



September 25, 2001

TO: Directors and Fiscal Officers of State Agencies

FROM: Thomas W. Johnson
Director

SUBJECT: Amendment of Travel rule; Changes to American Express Travel Card Program; Ethics Commission Opinions on Travel; Sending Electronic Mail from Travel Site; and New System-Assigned Identifier in CAS

Please be advised of amendment of the travel rule; changes to the American Express travel card program; Ethics Commission opinions on travel; procedures for sending electronic mail from travel site; and a new system-assigned identifier in CAS.

The Fiscal Year 2002 travel reimbursement rate increases that took effect on July 1, 2001 are unchanged. Please refer to OBM's letter of June 19, 2001 which outlined the Fiscal Year 2002 increases in travel reimbursement rates for exempt employees.

Travel by bargaining unit employees is governed by the travel provisions in their contracts. Most contracts contain provisions that default to the OBM travel rule in all travel matters not addressed by the contract. For specific information, refer to the travel provisions of the contracts applicable to the employees of your agency.

I. Amendments to Travel Rule

The amended permanent travel rule takes effect on September 30, 2001. The amended emergency rule which took effect on July 1, 2001 remains in effect through September 29, 2001. Differences between the emergency rule and proposed permanent rule are noted in brackets below.

The amended permanent rule implements the in-state meal receipts requirement and provides clarification as follows:

- All travel within the state of Ohio by state agents at state expense or on paid travel status must be authorized by the head of a state agency or his/her designee as appropriate state business (paragraph (B)(1)(a)).
- Unless otherwise specified in the rule, all receipts required by the rule shall be submitted to the Office of Budget and Management, and the Office of Budget and Management may specify the manner in which receipts shall be submitted (paragraph (B)(5)).

- The term “traveler” is changed to “state agent” to standardize the terminology in the rule.
- The rates specified in the rule are the rates that apply per state agent per calendar day (paragraphs (D) and (E)(2)(a)).
- The Fiscal Year 2002 maximum in-state meals rate per state agent when the state agent is on travel status for a full calendar day, that is, travel both preceded and followed by an overnight stay, is \$30.00 without receipts or \$35.00 with receipts submitted by the traveler to his/her state agency. These amounts are pro-rated for less than a full day of travel (paragraph (D)(1)(b)).

When are In-State Meal Receipts Required?

1. When the traveler is on travel status for a full day of travel:
Meal receipts are required when the traveler’s meal expenses exceed \$30.00.
2. When the traveler is on travel status for less than a full day of travel:
Meal receipts are required when the traveler’s meal expenses exceed the pro-rated portion of the \$30.00 that would apply to the time period in which that the traveler is on travel status .

Examples of In-State Meal Claims Requiring Receipts:

\$31.00 for a full day of travel;
\$8.00 for travel any time after midnight but no later than eight a.m.;
\$9 for travel any time after eight a.m. but no later than six p.m.;
\$16.00 for travel any time after six p.m. but no later than midnight.

Why are In-State Meal Receipts Required? Meal receipts are required in order to assure that the State of Ohio is complying with federal requirements for substantiation of employee business expenses and is paying employee travel expenses under an accountable plan as defined by the Internal Revenue Service. Travel expenses that are not substantiated or are paid under a nonaccountable plan are reportable as income and are subject to withholding. Receipts are necessary because for certain locations within the state, the State of Ohio is reimbursing in-state meal expenses at rates that exceed the maximum federal meal rates allowed for those locations.

Who is Responsible for Maintaining In-State Meal Receipts? The state agency shall maintain the original in-state meal receipts which shall be available and open to inspection. Copies should *not* be attached to the travel expense report which is sent to OBM.

- Conference registration fees may be reimbursed to the state agent, or conference registration fees may be paid directly by the state agency in advance of the conference (paragraph (G)(1)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]
- If the registration fee includes a meal or if the conference includes or provides a meal, the state agent shall not be reimbursed for that same meal under the daily meal allowance, and any amount reimbursed to the state agent under the daily meal allowance shall be adjusted (paragraph (G)(1) and (2)). [*This provision is further clarified in the proposed permanent rule.*]
- Lodging at the conference site or lodging at a hotel identified in the conference registration materials as one of the conference hotels may be reimbursed at actual cost, provided such cost is reasonable as determined by the head of a state agency or his/her designee (paragraph (G)(3)).
- Receipts are required for miscellaneous conference expenses exceeding one dollar (paragraph (G)(4)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]
- Reimbursement of travel of agency contractors shall be reimbursed at rates not to exceed those specified in the rule and in accordance with provisions of the rule that are applicable to state agents (paragraph (J)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]
- When the head of a state agency grants an exception to one of the rule provisions specified in paragraph (I)(2)(b) of the rule prior to the expense being incurred, all other provisions of the rule shall remain in effect (paragraph (L)(2)). The agency head may waive the overnight requirement for in-state meals if the agency head determines that the agency will thereby save a lodging expense, provided the over forty-five mile requirement specified in paragraph (I) of the rule is still met (paragraph (L)(2)(b)(ii)).

II. American Express Corporate Travel Card Program

OBM is working with American Express to address the sizeable number of delinquent accounts and avoid the cancellation of the travel card program. Please refer to OBM's earlier letter of July 18, 2001 to agencies and attached letter of August 7, 2001 to cardholders, which outline the steps OBM has taken to address these problems. Your assistance is needed.

To avoid the cancellation of your agency's American Express account and your travelers' individual cards, your agency must do the following:

- Complete and return the enclosed American Express Account Authorization form immediately if you have not already done so.

The name of a current employee must be provided. American Express' records list many coordinators who are no longer with the state. Even if you are not changing your designation, please complete the form below and send it to **both**:

1. Brittney L. Faust, Account Representative
11244 N. Sagauro Blvd., #103
Fountain Hills, AZ 85268
FAX and telephone: 1-800-706-9128 or FAX (480) 816-0218]
E-mail: brittney.l.faust@aexp.com

2. Mary Ellen Forrester at OBM .
FAX: 466-3813; Telephone 644-8797
E-Mail: molly.forrester@obm.state.oh.us
You may fax and then send *original* to OBM.

- If your agency has a Business Travel Account (BTA) for the direct billing of airline tickets, the name of a designated *current employee* must be assigned to the BTA account. Please check the name on your account. If the name of a current employee does not appear on the account, you must update it. **To update the name, have your program coordinator contact American Express at 1-800-492-1477.**
- All account statements must be paid promptly and in full each month. All delinquent accounts must be paid immediately.
- Your agency program coordinator **must** utilize the American Express @ Work website/tools under the corporations tab at www.americanexpress.com. in order to administer and manage the account. This site **must** be used to approve and submit applications, cancel and transfer cards, update names and addresses, and review account information. American Express is eliminating paper reports and many paper transactions. The agency coordinator should sign up at the website or by telephone at 1-800-230-1285.

III. Ethics Commission Opinions on Travel

You are reminded of the following opinions issued by the Ethics Commission:

1. Prohibition on Acceptance of Travel Expenses from Party Interested in Matters Before or Regulated by Agency or from Vendor Or Prospective Vendor of Agency:

Opinion 86-011 states that under Ohio law, a public official or employee shall not solicit or accept travel, meal, and lodging expenses from a party that is interested in matters before, regulated by, doing business with, or seeking to do business with the agency with which the official or employee serves.

2. Prohibition on Personal Use of Frequent Flyer Benefits Accrued from State-Paid Travel:

Opinion 91-010 states that under Ohio law a public official or employee shall not accept, solicit, or use the influence of his or her position to secure for personal use a discounted or free "frequent flyer" airline ticket or other benefit from an airline if he or she has obtained the ticket or other benefit from the purchase of airline tickets for official travel. However, the state agency which purchases the ticket may apply the frequent flyer benefits to official state travel because the state agency which purchases the ticket is the owner of the benefits incidental to the purchase.

IV. Sending Electronic Mail from Travel Site

Please advise your travelers to take steps to avoid incurring long-distance telephone charges when they are sending business e-mails from an out-of-town location. These long distance charges are incurred whenever the traveler accesses his/her internet service provider (ISP) through a telephone number that is local to his/her home or office area but is long distance when the traveler is calling from outside that area. In order to avoid long distance charges, a traveler must use an access number which is **local to the travel vicinity**. The traveler can obtain from his/her ISP local access numbers for various locations. These local access numbers may be available on the ISP's web site.

Using a telephone number that is local to the travel vicinity can avoid hundreds of dollars in long-distance telephone charges. The OBM travel rule provides for the reimbursement of "reasonable business telephone expenses." OBM will not approve the reimbursement of unnecessary long-distance telephone charges for e-mail services.

V. New System-Assigned Identifier in CAS

State employees who receive reimbursement through the Central Accounting System (CAS) are currently identified by their Social Security Numbers (SSNs). On June 25, 2001, State Accounting converted all state employees' SSNs to a new system-assigned identifier in CAS. The new identifier will begin with the letter "E" followed by eight numbers (e.g., E12345678). Through this conversion, OBM hopes to better protect employees' SSNs from unauthorized use. OBM forms such as the Travel Expense Report (OBM 7148) have been revised to reflect this change.

When adding new state employees to the CAS vendor file for reimbursement, agencies will not select the "E number" that will represent the employee in CAS. Instead, CAS will automatically assign the identifier during the vendor entry process. To determine the new identifier for a state employee who already exists in CAS, enter the employee's name in the Vendor Name inquiry (QVNDR01). Alternately, if the employee's SSN has been released to a CAS user, the CAS user may use an employee's Social Security Number to look up that individual's new identifier on a new CAS inquiry designed for this purpose: QVNDR14.

Questions about the above information should be directed as follows:

- Travel expense reports: Judy Johnson, State Accounting, at 466-1569.
- General rule provisions: Mary Ellen Forrester, OBM Legal Counsel, at 644-8797.
- Collective bargaining contract travel provisions: Office of Collective Bargaining, DAS, at 466-0570.
- Ethics Commission travel opinions: Ohio Ethics Commission at 466-7090.

TWJ: MEF
Attachments