TRAVEL AND HOSPITALITY
California Polytechnic State University, San Luis Obispo
Audit Report 23-05
May 13, 2024

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational, administrative and financial controls related to the travel and hospitality expense reporting process to ensure compliance with relevant CSU, Cal Poly State University (Cal Poly), and Cal Poly Partners (CPP) policies and procedures.

SCOPE

Audit and Consulting Services (ACS) reviewed a total of 81 travel claims and 37 hospitality claims that included both Cal Poly and CPP. Sample selections included executives, cabinet members, vice presidents, deans, faculty, staff, select frequent travelers and select employees involved in the travel & hospitality process. The selections were made from reports submitted from 1/1/2022 to 6/30/23.

Travel and hospitality claims were selected from Concur (Cal Poly's travel software) and OneSolution data reports.

For each travel claim selected for Cal Poly & CPP, ACS assessed the compliance with the travel & hospitality policies under the following sub-topics:
- Travel pre-approval
- Travel claim review
- Airfare
- Domestic & international meals
- Ground transportation
- Lodging & incidentals
- Miscellaneous expenses
- Hospitality

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for travel and hospitality expense reporting as of June 30, 2023, taken as a whole, needs improvement.

ACS noted that the Concur software tool was implemented by Cal Poly in efforts to better streamline the processing of travel and hospitality on campus. However, Cal Poly is currently using a version of Concur shared by several CSU campuses and the Chancellor's Office. As such, customizations and technical support request required to meet the needs of the campus' processes need external review and validation by the CSU system Concur leads. Further, neither read-only nor approving access for Concur is available to CPP employees whom play a role in the travel and hospitality review and approval process which has led to inefficiencies in the process travel and hospitality claims.

The use of the Concur tool has helped create a more automated review and processing of travel and hospitality claims, however, some areas were identified as needing improvement. ACS noted that travelers and approving officials need to be timelier and more detailed regarding their preparation and in review of the completeness and accuracy of expense claims made. This includes more detailed review of receipts, ensuring that description for the purpose of travel, hospitality events, meeting attendees, and other justifications (i.e., overage of budgeted amount to actuals) are included, and ensuring that detailed agendas for conferences are included in the expense claim. Further, travelers need to be reminded of the driver's safety procedures for the campus and ensure they follow the policies set by risk management.

ACS noted that for the scope of the audit period there was no formal process in place to diligently track the processing functions that occurred outside of the Concur system. This included, but was not limited to, tracking of payments due to the University by the traveler for non-reimbursable expenses, notifying payroll of travel that should be identified as taxable income due to submission of a report greater than 60 days, and return of funds for cash advances. However, as of January 1, 2024 the campus has implemented new requirements for travelers to submit proof of re-payment to the University for non-reimbursable amounts. In addition, for cash advances not returned the campus will make multiple attempts to bill the employee and if no response is obtained, then payroll will be notified to report the travel or hospitality as income to the employee.

Diligent oversight of this process and strict enforcement of travel and hospitality policies is extremely important due to the combination of many factors including the use of state funds involved and expense reporting being a top area for occurrences of fraud.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. CENTRALIZATION AND PROCESS IMPROVEMENTS

The campus does not have a centralized travel and hospitality process. Cal Poly and CPP have two separate processes that utilize different requisition, approval, and recording methods that are dependent on if the traveler or host is a Cal Poly employee or an employee of the auxiliaries. Cal Poly utilizes CPP funding sources, however, CPP does not have access to review or approve transactions to the Concur system. CPP approval is obtained through a chargeback process in which Cal Poly will invoice CPP for travel and hospitality. The majority of transactions that are reviewed by CPP originate from Cal Poly travelers. However, the lack of access to Concur and the decentralized nature of the process is inefficient for the volume of transactions that are required to be reviewed and processed.

Given the lack of consistent and centralized functionality of the Concur tool and the volume of transactions that need to be approved by CPP, the risk of delayed processing could lead to inaccurate financial reporting of travel and hospitality expenses. During the year end close within the audit period, the campus was not able to timely review and approve transactions that required CPP approval. As such, the campus processed and paid the travel and hospitality claims for 78 transactions to meet the year-end reporting timeline. 30 out of the 78 transactions (38%) required follow up inquires and document requests to determine if the travel and hospitality expenses were allowable per the funding source. 15 out of the 30 transactions (50%) required an adjustment to the claim and amounts due from the traveler or was denied by CPP. However, subsequent to year end, CPP completed the formal reviews and approvals and adjusted accordingly.

Processing times noted as part of the samples ranged from six to 60 days between when SBS first reviewed the report and when SBS indicated CPP approval within Concur. Timing between when the CPP approval is input into the system and when it is submitted for payment ranged from 0 to 22 days.

ACS noted 337 travel and hospitality transactions within the testing population that indicated an amount due to the University. Five out of the 337 travel claims pertained to travel claim samples selected for the audit. Three out of the 5 samples selected indicated that funds were returned to the University within Concur, however, there were no records of the funds being returned to the Cashiering Department. As a result, the samples were noted to have outstanding amounts due from 303 – 715 days. Per the CSU, policy funds are required to be returned within 120 days. Excess amounts not returned to the University within 120 days after the expenses were paid or incurred are considered by the Internal Revenue Service (IRS) to be taxable income to the traveler.

ACS noted that the tracking of transactions subsequent to travel claim submissions within Concur needs improvement. Currently the campus does not have a reconciliation process in

place to ensure the completeness and accuracy of transactions processed in Concur against PeopleSoft General Ledger (GL). Further, ACS noted one instance in which the amount of a travel claim submitted was $1,197.71 and what was actually posted to the general ledger was $859.51. This is also evidenced through the amount due samples mentioned above.

ACS obtained the listing of audit rules currently in place within the Concur system for both travel requisitions and travel claims submissions. Per inspection of the audit rules, ACS noted a lack of consistency and continuity between rules set up for the travel requisition process and the submission of the travel claim. For example, the travel requisition audit rules include a rule that travelers can only reserve a rental car utilizing Enterprise or National Rental services within the Concur system. However, there is no audit rule within the travel claim submission process that restricts the traveler from reimbursement of non-Enterprise or National transactions nor has a requirement to document why the traveler did not used the preferred vendor.

RECOMMENDATION

ACS recommends that the campus review the current travel and hospitality approval process to determine if any efficiencies can be made. This includes, but not limited to coordinating with University Personnel, Information Technology Services, and the Chancellor's Office in order to provide read only access to CPP for the travel and hospitality reports within Concur. This will streamline the processing time for review and approvals for both SBS and CPP. If CPP is not able to get access to Concur, the campus could consider requiring travelers that intend to utilize CPP funding for the entire travel or hospitality claim, submit travel claims directly with CPP.

ACS recommends that SBS and CPP coordinate to determine and communicate an agreed upon cutoff date for Concur travel claims with CPP funding to be submitted prior to year-end to ensure that all required approvals and reviews are obtained prior to approving the travel claim for payment. Further, SBS and CPP should consider developing a tracking mechanism for all outstanding travel and hospitality claims sent to CPP in order for both groups to have greater transparency of claims that are pending review and approval.

ACS recommends SBS identify outstanding amounts due as of December 31, 2023 and coordinate with the respective travelers to ensure that funds are returned to Cal Poly. For instances where the traveler has separated from Cal Poly, SBS should attempt to collect the funds. ACS noted that there is currently a new process in place for the campus for starting on January 1, 2024, where payments due to the University are to be paid in advance of submitting the travel claim. Evidence of the payment will need to be attached to the travel claim. ACS recommends that in addition to the implementation of the new process, SBS

should provide outstanding listings to the Cashier's Office at minimum on a quarterly basis to better track amounts due.

ACS recommends that the reconciliation between Concur and the GL should be completed monthly, at a minimum, to ensure completeness and accuracy of the data entered into PeopleSoft. Further, this will assist in identifying any deviations that would occur in Concur and get posted into the financial reporting system.

SBS should compare the listing of requisition audit rules against the listing of expense audit rules assigned to the campus and determine if the rules are consistent and properly applied in both segments of the claim reporting. New rules for the University (and for the CSU) going forward should be assessed to ensure that related compliance risks are addressed in both the travel pre-approval process and the travel claim submission process.

MANAGEMENT RESPONSE

SBS: We concur. ITS is helping coordinate a discussion with SVP and the CO to help CPP gain access to concur since Cal Poly does not have enough resources to solve at a campus level. CPP and SBS will implement a tracker system for CPP expense reports. SBS and UAR are working on a process to collect money owed to the university; SBS to pursue within 90 days after travel end date and UAR after 90 days of travel end date. SBS will compare Request audit rules against Expense report audit rules, so more consistent.

CPP: We Concur. CPP management will continue supporting the campus review of travel and hospitality approval processes to determine if any efficiencies can be made. CPP management will continue to advocate for its staff to gain access to the travel and hospitality reports within Concur, in coordination with SBS, ITS, and Administration & Finance.

CPP management will coordinate with SBS to improve cutoff procedures for Concur travel claims with CPP funding submitted prior to year-end. Concur travel claims must be submitted correctly to CPP staff prior to any agreed-upon cutoff date to ensure all required approvals and reviews from CPP staff are obtained prior to approving the travel claim for payment.

CPP management will consider developing a tracking mechanism with SBS for all outstanding travel and hospitality claims sent to CPP in order for both groups to have greater transparency of claims that are pending review and approval.

Anticipated date of implementation: 12/31/2024

2. RETENTION OF APPRROVALS OUTSIDE OF CONCUR

ACS noted that the retention of CPP approvals is not consistent in Concur. For the samples reviewed, comments provided by the payment technician, listing the dates the travel expense claim was sent for review to CPP and when approvals are returned by CPP, were the most common versus the attachment of the e-mail approval directly from CPP.

For the 8 samples that included CPP funding:
- 4 of 8 only included a comment indicating that there was CPP approval
- 1 of 8 did not include the date of approval from CPP
- 3 of 8 included an attachment of the approval from CPP

ACS noted 1 instance in which verbal approval from the President's Office's was indicated within Concur commentary versus a formal documented communication (i.e., memo or e-mail communication). Commentary directly in Concur is not sufficient for transactions or travel that is considered extraordinary or that could create a potential reputational risk for the campus.

RECOMMENDATION

ACS recommends that approvals from CPP be added to each travel report to provide sufficient evidence within the report that the review has been completed by the appropriate levels. Further, for approvals that are obtained outside of the Concur process, documented approvals (i.e., memos) should be attached to the travel pre-approvals and the travel claims.

MANAGEMENT RESPONSE

We concur. SBS and CPP will develop a system that can verify CPP has approved processed expense report. SBS will remind campus that proper justification or approvals are required for non-standard travel.

Anticipated implementation date: December 31, 2024

3. TRAVEL PRE-AUTHORIZATION

OBSERVATION

The following items detail the findings related to the Travel Pre-Authorization Forms reviewed.

- Noted that 9 out of 66 travel samples did not have a travel request completed within Concur
- Noted 8 out of 66 travelers submitted travel pre-approval after the start of travel
- Noted 12 out of 66 travel pre-approval forms were not approved prior to the start of travel

RECOMMENDATION

We recommend that travelers and approving officials be reminded of their responsibility to submit and review travel pre-approvals on a timely basis. This excludes guest travel and local hospitality expense.

MANAGEMENT RESPONSE

We concur. At least once a year, SBS will remind faculty and staff of their responsibility as travelers and approvers to ensure pre-approval is obtained on a timely basis.

Anticipated implementation date: December 31, 2024

4. TRAVEL CLAIM SUBMISSION REVIEW

The following items detail the findings related to the submission of the Travel Claim Expense Forms:

Substantive Testing:
Of 66 samples tested:
- Noted 5 were submitted greater than 30 days
- Noted 5 were submitted greater than 60 days
- Noted 2 were submitted greater than 120 days: (138 - 142)

Data Analytics:
Out of 75,016 transactions, ACS noted the following breakout in terms of timeliness of submission (based on the last day of travel and the first submit date of the traveler):

- Within 30 days: 36,798 (50%)
- 31 to 60 days: 26,007 (35%)
- 61 to 90 days: 5,085 (7%)
- 91 to 200 days: 5,253 (7%)
- 201 to 400 days:1,823 (2%)
- 401 to 567 days: 50 (0.07%)

Per Cal Poly policies, travelers are required to submit their expense claims within 30 days and per CSU policy within 60 days. Travel expenses are considered by the IRS to be taxable income to the traveler when travel expense claims are submitted greater than 60 days after the expenses were paid or incurred per ICSUAM 03601.01. Travel expense claims that exceeded the 60-day threshold did not include evidence that the taxable income was reported to payroll.

RECOMMENDATION

ACS recommends that SBS reiterate the timing requirements for travel expense claim submissions to travelers. SBS should further emphasize the taxability of the travel claims for travel expenses submitted greater than the 60 days after travel has been completed. Given the new process to be updated as of July 1, 2024 of requiring Assistant/Associate Vice President (AVP) approval for expense submissions greater than 60 days, SBS should consider determining a cut-off date for reporting travel expense that exceed the threshold to be taxable to the traveler (i.e., and if submissions greater than 365 days, not reimbursing the traveler). In addition, SBS should research the possibility of implementing an audit rule to require a justification to be documented (either in comments or in a memo) within the travel claim. Evidence or confirmation of the travel expense being added to payroll should be included in the travel claim form (i.e., confirmation from payroll that amount was received and reported as income).

MANAGEMENT RESPONSE

We concur. SBS will communicate the 60-day taxable rule to faculty and staff by posting information on the website and including it in other communication such as our travel newsletter and policy semi-annual updates. Payment Services will work with Payroll to develop process to report the delayed expense report; final solution will not delay expense report processing. SBS will limit the frequency of policy updates to no more than twice a year and will set and communicate the frequency to campus.

Anticipated implementation date: December 31, 2024

5. TRAVEL CLAIM REVIEWS

OBSERVATION

The following items detail the findings related to the travel claim reviews performed by the approving officials:

- Overall, business purposes of travel reviewed could use improvement. Most commonly, the travelers simply enter in their expense report a description of the activity versus the business benefit derived as a result of the travel. However, ACS noted that employees are required to select a business purpose (i.e., 'Conference', 'Meeting', or 'Athletics') from a drop-down menu within Concur that provides a form of purpose

- ACS noted 1 instance in which a reviewer from the department was able to modify a report subsequent to SBS approval and update funding source. The claim was not rerouted for additional approvals (University Campus Programs, "UCP", for updated funding or SBS to ensure updates were appropriate) and the claim was sent directly to payment processing

- ACS noted that the Concur audit trail functionality has the ability to track if reviewers and approvers review view the receipts attached to the travel and hospitality claim. Within the system, there are various levels of review in which the travel and hospitality claims can be routed. Each department has a unique routing based on the operational nature of the individual department. For example, the budget approver can be routed to an individual who aids in further routing an expense claim to the correct individuals or it can be routed by a person in a finance capacity within the department. However, the "Report to Approval" for the purpose of this audit is considered the final approver of the claim before being routed to SBS for final review and payment. Per the audit trails reviewed in Concur, ACS noted that the following approvers did not review the receipt images as part of their review:
    - Budget: 51 out of 66 applicable
    - Report to Approval: 56 out of 66 (excludes instances where a delegate reviewed the receipt image on behalf of the "report to approval")
    - SBS Payment Tech: 10 out of 66

- Noted 14 out of 66 travelers that submitted claim amounts greater than the pre-approval amount within Concur. No justification was provided for the overage.
    - Overage less than 10%: 7
    - Between 10% - 25%: 2
    - Between 25% - 50%: 4
    - Greater than 50%: 1

- ACS noted that the campus does not utilize the "reviewed" function within Concur for each expense line items in the report. As such, each line item within the expense reports were marked as not reviewed
- ACS reviewed the listing of "Other Expense" expense classification and identified 62 miscategorized expenses. Expenses in this category, should have been labeled as either a hotel expenses, fuel expense, printing/photocopying/stationary, or meal/incidental. These fields are general reviewed for compliance with Cal Poly and CSU policies. Mis-categorization of these expenses could circumvent the compliance with daily meal allowances, daily hotel costs, and incidentals.
  - Classified meals for group as "other" (1)
  - Classified hotel for group as "other" (1)
  - Classified fuel for personal vehicle as "other" in lieu of claiming mileage (1)

RECOMMENDATION

ACS recommends that SBS coordinate with the Chancellor's Office to clearly document the definitions of the business purpose options that travelers can select in Concur and post it in a centralized location that can be referred to by the travelers, reviewers, and approvers. Definitions should clearly define how the business benefit is derived as a result of the travel and should include examples that traveler can use as template for documentation. In addition, this listing should indicate the requirements for what the traveler should include in the report headers to adequately address the business purpose requirements for travel and/or hospitality expense. Examples include, but not limited to:

- If a traveler selects "conference" as the business purpose, the traveler should input the name of the conference as the trip description versus just "conference" as the trip description and attach the respective conference agenda
- If a traveler selects "other" as the business purpose, the traveler should clearly document the business benefit derived as a result of the travel

ACS recommends that travelers be required to document the business need for each expense in the expense report. This commentary will be helpful for the campus as receipts less than $75 are no longer required. Descriptions included should be sufficient for a reviewer to determine if the transaction serves a legitimate University business purposes (and not personal).

ACS recommends SBS review approval routings within Concur to ensure that subsequent updates to a funding source after a payment tech has reviewed can be rerouted back to the appropriate approver(s) or a notification can be set to alert a payment tech for review.

ACS recommends communicating to reviewers and approvers of travel claim expenses the importance of reviewing receipt images to ensure that transactions are adequately supported, serve as legitimate business expenses, and are in compliance with funding

sources. Further, reviewers and approvers should be made aware that this statistic is being tracked within the Concur system.

ACS recommends that travelers exceeding an agreed upon percentage over the budgeted amount from the travel pre-approval be required to include additional documentation to provide a justification for the overage in travel expenses. Further, travel claim approvers (including payment technicians) should be assessing the overage. If a travel claim exceeds a budgeted amount and the traveler did not provide an explanation of the overage, the reviewer and/or payment technician should return the claim to the reviewer.

SBS should identify the source of the data for the "reviewed" field within Concur on the individual expenses. Once the source has been identified, the campus should determine if it is operationally efficient to keep the field in Concur report. If so, training should be provided to Concur users to properly update or populate the field. If the field is not necessary, SBS should coordinate with the CSU Concur lead to remove the field.

SBS should reiterate the policies and procedures for the use of the "other" field within Concur. Further, payment technicians should ensure that travelers who utilize this field are properly classifying the transactions in the proper categories. This will minimize the risk for expenses such as meals, fuel expense, hotel expense that are incorrectly coded or not in compliance with Cal Poly and CSU policies.

MANAGEMENT RESPONSE

We concur. SBS will ask CO to develop definitions of the business purpose options that travelers can select in Concur and post it in a centralized location that can be referred to by travelers, reviewers, and approvers of all campuses. SBS will develop resources to guide travelers and approvers to justify all expenses. To ensure timely processing, Payment Services will create a matrix outlining which infractions will be pursued for resolution within the expense report and which infractions will include an email warning attached to the expense report. Due to resource constraints, including Payment Services off-campus location, we can only review and confirm if UCP funds were approved properly. Processors will be trained to check the Reviewed field at the expense line-item level. SBS shall include as part of their annual or semiannual communication to employees information regarding:
- Receipt review
- Justification requirement when expense report total is 20% over approved Request amount
- 'Other Expense' expense type

Anticipated implementation date: December 31, 2024

6. PERSONAL TRAVEL

OBSERVATION

The following observations pertain to personal travel:

- Noted 8 out of 19 travelers who included personal travel during their trip did not include a request for personal travel in their pre-authorization request
- Noted 10 out of 17 travelers who included personal travel spent greater than 50% of the trip on personal travel
- Noted 1 out of 17 travelers who included personal travel for an international trip was greater than the 25% threshold
- Noted that travelers incurred costs on days indicated as personal travel within the travel expense claim that did not include an explanation of why the expense was incurred or why it should be considered a reimbursable expense
- Noted 7 out of 17 travelers that claimed personal travel days did not provide a comparison on flights taken on a personal day of travel versus the end of University business
- Traveler incurred expenses for meals, parking tolls, hotel stays on 2 days indicated as personal travel without documented justification of the expenses with the travel expense claim (note: this day is excluding travel end date that was also included within the personal travel window indicated)

RECOMENDATIONS

ACS recommends that if travelers intend to include personal travel as part of their business travel, it is included in the travel request. If the personal travel is not included in the request, then the traveler should provide a justification within the travel expense claim.

ACS recommends that SBS determine if there is a functionality or audit rule within Concur to effectively track or alert the reviewers of the personal day percentage per travelers depending on trip type (domestic or international). Further, travelers and approvers should be reminded that there might be IRS taxable implications for travel that exceeds the set thresholds.

ACS recommends that travelers include additional documentation and justification for expenses incurred on days indicated as personal travel within the travel claim.

ACS recommends that for travel that includes personal travel days have a comparison completed for flight costs between when the traveler should go/return home (after University business in completed) versus when the traveler actually goes/returns home with the personal days. The traveler should pay for the difference if the amount including personal travel exceeds the amount that does not.

ACS recommends that SBS attach the request to payroll for reporting taxable items for personal travel identified as part of the travel claim review directly to the travel claim within Concur.

MANAGEMENT RESPONSE

We concur. SBS will develop resources to help travelers and approvers understand requirements and any potential tax implications of personal travel. SBS will include this in it's annual or semi-annual communication. SBS will document by attaching email sent to payroll for tax reporting.

Anticipated implementation date: December 31, 2024

7. COMPLIANCE WITH RESTRICTED FUNDING SOURCES

OBSERVATION

ACS noted that Concur expenses were not consistently reviewed by UCP, unless the fund was restricted for travel. However, the Concur travel process can be used for hospitality transactions, a common restriction within UCP funds. ACS noted 2 out of 8 UCP funds in the sample population included hospitality restrictions as part of their fund but were not routed for additional review and approval by UCP.

ACS noted 2 instances in which UCP funds utilized had a restriction for faculty/staff and student travel. However, each instance included purchases of the restricted expense within each travel category, respectively.

RECOMENDATIONS

ACS recommends that UCP funds that include either hospitality and/or travel restrictions be routed to UCP for additional approvals to ensure compliance with the UCP funds.

MANAGEMENT RESPONSE

We concur. SBS will work with UAR to develop a process so hospitality and/or travel being charged to UCP funds are properly reviewed and approved.

Anticipated implementation date: December 31, 2024

8. AIRFARE

OBSERVATION

The following items detail the findings related to the airfare travel claims reviewed.

- Per data analytics, ACS noted that out of 4,443 flights purchased, only 19% of travelers utilized Christopherson/Concur to book the fight. The remaining flights were purchased utilizing the following methods to book flights directly (i.e. via online travel sites, airline sites, etc.):
    - Used Concur Card to book travel via third party: 70%
    - Paid out of pocket and booked via third party:11%
- Per data analytics, ACS noted 9 instances of credit balances associated with airfare travel, with 4 out of the 9 not having sufficient justification for the credited amount listed in Concur. (i.e. did not note why the balance was credited or did not link the credited amount back to a previously submitted travel claim)
- Travelers provided partial, incomplete, or incorrect images of the receipts:
    - Ticket was indeed for traveler (1)
    - Class of travel (4)
    - Traveler provided baggage fee receipts for the incorrect date (1)
    - Traveler provided a receipt for a new flight that used a credit, but not for the actual expense incurred within Concur (2)
    - Actual expenses in the travel claim did not match the amounts provided in the receipt of the travel claim (1)
    - Airline receipt for group travel did not include the names of the 30 individuals traveling (1)
- Per review of the sample selections, ACS noted:
    - 1 instance in which the traveler was working on behalf of the Chancellor's Office, however, travel was charged to Cal Poly. Travel claim does not include evidence that the funds were returned to Cal Poly
    - 2 instances in which the traveler purchased "economy plus seating"
    - 1 instance where travel insurance was paid by the University with no explanation

- o 16 flights for 3 travelers that incurred additional fees for "preferred zone assignments" which were included in "Airline Fees" versus "Airfare"
- o Traveler purchased airfare on behalf of a candidate and their spouse that included economy plus seat upgrades which is unallowable by the Guest Travel policy. Further, the flight itinerary for the guest travel did not include a round trip from/to the guest traveler's city/region of origin with no documented justification

RECOMMENDATION

ACS recommends that the group of employees, approving officials and staff responsible for reviewing airfare be reminded of the related policies and procedures pertaining to:
- Seat or class upgrades
- Providing complete itemized receipts
- Correctly classifying airline expense transactions (i.e. additional costs for preferred seat assignments as "Airfare" versus "Airfare Fees")
- Travel insurance
- Benefits of utilizing Christopherson/Concur include, but are not limited to, finding the most economical rates, flexibility of cancellation or re-booking of flights, and tracking of flight credits

This will help ensure the completeness and accuracy of airfare claims and ensure proper review expense types. Claims found to not be fully completed and supported, should be sent back to the preparer (and reviewer if applicable), with an explanation of what is missing/incorrect, and only be approved when returned fully completed. Travelers should also be responsible for non-reimbursable amounts purchased (i.e., such as seat upgrades) and return funds to/reimburse the University when applicable.

ACS recommends updating the air travel policy to include guidelines for employees to know how to address and document additional costs for purchasing flights. For example, providing guidance on incurring extra service fees (i.e., seat selection, priority boarding, additional baggage, etc.) which should be evaluated as part of the total cost of a ticket to ensure it is reasonable. If any additional services are deemed necessary, the employee must ensure these are purchased with the initial purchase of the ticket and included as the total price for the airfare.

ACS recommends that credited amounts for airfare included in a travel claim be sufficiently documented for a reviewer to clearly identify that the credit balance for travel booked outside of Christopherson/Concur is adequately returned to the University or properly

utilized by the traveler. Lastly, travelers should provide, if possible, supporting documentation (i.e., credit memo or confirmation e-mail) to the travel claim to provide further support for the transactions and to validate where the returned funds are being directed to.

ACS recommends that for transactions that include repayment to the University by a third party (i.e., Chancellor's Office or travel sponsor) include evidence of reimbursement to the university within the archived travel claim.

ACS recommends that SBS should consider creating and implementing a justification form for Concur users who purchase travel for University guests (i.e., candidates, recruits, etc.) that will document the purpose of the travel, travel leg details, and justification for additional cost such as purchasing travel for recruit's spouse.

MANAGEMENT RESPONSE

We concur. SBS will include as part of its annual or semi-annual communication to employees:
- Airfare policy and procedures, as well as best practice to help guide them
- When the Concur travel card is allowed to be used (only when Cal Poly is paying for employee business travel)
- Additional travel insurance is not allowed or reimbursable; therefore should not be purchased by traveler
- What's required for an airfare itemized receipt

To ensure timely processing, SBS will help develop a resource for departments to use and track their non-Christopherson unused tickets.

SBS shall review and update guest travel policy and develop resources to assist Concur users purchasing travel for guests.

Anticipated implementation date: December 31, 2024

9. MEALS

OBSERVATION

The following items detail the findings related to meal expenses (domestic and international) reviewed.

- Noted 5 out of 23 travelers who indicated the purpose of travel was for a conference did not include a detailed conference agenda. As such, ACS could not determine if the traveler complied with daily meal allowance proration for provided meals

- 5 travelers incurred additional meal costs when meals were provided by the conference per the agenda
- Receipts for international meals included a large number of alcoholic purchases. Even though travel was completed utilizing non-state funds (University Campus Program funds), the volume of purchases including alcohol made by the traveler would be considered frequent for the duration of the trip and maybe considered excessive if proper documentation of the transactions are not included within the claim
- International traveler exceeded the meal per diem rate per location (5), with 4 out of the 5 days also exceeding the max per diem for hotel, meals, and incidentals
- 1 instance in which the traveler utilized an international per diem rate for meals within the US versus the $55 amount while traveling to an international destination

RECOMMENDATION

ACS recommends that travelers be reminded of the policies and procedures regarding conference travel. Further reviewers and approvers should be reminded that conference agendas should be attached the travel expense claim. If a detailed agenda cannot be provided, traveler should provide an explanation of the conference (i.e., pamphlet) and an agenda of what meals were provided at the conference so that reviewers can adequately assess the correct meal per diem rate.

In instances where amounts claimed are out of compliance with policies and procedures (meals claimed when meals were provided at a meeting/conference with no justification, meals claimed on the day travel initiated/concluded in excess of the allocated amounts per departure/ arrival times, alcohol purchased with personal meals, international meal costs greater than the allotted per diem set out by the U.S. Department of State) the expenses should not be approved, and thus the traveler should not be reimbursed.

Travelers should be reminded of the importance of ensuring that meal purchases made on official University business should not be perceived as personal or excessive given the nature of the transactions or trip regardless of funding source. If it is not clear to a reviewer or approver how the transaction benefits the University, the travel claim should be returned to the user to obtained adequate justifications to support the purchases.

MANAGEMENT RESPONSE

We concur. SBS will develop resources to help travelers and approvers understand the following and include it as part of its annual or semi-annual communication:
- Policies and procedures for travel to conferences
- All expenses should benefit the University, if not clear to approver, traveler should provide justification of benefit.

Anticipated implementation date: December 31, 2024

10. GROUND TRANSPORTATION

OBSERVATION

The following items detail the findings related to Enterprise & vehicle transportation expenses reviewed:

- Noted 37 out of 44 travelers that rented a vehicle were not included as an approved driver per the approved driver list with Risk Management
- Noted 2 out of 8 travelers who claimed personal mileage did not have a current STD 261 Form on file
- Receipt for rental vehicle did not include pick-up/drop off locations (5) and/or the class of vehicle (3)
- Noted 1 instance in which the traveler returned a rental vehicle 2 days subsequent to the travel end date indicated on the travel claim
- Noted the start and end locations for the mileage calculation were not consistently applied by drivers. For example, some travelers would claim mileage from their residence versus campus depending on the type and timing of the travel
- Noted local parking transactions were charged and denoted as "hospitality with donors" however, there were no correlating hospitality events within the expense claim to associated with the transaction. Per samples reviewed, ACS noted 1 expense report that included 22 parking transactions. However, only 6 transactions occurred on dates of hospitality events within the report
- Traveler incurred Uber charges on days listed as having a rental vehicle. There is no justification documented for the use of different methods of transportation
- Noted 10 instances where a traveler did not provide justification for renting vehicle class greater than economy or intermediate class. Per CSU Policy, these classes should not be used unless a no-cost upgrade is provided or if the recommended sizes are not adequate to meet the business purpose of the trip

RECOMMENDATION

ACS recommends that all travelers be reminded of the requirements to be an approved driver with Risk Management. In addition, if the traveler uses a personal vehicle for University business, travelers should be reminded to complete a STD 261 at the frequency set by Risk Management.

ACS recommends that if a traveler extends trip greater than listed on the travel claim, traveler should provide additional documentation/justification for the extension of the trip.

Further, if there are additional expenses incurred as part of the trip that do not appear consistent with the business purpose of the trip, traveler should provide the business purposes of the expenses.

ACS recommends that SBS remind travelers that personal mileage claimed depends on the date/time of travel. Per CSU Policy, if travel occurs during working hours, mileage should be claimed from Cal Poly location. If it is out of working hours, mileage is allowed to be claimed from home.

ACS recommends that travelers who do not rent economy or intermediate class vehicles, provide justification for how the larger/premium class of vehicle meets the business purpose of the trip. Further, if a traveler does not rent a vehicle utilizing Enterprise or National, a justification should be provided within the travel claim.

MANAGEMENT RESPONSE

We concur. SBS will develop resources to help travelers and approvers understand the following and include it as part of its annual or semi-annual communication:
* Always provide justification for expenses that do not appear consistent with the business purpose of the trip
* the Driver Safety program requirement, which includes the STD 261
* Economy or intermediate class vehicles rented from National or Enterprise are only allowed; justification required for rental of larger vehicles

 Anticipated implementation date: December 31, 2024

11. LODGING & INCIDENTALS

OBSERVATION

The following items detail the findings related to lodging and incidental expenses reviewed:

* The Hotel Occupancy Waiver was not utilized for a hotel stay within California, and no explanation was given as to whether the traveler tried to use the waiver (20)
* Traveler incurred a pet fee (per CSU policy, not considered an allowable expense (1)
* Traveler did not itemize total hotel expense appropriately. For example, parking fees were included in hotel tax category (1)
* Traveler did not provide an itemized receipt for international lodging which was greater than the international per diem rates for that city (1)

- Incomplete receipt provided for lodging expense (i.e. excluded either name of traveler, list of guests, etc.) (1)
- Justification was not provided for nightly hotel rate that exceeded $275 (1)
- Justifications for hotels exceeding the nightly per diem amounts ($275 or international per diems) need improvement. Explanations should clearly document how the additional cost is reasonable, necessary, and supported by a business purpose
- Noted cleaning fees were expensed as lodging in lieu of a hotel expense for a personal residence. ACS noted that the cost is beneficial to the University, however, the explanation and pre-approval was not documented adequately (1)
- Traveler exceeded the max international hotel per diem (2) for:
    - 10 days of travel, with 7 out of the 10 days exceeding the combined international hotel, meal, and incidental max for the respective locations
    - 11 out of 13 days of travel. 5 out of 11 days exceed the combined international hotel, meal, and incidental max for the respective locations

RECOMMENDATION

We recommend that the group of employees, approving officials and staff responsible for reviewing lodging and incidentals be reminded of the related policies and procedures, including the findings noted above. This will help ensure the completeness and accuracy of lodging and incidental claims. Claims found to not be accurately or fully completed, should be sent back to the preparer (and reviewer if applicable), with an explanation of what is missing/incorrect, and only be approved when returned and complete.

Additionally, management should remind travelers of the Hotel Occupancy Waiver that is available to be utilized for all hotel stays within California.

ACS additionally recommends the following:
- Clearly define expenses that are not allowed in the travel policy (i.e., pet care/charges) remind travelers that additional fees incurred with lodging expenses are the responsibility of the employee to pay if they are not in compliance
- Approvals for lodging that are obtained outside of Concur should be attached to the travel claim
- SBS should determine if Concur rules can be implemented to assess traveler's compliance with federal per diem rates for maximum daily rate (total hotel, meal, and incidental per diem limit). If the traveler exceeds the respective rates, traveler must provide a justification similar to exceeding the domestic lodging limits. If the traveler exceeds the per diem amount, a justification should be provided within the expense claim

- SBS should require pre-approvals for lodging that is anticipated to exceed the $275 ($333 as of May 8, 2024) threshold within the travel-preauthorization process for lodging not pertaining to a conference. A detailed justification should be provided by the traveler that supports the business travel expense

ACS notes that the updated travel reimbursement policy indicates that a traveler who attends an approved conference where the prearranged conference lodging rate exceeds the $275 per night ($333 as of May 8, 2024) limit may stay at the conference hotel without additional approval. With the updated policy, we recommend that the campus determine an amount in which pre-approval should be obtained to ensure that the lodging expense would not be perceived as excessive per IRS standards. ACS recommends that the traveler be required to show evidence of the conference rate included within the travel claim (i.e., conference advertisement with nightly rate documented or hotel invoice that clearly marks that a conference rate was used). If the supporting documentation does not identify the rate, the traveler should provide a written justification for exceeding the $275 lodging rate ($333 as of May 8, 2024).

MANAGEMENT RESPONSE

We concur. SBS will develop resources to help travelers and approvers understand the following and include it as part of its annual or semi-annual communication:

- Policy and procedures for hotel/lodging expense type including: itemization requirements, per diem limits for meals and incidentals and lodging when traveling internationally, and pre-authorization and justification requirements, including for hotel/lodging over the nightly rate limit
- Hotel Occupancy Waiver and it's up to the hotel whether they will honor it

To ensure timely processing, Payment Services will create a matrix outlining which infractions will be pursued for resolution within the expense report and which infractions will include an email warning attached to the expense report.

Anticipated implementation date: December 31, 2024

12. HOSPITALITY

OBSERVATIONS

Cal Poly currently does not have a centralized process in place for the review and procurement of hospitality transactions. Travelers or hosts can pay for hospitality utilizing a Concur Card, a Procurement Card, or a purchase order depending on the cost of the

hospitality or manner in which the event would be held. Each process has different levels of review and documentation requirements that results in an inconsistent review of hospitality transactions. Further, with the implementation of CSUBuy, the documentation requirements for purchased services pertaining to hospitality will not be consistent as no hospitality justification form will be required or retained.

The following items detail the findings related to hospitality transactions reviewed:
- Noted 2 instances where the Hospitality Justification Form was not completed
- Noted 2 instances were itemized receipts and signed Missing Receipt Affidavits were not provided for the hospitality expenses
- Noted 3 instance in which employee claimed "community relations activity or fundraisings event" and did not include the required documentation per the hospitality policy of the individual's names, affiliations, and direct or indirect benefit the University to be derived from the expense
- Noted a lack of adequate descriptions of hospitality events to justify purpose of the meal was part of University business. Examples included, but not limited to:
  o "Working lunch", "lunch meeting", "lunch with donor": with no justification of how the working lunch benefited the University or why lunch was needed to be provided (7)
  o "Anniversary lunch": per the hospitality policies, anniversaries are not considered to be an allowable hospitality expense. However, if the host indicated the lunch was for a work anniversary as part of employee morale/recognition, that would be appropriate (1)
  o "Community building": with only two individuals listed on the hospitality (1)
  o "Dinner meeting", "dinner", "dinner with donor" with no documented justification of the purpose of the meal or how it would benefit the University. (8). Further:
    ▪ Noted 1 instance where meal totaled $187.69 with 2 attendees and purchase of alcohol.
    ▪ Noted 1 instance where a transaction was labeled as "dinner" but only include the purchase of beverages (3 alcoholic) and 1 ice tea
  o "Coffee meeting": no justification of the meeting (3) and 2 instances of only one beverage being purchased in the receipt
  o "Meeting with donor" with not documented justification of how the meeting would benefit the University (9). 4 out of the 9 instances included a receipt for the hospitality transaction which only included bottles of wine or other alcoholic beverages
- Noted that there are multiple versions of the Hospitality Justification Forms that are being utilized by different departments across campus.

- Noted hospitality meals that exceeded the standard limits for lunch ($60) and dinner ($90) per person without additional documented approval:
    - 1 instance noted a Hospitality Justification Form that indicated 8 people attended a dinner, however, only 6 individuals and meals were included on the receipt. The total per person expense was $102.76, however, the host adjusted the amount to 8 individuals (making it $77.00 per person)
    - 1 instance noted where the Hospitality Justification Form indicated 2 people attended a dinner, however, 3 were indicated on the receipt. The total per person expense was $75 per the receipt and $112.50 per the number listed on the Hospitality Justification Form
    - 1 instance noted in which the Hospitality Justification Form indicated 7 attendees, however, the receipt indicated 6 attendees. The total per person amount with 6 attendees exceed the $60 lunch threshold by $1, however, with 7 attendees, the calculated per person amount would have been $53
    - 1 instance in which the hospitality meal exceeded the maximum limit by $65 per person ($155 for dinner) with no documented justification or direct approval of the exceeded expense. Further, the approver of this meal was an attendee of the dinner
- Noted 7 instances were a spouse or children attended an event, however the host did not indicate if their attendance served a bona fide purpose for the event
- The percentage the host allocated to non-state funds for the hospitality was not sufficient to cover the entire alcohol amount purchased as part of a dinner. (Total alcohol purchase: $73. Amount covered by non-state funds: $60. Remaining alcohol purchased on state funds: $13).
- Noted traveler charged $132.75 worth of alcohol to state funds
- Attendee classifications in the Concur reporting tool are not consistent with the classifications listed on the Hospitality Justification Form (i.e., "friend" in Concur)

RECOMMENDATION

ACS recommends that the campus review the Hospitality Policy and related purchasing options for hospitality transactions to determine the most efficient method of ensuring consistency of the review of hospitality transactions on campus.

ACS recommends that employees that travel, approving officials and staff responsible for reviewing claims including hospitality be reminded of the related policies and procedures, including the findings noted above. This will help ensure the completeness and accuracy of hospitality claims. Claims found to not be fully or accurately completed, should be sent back to the preparer (and reviewer if applicable), with an explanation of what is missing/incorrect, and only be approved when returned and complete.

ACS recommends that hosts for hospitality events be reminded to complete the required documentation of the individual's names, affiliations, and direct or indirect benefit the University to be derived from the expense. Further, hosts for hospitality events should provide adequate description and purposes of the events or meetings they are hosting. Descriptions included should be sufficient for a reviewer to determine if the event followed hospitality policies and serves a legitimate University business purposes (and not personal). In addition, preparers, reviewers, and approvers should ensure that the number of attendees listed on the supporting documents agree to the hospitality form, and receipts. If they do not, hospitality host should provide adequate justification as why there is a difference. Claims found to not be adequately documented, should be sent back to the preparer (and reviewer if applicable), with an explanation of what is missing and only be approved when returned and complete.

ACS recommends that SBS and CPP delete all instances of the Hospitality Justification Form to help ensure only one (the current) consistent version is utilized to ensure that hospitality expenses are being consistently reviewed and required documentation is obtained and assessed. SBS should reiterate the policies for obtaining VP approval for meals exceeding the respective thresholds.

ACS recommends that SBS determine an appropriate frequency for bulk hospitality expense claims (i.e., monthly basis or number of hospitality events) for individuals with frequent hospitality transactions, such as development officers or college deans, to submit their blanket hospitality expense claims. This will allow approvers to review a more manageable amount of transactions and provide a more detailed review of each hospitality expense, and also resolve any questions in a timely manner.

MANAGEMENT RESPONSE

We concur. SBS will work with Controller to update hospitality policy and procedures for each payment method (CSUBUY requisition, ProCard statement, or Concur Expense report). SBS will develop resources to help hosts and approvers understand the policy and procedures for all hospitality and communicate it to campus. For sake of timely processing, Payment Services will create a matrix outlining which infractions will be pursued for resolution within the CSUBUY requisition, ProCard statement, or Expense Report and which infractions will include an email warning attached to the payment method. Payment Techs and Buyers will receive training on hospitality justification for all payment methods.

Anticipated implementation date: December 31, 2024

13. OTHER EXPENSES

OBSERVATIONS

The following items detail the findings related to other expenses reviewed:

- For expense type classifications considered "Other Expense" or "Newspaper/Magazines/Books", there is not sufficient documentation within the expense claim on how the purchase pertains to the purpose of the trip and/or how the expense correlates with the funding sources. For example, traveler spent $839 on "Newspaper/Magazines/Books" classification as part of the trip, but justification was not noted for how the magazine correlated with the trip purpose and funding source
- ACS noted Finger Printing for coaching candidates was obtained outside of the standard University Personnel process and purchased utilizing a Concur travel card (1)

RECOMMENDATION

ACS recommends the following:
- SBS complete a 100% review of "other" expenses and expense classifications that may not directly be associated with travel and/or hospitality. This includes, but not limited to:
  - Entry Fees
  - Supplies
  - Newspapers/Magazines/Books
  - Internet/Telephone/Fax
  - Other Accommodation
- Review Concur audit rules to determine if there are rules that would better assist in the audit of expense. This includes but not limited to ensuring that a documented business purpose field is added to each expense that is not directly pertaining to the standard travel expense (i.e., all other transactions as "other" or books magazines)

MANAGEMENT RESPONSE

We concur. SBS will develop resources to help hosts and approvers understand the requirements for "other" expenses including justification and benefit to the university. For sake of timely processing, Payment Services will create a matrix outlining which infractions will be pursued for resolution within the Expense report and which infractions will include

an email warning attached to the Expense report. SBS will review with the other campuses about adding a business justification field for non-standard travel expenses.

Anticipated implementation date: December 31, 2024

14. CPP TRAVEL

OBSERVATIONS

The following items detail the findings related to CPP travel pre-approvals:
- Travel Pre-Authorization Form was submitted subsequent to the start of travel (1)
- Travel Pre-Authorization Form was not submitted 15 days prior to the start of travel (2)
- Submitted Travel Pre-Authorization Forms were not completed:
  - o Missing funding source (3)
  - o Amount authorized (4)
- Travel Pre-Authorization Form was not approved by the approving authority prior to the start of travel (2)
- VP of International Travel did not sign Travel Pre-Authorization Form for international travel (1)
- Travel Pre-Authorization Form does not include an option for the traveler to indicate if they will be taking personal days on the business trip

The following items detail the findings related to CPP travel claim expense submissions:
- ACS noted 9 travel expenses were submitted greater than 10 days after travel (13-220)
- Noted traveler exceeded budgeted amount listed on the travel pre-approval for travel expenses by 42%
- Noted the following regarding the purpose of travel:
  - o Noted the purpose of the travel was only a description of the travel versus a justification for the business trip (7)
  - o Traveler did not include a travel purpose in the travel claim (1)
  - o Traveler did not include the correct purpose in the travel claim (i.e., indicated purpose was for a conference in California, however, the trip purpose was for an international trip) (1)
- ACS noted conference agenda was not attached to the travel claim for conference travel (3)

The following items detail the findings related to CPP travel claim expense detail:

- Noted 2 instances in which an itemized receipt was not provided for hospitality transactions that occurred during travel
- Noted international traveler exceeded the combined max meal, lodging, and incidental rates with no additional justification (1)
- Noted traveler did not utilize the Hotel Occupancy Waiver for in-state travel (3)
- ACS noted that traveler who claimed mileage did not provide the origin and final destination details (i.e., maps) to substantiate mileage claim greater than $40 (2)
- Traveler did not submit an itemized receipt or Missing Receipt Form for fuel charges that exceeded $40 (1)
- Traveler rented a vehicle greater than standard economy or intermediate rate (Chevy Silverado) with no business justification for the larger sized vehicle or greater daily rental rate provided (1)
- ACS noted one traveler that took 2 personal days, however, did not indicate the personal days in the travel claim. Traveler expended trip by 2 days and incurred an additional $461 in changing in flights with no additional explanation or business justification
    - 2 days of lodging was expensed
    - 2 days of meal per diem

RECOMMENDATION

ACS recommends that travelers and approving officials be reminded of their responsibility to submit and review completed travel pre-approvals and travel claims on a timely basis.

ACS recommends that the group of employees, approving officials and staff responsible for reviewing travel claims be reminded of policies regarding:

- International meal and lodging per diem limits
- Completion of Hotel Occupancy Waiver
- Itemized receipts/ missing receipt forms
- Vehicle rentals
- Personal/reimbursable expenses

ACS recommends that CPP document and implement policies and procedures related to:

- Conference agendas: CPP should require travelers to provide conference agendas
- Mileage: CPP travelers should provide starting and destination points or mileage calculations to support mileage claims requested for reimbursement

- Personal days: CPP should update the travel request form to include an indicator for travelers to request personal travel as part of their business trip. Further, travelers should be required to indicate on the travel claim days of personal days of travel and ensure that travel expenses are appropriately claimed

MANAGEMENT RESPONSE

We Concur. CPP management will remind travelers and approving officials of travel policies, including their responsibility to submit and review completed travel pre-approvals and travel claims on a timely basis. CPP management will also enhance its procedures related to conference agendas, mileage, and personal days, including adding an indicator for travelers to request personal travel as part of their travel request.

Anticipated date of implementation: 12/31/2024

15. CPP HOSPITALITY

OBSERVATIONS

The following items detail the findings related to CPP Hospitality:
- Hospitality Justification Form was not provided for event/transaction (3)
- Noted the description of the hospitality event did not provide sufficient detail for the business purpose of the transaction. Descriptions merely described the hospitality transaction but did not provide a detailed enough business purpose for the transaction (11)
- Host did not include the list of attendees within the Hospitality Justification Form (3)
- Host that claimed "community relations activity or fundraisings event" did not include the required documentation of the individual's names, affiliations, and direct or indirect benefit the University to be derived from the expense (9)
- Noted 2 instances in which the number of attendees listed in the hospitality justification form did not agree to the amount on the invoice or receipts for the supporting transaction. (i.e. hospitality justification form listed 13 people, however, 15 people were listed on the meal receipt)
- Reimbursement request for hospitality expense for the President was not approved by the Senior Vice President of Administration and Finance (1)
- Date of approvals for hospitality reimbursement request were not included with the written or electronic signature. As such, ACS could not determine the appropriateness of the timing of the approvals (10)

- Adequacy of supporting documentation provided for reimbursement could use improvement:
  - Host provided an excel sheet with a listing of names and per person cost allocation in lieu of an itemized receipt from a third party (1)
  - Host provided the request to purchase tickets in lieu of an itemized receipt (1)
  - Receipt provided by the vendor did not clearly define the event description. The invoice from the vendor indicated that the time of the event was for brunch (11am - 1pm), the location of the event was listed as the men's locker room, and the meal for the event was for dinner
- Noted 1 instance in which the host exceeded the allowed per person amounts ($625 per person) for a VIP table at an event and did not obtain additional approvals from a VP or auxiliary executive director for the hospitality expense greater than $100 per recipient was not obtained (1)
- Noted 3 instances were a spouse and/or children attended an event, however the host did not indicate if their attendance served a bona fide purpose for the event

RECOMMENDATION

ACS recommends that employees that travel, approving officials and staff responsible for reviewing claims including hospitality be reminded of the related policies and procedures, including the findings noted above. This will help ensure the completeness and accuracy of hospitality claims. Claims found to not be fully or accurately completed, should be sent back to the preparer (and reviewer if applicable), with an explanation of what is missing/incorrect, and only be approved when returned and complete.

ACS recommends that hosts for hospitality events be reminded to complete the required documentation of the individual's names, affiliations, and direct or indirect benefit the University to be derived from the expense. Further, hosts for hospitality events should provide adequate description and purposes of the events or meetings they are hosting. Descriptions included should be sufficient for a reviewer to determine if the event followed hospitality policies and serves a legitimate University business purposes (and not personal). In addition, preparers, reviewers, and approvers should ensure that the number of attendees listed on the supporting documents agree to the Hospitality Justification Form, and receipts. If they do not, the hospitality host should provide adequate justification regarding the difference.

MANAGEMENT RESPONSE

We Concur. CPP management will coordinate with SBS to remind approving officials and staff responsible for reviewing hospitality claims of the related policies and procedures, including the findings noted above. CPP management will also coordinate with SBS to remind hosts for hospitality events to complete the required documentation of the individual's names, affiliations, and direct or indirect benefit the University to be derived from the expense.

Anticipated date of implementation: 12/31/2024