some departments did not have any documentation to submit.

**57 of 135 transactions were missing a purchasing log.**

We found that of the 135 transactions in our sample that 57 were missing a purchasing log. The purchasing log provides additional detail on the purchases placed upon the travel card and affords an employee the opportunity to include important notifications such as lodging for trainer for County staff that may not be noted on a hotel receipt or the U.S. Bank statement.

**57 of 135 transactions were missing the signed U.S. Bank statement. We did not flag transactions if they had signed purchasing logs, travel expense reports or travel request forms.**

We found that of the 135 transactions in our sample that 46 were missing the signed U.S. Bank statement. We found that some departments had signed purchasing logs, travel expense reports, or travel request forms signed by a supervisor or department head. When the dollar amounts for the item matched the U.S. Bank statement, we did not flag the item as a violation. The U.S. Bank statement is required to be signed by the supervisor according to the manual to confirm that all transactions placed upon the card that appear on the monthly statement were valid T card transactions.

While the new Infor XM system contains an electronic retention for the receipts when an employee enters a travel expense report,

paper copies of the purchasing log and signed the U.S. Bank statement are still required according to the Payroll Division.

Our prior audit of the P card program made the following recommendation, *Procurement work to design a review process or training program for card coordinators to ensure proper record retention and review of required signatures and for card approving supervisors to ensure that proper review of purchases at the departmental level is occurring and purchases are appropriate.* We found a high level of missing documentation during our review and considering the continued requirement of a purchasing log and a signed U.S. Bank statement in paper form, we recommend,

5. *The Payroll Division work to design a review process to periodically verify the completion of the purchasing log and signature on the U.S. Bank statement and add additional training to the current training program to ensure proper record retention of the purchasing log and U.S. Bank statement.*

## **AUDIT SCOPE**

An audit of the Milwaukee County Purchasing/Travel Card was requested by the Office of the Comptroller. The scope of the audit covers the period of 2018 through May 31, 2021 along with a review of the new financial system Infor XM as it relates to T cards. In addition, we reviewed the status of recommendations made in previous audits related to these two programs.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review to the areas specified in this Scope Section. During the course of the audit, we:

- Reviewed County Board and Board committee minutes to identify issues, concerns, recommendations, and County Board Resolutions relating to the audit or audit objectives.
- Reviewed Adopted Budget information relating to the Audit.
- Reviewed applicable County Ordinances and Administrative Manual sections, State Statutes, any contractual documents and manuals relevant to the Audit.
- Conducted Internet research to identify studies and audits related to Travel Card Audits, and Best Practices model programs. Audit also reviewed the Association of Local Government Auditors for related information.
- Reviewed prior Milwaukee County audit reports, CAFR reports, and Single Audit management letters to identify information relevant to our audit objectives.
- Interviewed the Procurement Department to obtain a clear understanding of how the Travel operations are processed for specific information related to the transactions. Also, we obtained the most recent version of the Travel card policy and procedures manual.
- Interviewed Payroll Division to walk through new Infor XM system in order to understand how the new Infor XM system works and Payroll's plan for administering the T card program going forward.
- Interviewed County departments participating in the card program to obtain their understanding of training offered and completed, how card transactions are reconciled, signed-off on, and procedures in place to ensure proper retention of card, and transaction documents.

- Obtained and reviewed the Procurement's policy and procedure manual covering the period 2018 through May 31, 2021.
- Performed a Risk Assessment and met with the Audit Forensic Manager to identify and evaluate potential fraud risk scenarios areas of low to high risks and discussed possible approaches for mitigating the impact, if any, of potential fraud upon the audit findings.
- From the U.S. Bank System, we obtained a file of all travel card transactions for the period 2018 through May 31, 2021, to conduct analysis and test of card transactions, and to determine annual transaction activity.
- Performed trend analysis of the Travel Card program to provide insight into the number of transactions and transaction amounts by department.
- Reviewed whether purchases comply with the policy and procedures manual and Chapter 56.05 of the Milwaukee Ordinances.
- Identified a judgment sample of transactions which may contain unauthorized purchases, and transactions exceeding approved card limit.
- Performed reviews on a sample of 135 transactions for the period 2018 through May 31, 2021 and tested for non-compliance or deviations from the requirements of the Policy and Purchasing manual including approved monthly reconciliation of transactions
- Reviewed a new draft policy and procedure manual and Administrative Manual of Operating Procedures (AMOP) that will affect the transition of the travel card operations to the Comptroller Office, Payroll Division.
- Assessed internal controls relevant to the audit objectives. This included the review of policies, procedures and practices associated with the purchase transactions using travel cards and the oversight and monitoring of travel card use, as well as other aspects of the travel card program.

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**56.05. Travel authorization and expense reimbursement policy.**

- (1) *General rules.* The purpose of this section shall be to establish an orderly procedure for the authorization and reimbursement of business related travel for elected officials, officers and employees of the county. An individual traveling on official business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. Traveling expenses which will be reimbursed are confined to those expenses essential to the transacting of official county business. Generally, personal expenses are not reimbursable.

The director of the department of administration shall have the final authority in interpreting relevant travel policy definitions and discretion in approving unusual and extraordinary expenses, based on appropriate documentation. Section 5.11 of the administrative procedures contains instructions on travel preparation guidelines and expense reporting.

When individuals are engaged in business/travel status, they shall be considered as meeting attendance requirements for payroll purposes. Any absence from duty beyond this period shall be considered as personal time.

- (2) *Definitions.* All words shall have their ordinary meanings except those defined in this section which shall have the meanings set forth below:

- (1) "Travel expenses" shall consist of costs for lodging, meals or other incidental expenses, transportation, seminar/meeting attendance and related activities in the conduct of official county business.
- (2) "Official county business" shall mean, but not be limited to:
- (a) Conducting legitimate county business such as fulfilling normal job functions, negotiating agreements, inspecting or purchasing equipment and coordinating with other governmental agencies; or
  - (b) Obtaining information directly related to the person's official function; or
  - (c) Serving as an official representative of the county.

- (3) *Appropriations of funds and authorization for travel.* Authorization to travel and for reimbursement of estimated travel expenses shall be given prior to commencement of the travel activity by the appropriate head of any county department, board or office. The purpose of the travel shall be for the conduct of official county business. It must be demonstrated that there is a direct relationship between the purpose of the travel and the individual's work function. Even if the county will not be funding the travel expense, travel authorization is required if the person is to maintain official employment/business status during the travel period.

The county board chairperson must authorize estimated travel expenses for county board members. Advance expense authorization for other elected officials and county officers is not required.

- (4) *Advance travel allowance.* Employees and elected officials shall be eligible for an advance travel allowance. The minimum advance allowable is one hundred dollars (\$100.00).

The county treasurer is authorized to advance the estimated amount of expenditures to employees, officers and elected officials upon receipt of an approved travel advance form.

Individuals requesting an advance travel allowance are advised that all funds advanced must be accounted for and funds not utilized must be returned to the county treasurer within fifteen (15) calendar days after return from the trip. If full repayment is not made within the time limit, the treasurer shall withhold the next payroll check due the individual concerned until the full amount of the advance has been repaid. In order for such individual to repay the full amount of such advance, itemized statements of actual and necessary expenditures

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must be filed with the director. Furthermore, any unexpended amount of such advance must be submitted to the treasurer in full settlement thereof. The procedure shall be followed unless such individual chooses to repay the full amount of the advance to the treasurer prior to submitting an itemized statement of expense to the director, providing this be done before expiration of the fifteen-day limit specified. A travel expense report must be submitted which accounts for each travel advance issued, regardless of whether out-of-pocket expenses were incurred.

- (5) *Lodging costs.* Employees should obtain the best government rate available for lodging. All claims for overnight accommodations must be substantiated by paid receipts. Actual lodging costs incurred are reimbursable but shall not exceed one hundred twenty-five (125) percent of the highest federal lodging rate as administered by the department of administrative services for the locality of travel (excluding taxes). Lodging costs associated with a group discount rate at a conference hotel(s) shall be exempt from this provision. Department heads may grant waivers to the lodging reimbursement limit upon submission to DAS of a written explanation as to the factors necessitating the higher lodging charges. Reimbursement shall be:
- (a) From the night before the authorized event starts through the night it ends; and
  - (b) When required travel is greater than one hundred (100) miles from the county unless otherwise justified and approved in writing by the authorizing head of the appropriate department, board or office.

When one (1) individual is involved, reimbursement shall be limited to the single occupancy rate. If two (2) county employees, officers or elected officials share a room and both individuals are on business/travel status, the cost of lodging shall be shared equally.

Reimbursement for lodging shall not exceed the cost of such lodging as may be made available in conjunction with an authorized event.

- (6) *Communication expenses.* Communication expenses such as telephone and telegram for business purposes shall be reimbursed at actual cost. All such expenses must be supported by an itemized statement showing the date, time, names and numbers of persons called and the purpose of the call.

The cost of personal telephone calls is not reimbursable.

- (7) *Registration fees.* Registration fees for conventions, conferences and seminars are reimbursable when supported by paid receipts.

- (8) *Transportation costs.* The county will pay the actual and necessary costs of transportation in the course of official county business as provided for below:

1. Normal and usual means of transportation are to be used. Where public transportation is practical, it shall be used. Where a private mode of transportation is used in lieu of another more normal and usual form of transportation, travel reimbursement shall be the lesser of the two (2) costs.
2. Where automobile transportation is necessary, use of a private automobile shall be reimbursed in accordance with chapter 5 of the Code. All mileage allowance shall be based upon the shortest mileage between points of travel as shown by official state maps.
3. The excess cost of first class travel shall not be reimbursed where less expensive fares are available.
4. If an indirect route is taken for personal reasons, all extra costs of such travel are not reimbursable. All travel arrangements should be made at the lowest available fare consistent with reasonable and conservative business planning.

- (9) *Automobile rental.* The cost of renting an automobile must be authorized in advance if such use is determined to be in the best interest of the county. Reimbursement for the cost of renting and operating an automobile shall be for business purposes only. The county will reimburse the amount of collision damage and accidental injury insurance up to the amount of the standard plan offered by the rental agency. The



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rental agreement and invoice showing amount paid, dates of use and mileage must be attached to the travel expense report.

- (10) *Taxi/limousine.* Taxicabs and limousines may be authorized if required for the accomplishment of official county business. Reasonable charges for taxis and limousines, including tips at a maximum rate of fifteen (15) percent of the charge, are reimbursable when other modes of transportation are not available or practical. Included would be the cost of travel between a common carrier or other terminal and either an individual's home or place of business. Individuals are required to obtain receipts where the cost of a one-way fare exceeds fifteen dollars (\$15.00) and must explain the business purpose of the trip on the travel expense report.
- (11) *Meal and incidental expense.* Meals, including tips at a maximum rate of twenty (20) percent of the meal costs and incidental expenses noted in subsection (12) of this section, are reimbursable, at actual cost but not to exceed the federal M&IE (meal and incidental expense) rate for the locality of travel, while on official county business outside of the county.


Meal costs are not payable when the expense of the respective meal is included in the registration fee, provided in conjunction with an authorized event, or another county expense or paid by a business, community, service or other organization.

1. The director, department of administration, will amend the county M&IE rate established in section 5.11 of the administrative procedures whenever an adjustment to the federal M&IE rate is made. The modified administrative procedure shall be communicated to all department administrators.
  2. When travel on official county business occupies less than one (1) full day, the expenses shall be reimbursed at the prorated county M&IE rate.
  3. When an authorized event exceeds five (5) calendar days in length and meals are provided, expenses shall be the actual expenses for those days that meals are provided, but not to exceed the county M&IE rate. Each expense must be recorded on the travel expense report form and when any expenditure exceeds twenty-five dollars (\$25.00), an itemized receipt must be submitted for reimbursement.
- (12) *Reimbursable incidental expenses.* Incidental expenses related to official county business/travel which are considered essential and reimbursable are:
- (a) Parking, with paid receipts;
  - (b) Ferry/bridge and highway tolls and subway fares;
  - (c) Business-related telephone calls;

The incidental expenses below are only reimbursable through M&IE rate:

- (a) Traveler's check fees;
  - (b) Baggage handling service when necessary;
  - (c) Laundry and dry cleaning.
- (13) *Nonreimbursable incidental expenses.* Certain expenses that are considered personal and not essential to the transaction of official county business and are nonreimbursable include:
- (a) Valet service;
  - (b) Personal trip insurance or flight insurance;
  - (c) Personal telephone calls;
  - (d) Entertainment and travel to places of entertainment;
  - (e) Medical or hospital services.

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- (14) *[Use of travel agency.]* The use of a travel agency for making air travel, hotel reservations and arrangements for other methods of transportation, shall be discretionary as authorized by each department head.
- (15) *Reimbursement of travel expenses for municipal police officers.* Whenever a municipal police officer engages in travel beyond the boundaries of the county for the purpose of escorting a county prisoner or conducting a further criminal investigation, the municipality may be reimbursed for the business related travel expenses consistent with the provisions of this section. All provisions of section 56.05 shall apply with the exception of section 56.05(3). Written authorization for such travel shall be made in advance by the district attorney. Claims for reimbursement of expenditures under this section shall be made on forms approved by the director of the department of administration.

 <h2 style="margin: 0;">Administrative Manual of Operating Procedures</h2>			
Procedure #: <b>07.12</b>	Procedure Title: <b>Travel Preparation Guidelines and Expense Reporting</b>		Revision #: <b>2.0</b>
Original Issue Date: <b>01/20/2010</b>	Revised Issue Date: <b>09/22/2022</b>	Next Review Date: <b>09/22/2024</b>	Responsible Department: <b>Comptroller</b>
Statutory References: <b>N/A</b>		Ordinance References: <b>MCO 56.05</b>	
Appendices: <ul style="list-style-type: none"> <li>o <a href="#">Infor Expense Management Employee Expense Reports and Travel Reimbursement PowerPoint</a></li> <li>o <a href="#">2022 Travel Reimbursement Rates Memo</a></li> <li>o <a href="#">Infor Expense Management Job Aid</a></li> <li>o <a href="#">State Sales Tax Exemption Certificate</a></li> </ul>			Forms: <b>N/A</b>

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**1. OBJECTIVE:**

To establish an orderly procedure in accordance with Milwaukee County Ordinance 56.05 for the authorization and reimbursement of business-related travel for elected officials, officers, employees of Milwaukee County, and municipal police officers.

**2. DEFINITIONS:**

- A. [INFOR XM System](#). Milwaukee County's financial and supply chain application that is used for expense reporting.
- B. [Travel Expenses](#). Costs for lodging, meals, or other incidental expenses, transportation, seminar/meeting attendance, and related activities in the conduct of official County business.
- C. [Official County Business](#). Official County Business shall mean, but not be limited to:
  - i. Conducting legitimate County business such as fulfilling job functions, negotiating, inspecting, or purchasing equipment, and coordinating with other governmental agencies.
  - ii. Obtaining information directly related to the person's official function.
  - iii. Serving as an official representative of Milwaukee County.
- D. [Per Diam](#). Per diem is an allowance for lodging, meals, and incidental expenses. The U.S. General Services Administration (GSA) establishes the per diem reimbursement rates that federal agencies use to reimburse their employees for subsistence expenses incurred while on official travel within the continental U.S.

**3. OVERVIEW:****A. Applicability****i. Elected Officials, Officers, and Employees:**

All elected officials, officers, and employees of Milwaukee County are required to follow these procedures for the authorization and reimbursement of travel expenses. The use of a travel agency for air travel or hotel reservations will be at the discretion of department heads.

**ii. Municipal Police Officers:**

Whenever a municipal police officer engages in travel beyond the boundaries of Milwaukee County for the purpose of escorting a County prisoner or conducting a further criminal investigation, the municipality may be reimbursed for the business-related travel expenses consistent with the provisions of these Procedures.

**B. Responsibilities****i. Department of Administrative Services:**

1. The Department of Administrative Services – Central Business Office has the final authority for interpreting relevant travel policy definitions and discretion in approving unusual and extraordinary expenses based on appropriate documentation.
2. Department Administrators will be notified whenever an adjustment is made to the maximum allowable lodging rates. Lodging rates are based upon the [Federal Per Diem Rate](#) tables issued by the U.S. General Services Administration (GSA). The limit for each location is set at 125% of the highest federal rate in that location. The limit will be reviewed each year to ensure that the rate is reasonable for travel.
3. Department Administrators will be notified whenever an adjustment is made to the Federal Meals & Incidental Expense (M&IE) rates. M&IE rates for the County use the Federal Per Diem Rate tables issued by the U.S. General Services Administration.

ii. **Department Administrators and County Board Chair:**

1. Authorization to travel should be given prior to commencement of the travel activity by the appropriate head of any County department, Board, or office. The purpose of the travel should be for the purpose of conducting official County business. It must be demonstrated that there is a direct relationship between the purpose of the travel and the individual's work function. Even if the County will not be funding the travel expense, travel authorization is required if the person is to maintain official employment/business status during the travel period.
  - a. The authorization for travel will be formal. An employee who is traveling should request travel authorization from their supervisor or manager prior to booking any costs or using a travel card for charges or payments associated with the trip.
  - b. A departmental email authorizing such travel may be requested by the administration as proof of such prior authorization.
2. The County Board Chair must authorize estimated travel expenses for County Board members. Advance expense authorization for other elected officials and County officers is not required.
3. Written authorization for municipal police officer travel must be made in advance by the District Attorney.

4. **PROCEDURE:**

C. **Travel Reimbursement Policies**

i. **General Rules**

1. Individuals traveling on official business are expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business.
2. The use of a travel agency for making air travel, hotel reservations, and arrangement for other methods of transportation shall be discretionary, as authorized by each department head.
3. Travel expenses to be reimbursed are confined to those expenses essential to the transaction of official County business.
4. Personal expenses are not reimbursable.
5. When individuals are engaged in business travel, they will be considered as meeting attendance requirements for payroll purposes. Any absence from duty beyond this period shall be considered personal time.
6. Deviations from travel policies will not be authorized by the Department of Administrative Services unless requests for approval are submitted in writing to the Department of Administrative Services, Central Business Office, a minimum of ten days prior to the date of departure.
  - a. If approved by the Department of Administrative Services, Central Business Office, a copy of such exception must be forwarded to the Central Payroll department at the Office of the Comptroller.
7. When travel on official County business occupies less than one (1) full day, expenses will be reimbursed at actual cost not to exceed three-fourths (75%) of the applicable M&IE rate. Reimbursements for one-day trip meals are documented through the XM system and are reimbursed through the payroll system.

- a. Such one-day trip meals are income to the employees and are subject to Federal and State income taxes and Social Security taxes because the cost of the meal is not recognized as a business expense by the Internal Revenue Service.
    - b. The County travel card (individually named or pool card) shall not be used for one-day trip meals in order to maintain compliance with IRS and County policy.
  8. The United States General Services Administration (GSA) publishes rates for lodging and meals that federal officers and employees cannot exceed. These rates vary by state and region (i.e., Milwaukee hotel and meal rates are higher than Eau Claire rates). Samples of these rates are attached to this procedure.
    - a. If reimbursed travel expenses exceed the per diem rate that is established by the IRS, the excess will be taxed as income. For example, if a travel card is used to pay for a hotel or meal that exceeds the per diem rate, the excess will be taxed as income to the employee. If the employee used a personal card for the purchase, the County would not reimburse the amount that exceeds the per diem.
    - b. The County utilizes the Federal Meal and Incidental Expense (M&IE) for its maximum allowed reimbursement. The rate varies by city, and the current INFOR Expense Management System (XM) uses this rate for comparison to your travel expense claim. The maximum daily rate is loaded into the XM system for purposes of verifying your daily M&IE rate. The first and last day of a trip are at 75% of the maximum daily M&IE rate.
    - c. The County uses a maximum allowed daily rate for hotel reimbursement at 125% of the Federal lodging rate. Most major hotel chains set aside rooms at the federal rate. To obtain these rates, travelers should ask for the “government rate” when making hotel reservations. If your hotel does not accept Milwaukee County ID as proof for the Government rate, please obtain the lowest rack rate. Federal rates are readily available at the GSA website: <https://www.gsa.gov/travel/plan-book/per-diem-rates> and are usually updated at least once a year. The maximum daily lodging rate is preloaded into the XM system for purposes of verifying your daily lodging rates.
  9. The Internal Revenue Service (IRS) establishes reimbursement rates for miles traveled by employees while using their personal vehicles for business reasons. Like the GSA rates, this rate is the maximum allowed rate for mileage reimbursement. The current mileage reimbursement rate can be found on the IRS website at <https://www.irs.gov/tax-professionals/standard-mileage-rates>.
- ii. **Auditing Travel and Conference Claims**
- Each travel expense report is subject to review after being processed and approved by a department. Such review could consist of one or more of the following steps. These are examples of a review that might be performed of travel expenses that are filed, but an employee should know that the travel expense report is subject to review both before payment and after payment has been made. If such documentation is not attached to the travel expense form in the XM system, the County may request such documentation from the employee who traveled. If as a result of the review of the travel expense report an adjustment is necessary to the reimbursed cost, an email will be sent to the employee and manager and a charge or additional reimbursement will be made against the employee payroll.

1. Was the travel approved? There should be a copy of the approval form or some indication that the travel was properly approved.
2. Is the travel or mileage reimbursement form attached, completed, and signed by the traveler?
3. Is the math correct on the travel form?
4. Is there sales tax included in hotel charges? Travel in Wisconsin should exclude sales tax on hotel stay since the County is exempt from sales tax for hotel charges.
5. Is there conference or training information, if applicable, that includes dates, times, and location? A conference payment receipt generally includes the dates and times for the conference and is required as proof of the conference expense.
6. Do the conference or training dates correspond to the travel dates and expenses incurred by the traveler? Travelers are only allowed reimbursement for one day before a conference start date and one day after a conference is completed.
7. Is there proof that the traveler attended the conference, training, or meeting (i.e., certification of attendance and/ or completion, documentation of the meeting purpose and attendees, etc.)? This would be requested from the traveling employee if needed for verification. This is not required to be attached to the travel expense report.
8. Are original receipts attached for all expenses that are being sought for reimbursement? (Original receipts should be attached for all charges that exceed \$25, including those to your credit cards and County travel card.)
9. Is the claim sufficiently itemized? Have you broken out the hotel bill to include the hotel daily rate, the cost of any incidentals or meals, sales tax, or other hotel charges?
10. Do the expenses incurred exceed the general maximum lodging and meal rates set in the travel and conference policy? Did you follow the policy of the maximum daily M&IE rate and 125% of the federal lodging rate for the trip?
11. Are expenses incurred necessary in connection with the attendance at the conference?
12. Are there charges for non-reimbursable expenses such as alcohol, concerts, shows, sporting events, in-room movies, etc.?
13. Are there expenses the traveler incurred while extending a trip, or taking a side trip, for personal reasons?
14. Are there expenses related to spouses or other non-employee travelers?
15. If mileage reimbursement is sought, is the mileage reasonable taking into consideration the departure and arrival points? (Internet mapping tools can be useful for determining the reasonableness of mileage claims.)

### iii. **Transportation**

#### 1. **Common Carrier (Air, Train, Bus):**

- a. All public modes of transportation must be substantiated by original ticket stubs (converted to a PDF), or by other documentation (payment receipts) from the originating carrier.
- b. All travel arrangements should be made at the lowest available fare, consistent with reasonable and conservative business planning. Employees should purchase tickets that are reimbursable if travel plans change or require minimal fees for such change. Change fees are reimbursable with an explanation. Reimbursement will be allowed for one bag.
- c. No traveler may select tickets on a specific carrier or airport for any reason while on County business unless it is the most economical fare.
- d. First-class and business upgrades are prohibited.

- e. Electronic tickets are the only acceptable delivery method of tickets unless this option is not available.
  - f. Original receipts are required for reimbursement
  - g. When travel plans change, contact the airline, website, or other location where tickets were purchased and make necessary changes to the trip. Additional fees for the change in the trip should be included on the expense report. However, any full fare charge for a non-reimbursable ticket will not be allowed.
  - h. If the trip is canceled, the ticket fare should be returned to the purchasing card originally used.
  - i. Where public transportation is practical, it should be used. Where a private mode of transportation (i.e. personal automobile) is used in lieu of another more normal and usual form of transportation, travel reimbursement will be the lesser of the two costs.
    - i. If needed, the County will verify this step by using a web service such as Kayak, and using the travel start and end dates and start and end points for the employee travel. Mainstream airlines similar to those who utilize Mitchell Airport will be used for comparison.
2. **Personal Vehicles:**
- a. Employees may use personal automobiles for non-local business travel within a 300-mile radius of Milwaukee.
  - b. Employees will be reimbursed at the IRS mileage rate, but in no event will the reimbursement exceed the cost of the lowest available round-trip coach airfare.
  - c. Mileage reimbursement includes full reimbursement for the cost of gas and general maintenance by using the IRS mileage rate.
  - d. Parking and toll expenses will be reimbursed separately with original receipts.
  - e. Employees are responsible for all fines related to parking or moving violations issued while traveling on County business. Absolutely no exceptions will be made.
  - f. Where automobile transportation is necessary, the use of a private automobile will be reimbursed in accordance with County Ordinance Chapter 5, Automobile Mileage Allowance, of the Milwaukee County Ordinances.
  - g. Individuals using a personal automobile must certify that they meet all of the requirements for public liability insurance as required by County Ordinance Chapter 5.
  - h. All reimbursable mileage allowance will be based upon the shortest mileage between points of travel as shown by official State maps or using Google maps or other web services.
3. **County-Owned Vehicle:**
- a. If a County-owned vehicle is used for transportation, no amount should be included under Transportation.
  - b. Employees traveling on County business in a County-owned vehicle are entitled to reimbursement for any out-of-pocket gas expenditures, parking, and toll expenses but not mileage reimbursement.
  - c. Original receipts must be provided for all expenses.
  - d. Employees are responsible for all fines related to parking or moving violations issued while traveling on County business.



**4. Car Rental:**

- a. Car Rental Car rental will not be approved for travel within the Milwaukee Metropolitan Area. County Shared Fleet should be reserved for such travel.
- b. Car rental is a reimbursable expense only when transportation by a common carrier cannot be utilized or is impractical.
- c. Car rental will be reimbursed at the compact car rate unless the need for a larger car can be justified.
- d. Daily rental rates, taxes, surcharges, and gas and car rental insurance are all considered reimbursable items.
- e. Only one car rental will be allowed per trip. This includes trips with multiple travelers unless previously authorized by the traveler's manager (or equivalent).
- f. All automobile rentals must be substantiated by the rental agreement and a paid invoice for reimbursement
- g. The cost of renting an automobile must be authorized by the department head in advance if such use is determined to be in the best interest of the County.
- h. Reimbursement for renting and operating the automobile should be for business purposes only. The County will also reimburse the amount of collision damage and accidental injury insurance up to the amount of the standard plan offered by the rental agency.
- i. Employees are responsible for all fines related to parking or moving violations issued while traveling on County business. Absolutely no exceptions will be made.

**5. Ground Transportation:**

- a. Ground Transportation (Taxis, Public Transportation, Livery Service) Transportation to and from the airport is included in the ground transportation allowance in the reimbursement rate.
- b. Shuttle service or public transportation is encouraged.
- c. Limousine or livery service charges to and from airports and railroad stations are reimbursable, where such costs do not exceed the comparable taxi fare.
- d. Uber, Lyft, and other similar transportation services are permitted options and may include surcharges and fees. Surcharges and fees may be reimbursable if the total cost is comparable to other ground transportation options and must be clearly documented to substantiate reimbursement.
- e. A livery service may be used if the cost is less than the cost of a taxi service or other means of transportation.
- f. No reimbursement is allowed for personal use, which includes travel to/from entertainment and restaurants.
- g. Reasonable charges for taxis and shuttles, including tips at a maximum rate of twenty percent (20%) of the charge, are reimbursable when other modes of transportation are not available or practical. Included would be the cost of travel between a common carrier or other terminal and either an individual's home or place of business.

**6. Note: If an indirect route is taken for personal reasons, all extra costs of such travel are not reimbursable.**

**iv. Lodging**

1. All claims for overnight accommodations must be substantiated by paid original receipts. Employees will not be reimbursed for lodging costs in excess of the lodging rate established by the Department of Administrative Services for the locality of travel.
2. Lodging costs will be reimbursed at the lesser of actual costs or 125% of the current federal travel allowance published by the General Services Administration Lodging Rates at: <http://www.gsa.gov/portal/category/104711> . Lodging costs greater than 125% of the published GSA rate require the prior written approval of the manager which shall be attached to the travel expense report in the XM system. Exceptions allowed are noted below.
3. The County uses a maximum allowed daily rate (per diem rate) for hotel reimbursement at 125% of the Federal lodging rate. Most major hotel chains set aside rooms at the federal rate. To obtain these rates, travelers should ask for the “government rate” when making hotel reservations. If your hotel does not accept Milwaukee County ID as proof for the Government rate, please obtain the lowest rack rate. Federal rates are readily available at the GSA website: <https://www.gsa.gov/travel/plan-book/per-diem-rates> and are usually updated at least once a year. The maximum daily lodging rate is preloaded into the XM system for purposes of verifying your daily lodging rates.
4. If reimbursed travel expenses exceed the per diem rate that is established by the IRS, the excess will be taxed as income. For example, if a travel card is used to pay for a hotel that exceeds the per diem rate, the excess will be taxed as income to the employee. If the employee used a personal card for the purchase, the County would not reimburse the amount that exceeds the per diem.
5. Exceptions are as follows and must be noted on the XM System expense report:
  - a. An employee may exceed the per diem lodging rate for the locality of travel if a group discount rate is offered in conjunction with a conference.
  - b. Lodging is unavailable at or below the maximum rate, or lodging cannot be found reasonably close to the traveler’s destination. This may occur during peak vacation periods in tourist areas or in other heavily traveled areas.
  - c. Meals are included as part of the hotel/conference fee and you cannot separate the cost from the hotel/ conference price
  - d. Special needs of specific travelers may necessitate increased expenses, i.e., special dietary restrictions, health concerns, or handicapped access.
  - e. A department head may grant a waiver to exceed the lodging rate for the locality of travel. The department head must submit a written explanation of the factors necessitating the higher lodging costs to the Department of Administrative Services, Central Business Office or provide an explanation in the travel expense report in XM.
6. Lodging costs are reimbursable when required travel is greater than 100 miles from Milwaukee County unless otherwise justified and approved in writing by the authorizing head of the appropriate department, Board, or office.
7. Reimbursement is limited from the night before the authorized event starts through the night it ends.

8. Reimbursement is limited to the single-occupancy rate, unless two County employees, officers, or elected officials share a room and both individuals are on business-travel status. When a room is shared, the cost of lodging is to be shared equally and cannot exceed the maximum daily lodging rate times two (2).
  9. If a group discount rate offered in conjunction with an authorized event is lower than the County's maximum lodging rate for the locality of travel, reimbursement for lodging shall not exceed the group discount rate.
  10. When lodging is provided in conjunction with a training session, convention, or general meeting, your hotel costs cannot exceed the cost of the lodging provided. For example, if lodging is provided at \$160 per night through a training session, but you elect to stay at a hotel that costs \$180 per night, you can only claim \$160 per night for reimbursement. Provide a copy of the registration form verifying the conference hotel rate.
  11. Milwaukee County is exempt from sales tax in the State of Wisconsin, and you should not be charged sales tax on your hotel bill. Request a credit if you are charged sales tax on your hotel bill. Our sales tax exemption number is L0564899408 in the State of Wisconsin. A sales tax exemption certificate may be obtained from Forms Library: <https://countyconnect.milwaukeecountywi.gov/New---County-Intranet-Files/Forms-Library/Tax/WisSalesUseTaxCERTIFICATECES.pdf>
  12. Government rates should be requested.
  13. All personal expenses must be paid for separately or deducted from the lodging bill before it is submitted for reimbursement.
  14. Original receipts are required for reimbursement.
- v. **Meals & Incidental Expenses (M&IE)**
1. Meals, including tips, are reimbursable at actual cost not to exceed the M&IE rate for the locality of travel, supported by paid receipts. The cost of alcoholic beverages is non-reimbursable.
  2. Employees will not be reimbursed for meals and other incidental costs in excess of the M&IE rate for the locality of travel while on official County business outside of Milwaukee County. Tips are limited to a maximum rate of twenty percent (20%) of the meal costs and incidental expenses
  3. Meal costs are not reimbursable when the expense of the respective meal is included in the registration fee, provided in conjunction with an authorized event or another County expense, or paid by a business, community, service, or other organization.
  4. When travel on official County business occupies less than one (1) full day, expenses will be reimbursed at actual cost not to exceed three-fourths (75%) of the applicable M&IE rate. Reimbursements for one-day trip meals are documented through the XM system and are reimbursed through the payroll system. Such one-day trip meals are income to the employees and are subject to Federal and State income taxes and Social Security taxes because the cost of the meal is not recognized as a business expense by the Internal Revenue Service.
  5. Milwaukee County reimburses employees for meals and incidental expenses at actual cost. All meal costs must be substantiated by paid receipts.
    - a. Employees will not be reimbursed for meals and incidental expenses in excess of the applicable M&IE reimbursement rate.
    - b. If reimbursed travel expenses exceed the per diem rate that is established by the IRS, the excess will be taxed as income. For example, if a travel card is used to pay

for a hotel or meal that exceeds the per diem rate, the excess will be taxed as income to the employee. If the employee used a personal card for the purchase, the County would not reimburse the amount that exceeds the per diem.

- c. The maximum M&IE reimbursement rate is based on the locality of travel in relation to the Federal M&IE rates.

**M&IE Breakdown, FY 2022 – Present:**

M&IE Total (1)	Continental Breakfast/ Breakfast (2)	Lunch (2)	Dinner (2)	Incidental Expenses	First and Last Day (3)
\$59	\$13	\$15	\$26	\$5	\$44.25
\$64	\$14	\$16	\$29	\$5	\$48.00
\$69	\$16	\$17	\$31	\$5	\$51.75
\$74	\$17	\$18	\$34	\$5	\$55.50
\$79	\$18	\$20	\$36	\$5	\$59.25

- (1) This column lists the full daily amount federal employees receive for a single calendar day of travel when that day is neither the first nor last day of travel. The rate varies based on the city where the travel is occurring. The standard rate is \$59 per day.
- (2) The separate amounts for breakfast, lunch and dinner listed in the chart are provided should you need to deduct any of those meals from your trip voucher. For example, if your trip includes meals that are already paid for by the government (such as through a registration fee for a conference), you will need to deduct those meals from your voucher. Refer to Section 301-11.18 of the Federal Travel Regulation for specific guidance on deducting these amounts from your per diem reimbursement claims for meals furnished to you by the government. Other organizations may have different rules that apply for their employees; please check with your organization for more assistance.
- (3) This column lists the amount federal employees receive for the first and last calendar day of travel. The first and last calendar day of travel is calculated at 75 percent.

6. Determine the maximum allowable reimbursement for each day and/or partial-day you are away from home. In the amount column, enter the total amount to be reimbursed based on actual meal costs up to the daily maximum reimbursement rate.

a. Example 1

- i. Employee departs for a **low-cost locality** on 3/7 at 7:00 AM and returns on 3/8 at 6:00 PM:

Date	Maximum M&IE Rate /Partial Day	Actual Meal Cost	Reimbursement Amount
3/7 Partial Day	\$44.25	\$38.00	\$38.00
3/8 Partial Day	\$44.25	\$50.00	\$44.25
Total		\$88.00	\$82.25

b. Example 2

- i. Employee departs for a **high-cost locality** on 3/7 at 9:00 AM and returns on 3/10 at 1:00 PM:

Date	Maximum M&IE Rate /Partial Day	Actual Meal Cost	Reimbursement Amount
3/7 Partial Day	\$44.25	\$38.00	\$38.00
3/8 Full Day	\$59.00	\$80.00	\$59.00

3/9 Full Day	\$59.00	\$52.00	\$52.00
3/10 Partial Day	\$44.25	\$50.00	\$44.25
<b>Total</b>		<b>\$220.00</b>	<b>\$193.25</b>

c. Example 3

- i. If an employee departs for a **low-cost locality** on 3/7 at 7:00 AM and returns the same day at 6:00 PM:

Date	Maximum M&IE Rate /Partial Day	Actual Meal Cost	Reimbursement Amount
3/7 Partial Day	\$44.25	\$50.00	\$44.25

- ii. Note: This is considered a one-day trip meal and will be reimbursed through the Payroll system.

7. Exceptions are as follows:

- a. Business Meals Within Milwaukee County: Meal costs incurred while on official County business within Milwaukee County are not reimbursable.
- b. One-Day Trip Meals: Meals are defined as one-day trip meals when no overnight stay is incurred. Reimbursements for one-day trip meals are paid via the payroll system and are subject to Federal/State income taxes and Social Security taxes. The cost of one-day trip meals is not recognized as a business expense by Internal Revenue Service and therefore is considered income to the employee and will be taxed accordingly. One-day trip meals are reimbursed at actual cost upon submission of paid receipts, not to exceed \$44.25.
  - i. For example: If an employee attends a 3-day meeting outside of Milwaukee County, returns home each night, and incurs allowable meal expenditures each day, the employee must report allowable M&IE reimbursement as 1-day trip meals for all 3 days.
- c. Meals Included in Registration Fees: Meal costs included in the registration fee or another County expense or paid by a business, community, service, or other organization are not reimbursable.
  - i. For example: If an employee attends a 1-day seminar outside Milwaukee County with a registration fee of \$100 that includes a group lunch, no reimbursement can be claimed for lunch expenses. If a seminar requires a registration fee of \$100 plus an optional charge for a meal of \$10, the employee can claim reimbursement for the \$10.

vi. **Registration Fees**

- 1. Registration fees for conventions, conferences, and seminars are reimbursable when supported by paid receipts.
- 2. Every effort should be made to take advantage of early registration or group rate discounts.

vii. **Communication Expenses**

- 1. If the employee has a County-issued cell phone, that phone should be used for all business calls (unless there is no service).
- 2. When possible, employees should avoid surcharges by using the County cell.

3. For approved international travel, the traveler should contact IMSD so that the traveler's calling plan may be temporarily changed to the appropriate calling plan.
4. Business calls may be reimbursed at the discretion of the department head.
5. Original receipts are required for reimbursement for business calls made on a personal cell or other phone.
6. The cost of personal telephone calls is not reimbursable.
7. All such expenses must be supported by an itemized statement.

viii. **Incidental Expenses**

1. The incidental expenses itemized below are only reimbursable through the M&IE rate as covered under Section (5)(d) of these Procedures. Separate reimbursement is not allowable.
2. Baggage handling service including tips for doormen, bellboys, or housekeeping services
3. Laundry and dry cleaning if the trip is three consecutive days or longer.

ix. **Non-reimbursable Expenses**

Expenses that are considered personal, not essential to the transaction of official County business, and are not reimbursable, include:

- a. Valet service
- b. Personal trip insurance or flight insurance
- c. Personal telephone calls
- d. Entertainment and travel to places of entertainment
- e. Medical or hospital services
- f. Alcoholic beverages
- g. Travel costs for family members
- h. Additional hotel charges for upgrades, special "club" floors, late checkout, or early check-in.
- i. Airline convenience fees (e.g., early check-in, seat upgrades, TSA pre-check)
- j. Amenities such as movies, health clubs, or in-room bars.
- k. Cancellation charges (unless justified).
- l. Childcare, babysitting, house sitting, or pet-sitting costs.
- m. Cost differential on premium and luxury car rentals or first or business-class airline tickets.
- n. Entertainment, including, but not limited to, exercise facilities, movie rental, videos, games, or other non-business-related items.
- o. Excess baggage fees.
- p. Flight Insurance or other supplemental travel insurance, unless required for international travel and approved by the department head.
- q. Gasoline costs if mileage reimbursement is used.
- r. Laundry for trips less than three or more consecutive days.
- s. Local transportation charges incurred for personal reasons.
- t. Lost or stolen cash or personal property.
- u. Magazines, books, or other reading materials
- v. Meals included in the cost of registration fees and airfare.
- w. Modifications to travel arrangements.
- x. Personal items (e.g., toiletries, luggage, clothing, medications, etc.).
- y. Personal portions of a trip combined with business travel.
- z. Personal telephone calls.

- aa. Repairs, towing service, etc. for personal vehicle.
- bb. Snacks, beverages, etc. outside of a meal.
- cc. Spouse, family member(s), and guest travel costs
- dd. Traffic citations, parking tickets, and other fines.

#### D. **Travel Arrangement**

##### i. **Air Travel**

1. **Lowest Available Fare:** All air travel arrangements should be made at the lowest possible available fare consistent with reasonable business planning.
2. Verify the accuracy of the tickets and itinerary upon receipt.
3. **Changing or Canceling Reservations:** When travel plans change, contact the agent, airline, website, or where tickets were purchased and say that your call concerns changes to an existing record. When changing reservations, but not your routing, tickets can be adjusted (revalidated) either by the travel agency or at the airline ticket counter.
4. **Unused Tickets:** Unused airline tickets related to the cancellation of business-related travel for Milwaukee County may not be re-used for personal travel. Employees should attempt to exchange the ticket for other business-related travel.

##### ii. **Lodging**

1. **Lodging Rates:** When making hotel reservations, keep in mind that the County will only reimburse lodging costs up to the allowable lodging rate established for the locality of travel.
2. **Identification:** Carry a Milwaukee County LD. as many hotels will not honor governmental rates unless a governmental I.D. is shown at the time of registration.
3. **Payments:** When making hotel payments, verify that the rate charged by the hotel is the same as the rate identified on your itinerary or the amount quoted in the confirmation from the hotel. Payment should not exceed the quoted rate. If the hotel is in Wisconsin, verify that it did not charge sales tax.
  - a. If sales tax was charged, present a tax-exempt certificate to have the sales tax removed. A tax-exempt certificate is available in the Lotus Notes Forms Library.
4. **Changing or Canceling Reservations:**
  - a. All hotels will be guaranteed for a late arrival and must be canceled if not used. It is your responsibility to cancel the reservation prior to the deadline date and time noted on the itinerary to avoid any charges.
  - b. If a deposit has been sent for hotel reservations that are canceled, it is the employee's responsibility to notify the hotel to request a refund.

#### E. **Travel Expense Reporting (INFOR XM Application)**

- i. **Submission:** A Travel Expense Report, along with original receipts, must be submitted regardless of whether out-of-pocket expenses were incurred and should be submitted as soon as practical after the last day of the trip.
- ii. **Preparation:** Travel Expense Report is created in the INFOR XM application. See [Infor XM Job Aid](#) on how to process an Expense Report.
- iii. **To Create a New Expense Report:**
  1. Click on **Create a New**.
  2. Click on the **Purpose** pulldown and select the appropriate Purpose. The required information (designated by a red asterisk) will vary based on the Purpose selected

- a. For Convention (60805) you will be required to indicate a "Convention Name". If the name is not found from the drop-down list, you will need to select other; you will be prompted to enter the name in the Explanation Warning box. If this is a recurring Convention, please notify Payroll and they can set it up so it can be selected from the drop-down box.
3. Click **Save**.
4. For Out-of-Pocket Expenses
  - a. Select Out of Pocket box
    - i. Select Expense Type (selection is based on Purpose)
    - ii. Fill in the appropriate information (designated by a red asterisk)
    - iii. Standard Information Airfare and Registration, the "Transaction Date" is the date the purchase was made.
5. For Hotel and Meal expenses you will need to itemize
6. Charge Code Allocation
  - a. Employee's Agency and Department will be the default. To select a different Allocation, select the magnifying glass to search for a new allocation. By clicking the + you may split the allocation by a dollar or percent amount.
7. Additional Information
  - a. Enter appropriate information is applicable.
8. Notes
  - a. Enter any information pertaining to expense. I.e... for business mileage, enter start and end of destination.
9. Receipts
  - a. Attach required receipts for the expense. Receipts should be in PDF.
10. Click Save
  - a. You may be prompted to explain an exception. i.e. Business Mileage over 90 days old
11. When all expenses have been added, click Submit.
12. After reviewing Compliance Confirmation, click the radial button Yes or No, then click Next.
  - a. Answering No will not allow submission of Expense Report.
13. Expense Report will be forwarded:
  - a. First to the Direct Reports Manager for review
  - b. Second to the Cost Center (Department Head) for review
  - c. Third to Payroll for review
14. County Travel Card Expenses (Card Coordinator will assign transactions)
  - a. Select County Travel Card
  - b. Check the County Travel Card Transaction to attach to the expense report you are creating.
    - i. To change the Expense Type click "Change expense Type", select expense type, then click Save.
    - ii. To attach County Travel Card Transaction click "Attach", then click Done.
  - c. Continue by following steps 4 through 10 from above.



**5. REVISION HISTORY:**

Rev. #	Summary of Changes	Date of Change	Author
2.0	New expense reporting system (INFOR XM System), updated rates, updated responsibility to CBO	7/14/2022	Scott Manske



COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION

Office of the Comptroller

**Scott B. Manske, Comptroller**

Date: February 9, 2023  
To: Jennifer Folliard, Director of Audits  
From: Sue Drummond, Director Payroll and HRIS Interface  
Subject: Milwaukee County Travel Card Audit report response

This letter is in response to the audit report pertaining to the Milwaukee County Travel Card. At the time of the request, the County was implementing the new Financial System (Infor) which included an employee expense management module. The responsibility for travel card program moved from the Procurement Division to the Payroll Division upon the Infor system go-live date of June 2021. In addition, the Payroll Division also became responsible for the expense reporting in the Infor expense management module. Since that date, the Payroll Division has updated the Travel Preparation Guidelines and Expense Reporting procedure (AMOP 7.12) and the Travel Card Manual. We are continuing to work on updating various forms and training materials related to Travel Card usage.

Below are responses to the Audit Services Division's five recommendations for operational improvements that are under the jurisdiction of Milwaukee County Office of the Comptroller.

- *The Payroll Division work with the DAS CBO on an annual basis to determine if any new allowable categories should be added to the T Card based upon use and request for exemptions within the year.*

In the 2<sup>nd</sup> quarter of 2023, the Office of Comptroller – Central Payroll division will initiate a meeting with DAS Central Business Office (CBO) to determine if any new allowable categories for travel card use should be added to the INFOR XM application and determine an ongoing schedule for such annual meetings.

- *The Payroll Division work with the DAS CBO to determine if meal expenses at Milwaukee Mitchell Airport en route to travel, and local parking are allowable expenses and if so, update the manual to provide clarity to employees.*

In the 2<sup>nd</sup> quarter of 2023, the Office of Comptroller – Central Payroll division will initiate a meeting with the DAS CBO to determine if meal expense incurred at Milwaukee Mitchell Airport en route to travel destination is allowable. The meeting will also include a discussion of local parking as an allowable expense. The Payroll division will provide updates to Travel AMOP 7.12 and Travel Card Manual based on final decisions of this meeting.

- *The Payroll Division meet annually with the Procurement Division to discuss proper card usage for transactions and to maintain consistency between the two card programs.*

The Office of Comptroller – Central Payroll division has been meeting with DAS - Procurement Division regarding the two programs (procurement and travel) and the separation of duties related to them. We will continue to meet to ensure the rules and policies are being followed with card usage from both programs. The travel card program uses the Expense Management System of Infor and card coordinators to monitor that program. The procurement card program uses the US Bank system for maintaining and approval of documentation of purchases.

- *The Payroll Division design and require a training program for the Card Coordinators, Card Approving Supervisors and the Departments Heads to ensure that proper review of purchases at the departmental level is occurring and purchases are appropriate.*

The Director Payroll and HRIS Interface and Analyst Business Systems in the Payroll Division have initiated contact with the Department of Human Resources - LMS Training Coordinator to set the framework for Learning Management System (LMS) training for managers and employees. We will continue to meet to create Travel Card training within the LMS System. This training course will be launched no later than fall of 2023.

- *The Payroll Division work to design a review process to periodically verify the completion of the purchasing log and signature on the U.S. Bank statement and add additional training to the current training program to ensure proper record retention of the purchasing log and U.S. Bank statement.*

The Payroll Division is currently evaluating how a Travel Card log can be created to replace the current Purchasing log. The process for the travel card log will then determine how the monthly reconciliation of the US Bank statement will be performed. This will be added to the training program in LMS to be launched by the fall of 2023. After the steps are defined for departments to maintain a purchasing log, approval of transactions, and approval of bank statement, the Central Payroll Division will develop a review process of these documents. This will be completed by the end of 2023.



**DEPARTMENT OF  
ADMINISTRATIVE SERVICES**

Procurement Division  
633 W. Wisconsin Avenue, Suite 901  
Milwaukee, WI 53203  
(414) 223 – 8100 (Voice), 711 (TRS)

Date: January 27, 2023  
To: Jennifer L. Foliard, Director of Audits  
Subject: Response to Audit of Travel Card

The Department of Administrative Services – Procurement Division was asked to provide a response to Audit Services regarding the audit of Milwaukee County Travel Card as requested by the Office of the Comptroller.

I have reviewed the findings of the conducted audit and greatly appreciate the efforts conducted by Audit Services. The proposed recommendations from Audit Services are in alignment with work underway resulting from [File 22-397 – Procurement's Purchasing Card Program: Efficiency is Achieved but More Oversight and Updated Guidelines are Needed](#)". Effective immediately, the following areas will be reviewed on a quarterly-basis with the Payroll Division to support the near and long-term recommendation from Audit Services:

- 1) update policy & procedure manuals reflecting separate guides for Purchasing/Travel Card,
- 2) improve training for all parties involved in purchasing card activities,
- 3) quarterly reviews of transaction detail reports,
- 4) quarterly reviews of designated purchasing card roles to capture potential staff transitions,
- 5) streamline purchasing activities assuring adherence to applicable ordinance(s).

I committed to working collaboratively with the Payroll Division and Audit Services to ensure program guidelines are clearly defined and support greater transparency, responsibility, and awareness for all stakeholders. We are optimistic these streamlined enhancements will improve the overall utilization and compliance concerning the purchasing card or travel card.

Sincerely,

Regina M. Flores  
Procurement Director  
(414) 739 – 6269

cc: Molly Pahl, Deputy Director – Office of the Comptroller  
Bruce Landrum, Audit Manager – Office of the Comptroller  
Aaron Hertzberg, Director – Department of Administrative Services  
Sherri Jordan, Deputy Director – Department of Administrative Services  
Casandra Walls, Business Systems Analyst – Procurement Division