

**An Investigation into Travel  
Finding Solutions to Benefit the Agency and Explorers**

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## **Introduction**

The South Carolina Department of Health and Human Services is currently one of sixteen (16) cabinet-level agencies under the Governor.

The Department is tasked with administering South Carolina's Medicaid program called South Carolina Healthy Connections. Under Medicaid, both federal and state governments share the cost of providing medical care for eligible low-income and needy families and individuals, including health-related coverage for children, seniors, and others who have disabilities. In essence, the Medicaid program is a health insurance program for our state's citizens whose income is not sufficient to meet the cost of necessary medical services. There are over one million South Carolinians enrolled in Medicaid each fiscal year.

In line with its responsibility for the administering/managing the South Carolina Healthy Connections (Medicaid) program, the Department's mission is "To purchase the most health for those in need at the least cost to taxpayers". For state fiscal year 2014-15, the agency was appropriated total funds of \$6,876,281,332, with state general funds comprising \$1,117,643,370 of this amount. The agency has a total of 1,060.00 authorized full-time equivalent (FTE) positions, of which 415.25 FTEs are state-funded. The agency's main office (headquarters) is located downtown Columbia, however, there are offices and staff in each of the state's 46 counties.

In order to ensure the success of both the agency, its staff, and its beneficiaries, the ability of agency staff and other personnel (temporary employees, contractors, etc.) to travel is essential. Examples of the types of essential staff travel noted during this investigation were travel to in-state and out-of state meetings, conferences, and seminars; travel to designated work sites for orientation, training and professional development; travel to beneficiaries for

client/home/assessment visits; travel to providers to provide “outreach” services and to perform site visits; travel for on-site reviews, and, where necessary, travel to process Medicaid applications.

In accordance with the Department’s policies and procedures, the assigned administrative staff within the program area where the traveler is organizationally-located is responsible for assisting with and coordinating an individual traveler’s needs. This includes obtaining any required pre-approvals, ensuring that the program area and the individual traveler are using updated travel forms, securing lodging and making transportation arrangements, and reviewing and submitting travel support documents as required for the reimbursement of eligible, incurred travel expenses. Additionally, if and when notified, the assigned administrative staff are primarily responsible for submitting any missing or explanatory documentation, as requested, to support a traveler’s request for reimbursement. On average, there is one administrative staff member per program area; however, some of the larger programs/areas have more than one staff member available to assist with this function.

All rules and regulations for state employee travel (i.e., subsistence) are maintained and distributed to agencies by the South Carolina Comptroller General’s Office; the state’s accountant. These rules and regulations for travel (and copies of the corresponding forms required for reimbursement) are included in the Comptroller General’s “Disbursement Regulations”, specifically in the sections of the manual entitled “Subsistence”, “Mileage”, and “Travel Regulations”. The Comptroller General’s most recent update to its “Disbursement Regulations” is dated July 1, 2014, however, when necessary, the Office posts updates online and sends memos to agencies. Per the Comptroller General’s Travel Report for FY 2013-2014, out of 113 state agencies listed in descending order of total spending, for state employee travel and registration expenditures (i.e., from highest to lowest), the Department ranked 13th with total state-employee spending of

\$814,118.94. The Comptroller General's "Travel Support Document" (old STARS Form 62) is the primary form for requesting reimbursements for travel and travel-related expenses incurred by an employee.

The Department of Health and Human Services' function for receiving, reviewing, and processing travel reimbursement documents rests within the Division of Accounting and Operations. This Division is organizationally-structured within the Office of the Controller. Since the inception of this investigation, the travel reimbursement function has been properly assigned to the Division's Accounts Payable Team; a team consisting of six (6) full-time, salaried employees. For the last several years travel documents received directly into the Division of Accounting and Operations the specific duties for the travel reimbursement process, an inherently distinct Payables function/process, have been performed by one staff member on the team. In addition to processing travel reimbursement documents, this staff member's duties also include processing vendor invoices for payment for travel-related expenses (i.e., hotels, travel agencies, professional associations, etc.).

In addition to travel reimbursement documents submitted directly to the Accounts Payable Team, a small few of the Department's program areas, mainly Eligibility, are allowed to enter travel reimbursement requests directly into MySCEmployee (i.e., the SAP accounting system). Once the request is entered in the accounting system, the travel documents are posted immediately for processing by the Comptroller General. This process of allowing an employee to enter their travel into the accounting system normally runs smoothly unless a problem exists, usually with coding, which then requires the assistance from an Accounts Payable supervisor to research and correct the error. Since this process was not mentioned as a problem initially, it was not a focus of

this investigation. The focus of this investigation, as outlined above, are those travel support documents submitted directly to the Accounts Payable team for processing.

### **Problem Statement**

The subject of this investigation is the Department's current policies and procedures for authorizing travel expenses and preparing, reviewing, and approving travel reimbursement documents.

This subject/issue is important to look at because the Department, while having taken some measures in the past to address the issue, by admission continues to experience significant problems which prevent the efficient processing of travel reimbursement documents for travelers ("explorers") and payments to vendors. On surface, the problems appear to stem from a general lack of understanding of the agency's travel policies/procedures by travelers and by those staff members responsible for authorizing, collecting and reviewing travel documents before submission for final processing. Additionally, department staff responsible for processing travel documents also note an agency-wide misperception that reimbursement delays are due to the area's "slow" processing of documents; when in fact, processing delays are usually caused by either the submission of incomplete/erroneous travel documents or additional research into a travel that was not properly authorized/approved. Finally, this subject/issue is also important to look at in order to reduce or eliminate liabilities incurred on the agency's behalf without the agency's knowledge (i.e., direct billing for lodging).

Considering the large amount of money the Department spends on state employee travel and its noted mission to remain as cost-effective for taxpayers as possible, it is critical that travel reimbursements be processed as efficiently as possible. Additionally, the Department has undertaken several organizational-wide efforts to reduce waste, reduce complaints, and provide

services timely; generally encouraging its staff and other representatives to be the absolute best at what we do.

## **Data Collection**

The initial phase of this investigation into the agency's ongoing problems/concerns regarding the processing of travel reimbursement documents began with holding face-to-face interviews with those staff/personnel within the Division of Accounting and Operations responsible for coordinating, reviewing, and processing travel reimbursement documents. These meetings were held with the Director of Accounting and Operations, the team member responsible for performing all aspects of the function, and the newly-hired Team Supervisor responsible for supervising/managing this function. The purpose of these initial interviews was to determine and document any obvious issues (i.e., red flags) that may be contributing factors to the seemingly critical and ongoing problems experienced with processing travel reimbursement documents; issues such as a possible lack of understanding of the job function, a possible improper ratio of workload to staff assigned to the job function, and/or a possible lack of training for personnel assigned the job function. From the beginning of this project until the end of the investigation, several interviews were held with staff in the Division of Accounting and Operations.

The Department's current procedures require that all travel reimbursement documents received into the Division of Accounting and Operations be logged daily into an "Incoming Mail Control Log". All documents received are assigned an internal document number and the corresponding document date, vendor name, document type, document number, document amount, the name of the Analyst in the Accounts Payable area to whom the document was forwarded (workflowed) to for processing, and the actual date the document was received by Accounting Operations. A separate log is maintained and saved for each fiscal month. For travel

reimbursement documents specifically, the Division of Accounting and Operations procedure is that all travel documents be reviewed, entered, and processed (posted) into the SAP accounting system within 3 to 5 business days of receipt. After the document is initially processed into the SAP accounting system, it workflows to a Team Supervisor for approval. After approval by the Team Supervisor, the document workflows to the Comptroller General's Office for assignment to an analyst for final review, approval, and payment. The standard processing time by the Comptroller General is normally within 3 to 5 business days from the date the Department processes (posts) the travel reimbursement document into the SAP accounting system. Therefore, in total, under ideal circumstances, from the time the Division of Accounting and Operations receives a properly completed and supported travel reimbursement document until the time the Comptroller General approves the document for payment, approximately two (2) weeks is expected to have elapsed. In other words, travelers are notified that from the time a properly completed and supported travel reimbursement document is directly submitted for processing to the Division of Accounting and Operations, they should expect to be reimbursed within two (2) weeks.

The next phase of this investigation involved scheduling meetings exclusively with the team member responsible for performing this job function to identify the agency's required forms for travel reimbursement and to review the Division's procedures for receiving, reviewing and processing travel reimbursement requests. These meetings involved reviewing recently processed documents and observing the input of travel request data into the SAP accounting system. In addition to facilitating an understanding of the complete process, these meeting also clearly defined the length of time involved in performing the job function; which includes the additional time needed to research and correct major errors/inconsistencies and identify improperly supported

and/or approved charges noted on travel reimbursement document. In those instances where errors and questionable charges are noted, the individual program area and/or individual traveler is notified by email, for purposes of documentation, of any additional information needed to process the travel reimbursement document. As a reminder to follow-up on those travel reimbursement documents where additional support and/or corrections are needed, the emails are printed and filed for easy access. Ultimately this step is where the potential for unusual delays in processing travel reimbursement documents is the greatest, as it requires frequent communication, timely responses, and the submission and review of additional supporting documents before the travel reimbursement document can be submitted for final review and approval by the Team Supervisor.

Using an updated listing of those administrative program staff responsible for coordinating travel, as provided by the Division of Accounting and Operations, the next phase of this investigation involved performing random interviews both in-person and by telephone. Interviewees were asked about their specific interactions with the travel reimbursement process including any interactions with staff in the Division of Accounting and Operations, their ability to locate and obtain updates to travel information and forms, their ability to obtain guidance and assistance, if necessary, and if they had experienced any problems/issues with untimely reimbursements. Finally, each interviewee was asked to rate their overall experience with the travel reimbursement process on a scale of 1 to 10; with 10 being very favorable.

The final phase of this investigation involved collecting a sample of receipt and payment data for travel reimbursement documents paid in the current fiscal year, state fiscal year 2014-15. Using the Department of Accounting and Operations' "Incoming Mail Control Logs", for a consecutive three-month period from August, September, and October 2014, travel reimbursement documents received directly into the Division were tracked from the date of receipt, to the date

they were posted in the SAP accounting system, to the date they were approved for final payment by the Comptroller General.

## **Data Analysis**

In analyzing the data gathered above, the following findings were noted:

1. Several years ago the travel reimbursement function was performed by significantly more staff, up to 4 FTEs. Over time, the number of staff performing the function decreased as the workload decreased; mainly the result of budget cuts, which reduced available appropriations.
2. Over the past year, as a direct result of the implementation of a new eligibility enrollment system, the demands for employee travel (related to training on the new system and traveling to process enrollments in other areas) have increased statewide, which have increased the volume of travel reimbursement directly processed into the Division of Operations.
3. The travel reimbursement process, while routine, is a process that requires a detailed and thorough review/examination and research of documents received to ensure accuracy, which reduces problems for both the traveler and the agency. Due to the increasing travel demands on the agency's employees and other staff/representatives and ultimately, the agency's accounts payable staff, travel reimbursement requests are not always processed within the established timeframe of 3 to 5 business days. Travel reimbursement documents have been noted to be processed anywhere from 0 days (i.e., same day) to 10 days.
4. The single team member responsible for reviewing, researching, and processing travel reimbursement documents is also responsible for processing all travel-related vendor invoices (hotels, etc.). As noted above, due to the increasing travel demands on agency

staff, the volume of invoices related to travel have increased as well. While a separate payment process, only one team member is responsible for processing these payments.

5. Few travel vouchers reviewed did not have errors or did not require additional research. When errors were small and relatively minor, such as a traveler using an incorrect mileage rate or re-requesting reimbursement for a prior date/period of travel, the Division of Accounting Operations immediately corrected the problems (and provided the appropriate notes on the travel reimbursement document) to avoid delays in the traveler receiving payment. However, minor corrections were not usually communicated back to the traveler, which caused questions/concerns from the traveler after reimbursement as they did not understand why they were (usually) receiving a reimbursement amount smaller than requested.
6. Required travel forms, although accessible through the Department's intranet, are not kept together, in one location, and include a mix of old and new forms and processes. This causes confusion to travelers or anyone seeking guidance on the travel reimbursement process.
7. The travel reimbursement process may not always be seen as a "team effort" by everyone involved in the process. Accounts Payable staff consistently see the bulk of their responsibilities as beginning after the document arrives in the Division of Accounting and Operations. Administrative program staff, on the other hand, while cognizant of their responsibility for coordinating travel, do not always keep up-to-date with travel forms, processes, and regulations, especially when new administrative staff are hired in a program area.

8. Overwhelmingly, all telephone interviewees reported positive comments about the staff in the Division of Accounting and Operations. The interviewees indicated they received guidance and instruction, where requested, however, on a scale of 1 to 10, with 10 being very favorable, the average rating for their experience with the travel reimbursement process was a "7".
9. Overwhelmingly, those interviewees questioned in person reported very negative experiences with the travel reimbursement process. The interviewees frequently cited being given contradictory information from the Division of Accounting and Operations when asked for guidance in completing and submitting appropriate forms, the inability to reach the Division of Accounting and Operations when questions arose and very long delays in receiving reimbursement after documents were submitted for processing, for seemingly no reason at all.

10. Data analysis for sample months of August, September and October 2014:

| Sample Month   | # Documents Received | #/%Travel Reimbursements | #/%Travel-Related Invoices |
|----------------|----------------------|--------------------------|----------------------------|
| August 2014    | 990                  | 130 (13.13%)             | 77 (7.78%)                 |
| September 2014 | 1,036                | 183 (17.66%)             | 108 (10.42%)               |
| October 2014   | 1,497                | 236 (15.76%)             | 179 (11.96%)               |

The above analysis shows that, in a sample three-month period, the Accounts Payable team member responsible for processing both travel reimbursements and travel-related vendor invoices handles approximately 25.57% of all invoices directly received. Considering that there are 7 full time employees in the area, with one (1) full time vacant position, this percentage appears to be disproportionate to both the number of documents received into the area and the total number of accounts payable employees.

11. In investigating the travel reimbursement process, no mention was made by the Division of Operations of cross-training for this job function. Therefore, when the single team member responsible for the function is away from the office, travel may either not be paid, resulting in delays, or be processed by the Team Supervisor.
12. The Division of Accounting Operations has experienced a drastic reduction in the number of unknown liabilities resulting from unapproved direct-billed hotel charges. Accounts payable team members report having worked with program staff to re-emphasis that such charges are indeed “unauthorized”.

### **Project Progress/Implementation Plan**

Each of the above findings resulting from this investigation has been noted and discussed with the Manager of the Division of Accounting and Operations. The Manager has noted discussing the hiring of additional staff and/or the redistribution of the job function to both alleviate current staff and provide the necessary cross-training opportunities for other staff in the Accounts Payable area. While this investigation has uncovered that travel reimbursement documents may not always be processed within the procedural 3 to 5 working days, they are processed on average between 5 to 7 working days, if complete and properly supported. Extremely long processing times that may have been noted in extreme situations are becoming rare.

### **Final Recommendations**

As a result of this investigation, the following final recommendations are offered for further improving the travel reimbursement process: 1) hiring additional staff, where needed, or redistributing work in the Accounts Payable area to decrease delays in processing travel

reimbursement documents and reduce the time needed to research those travel documents with errors; 2) updating the required travel reimbursement forms and procedures on the Department's intranet to ensure that only the most current travel support document (old STARS Form 62), other required travel forms and procedures are available; 3) providing, for example, a "General Travel FAQ" section on the Department's intranet to help answer basic travel questions, especially for those administrative staff new to either the agency or the travel reimbursement process (this may also help reduce the amount of phone calls or emails made to Accounts Payable staff); 4) communicate any adjustments to travel documents to travelers as soon as possible after review and processing of the travel reimbursement document; 5) properly cross-train other Accounts Payable staff to review and process travel reimbursement documents to prevent unnecessary delays in processing simply because the primary staff member is out of the office; and 6) keep an ongoing log of the number of days it takes to process travel reimbursement documents to stay within the Department's guidelines for efficiency.

In order to evaluate the success of the above recommendations, if implemented, I propose meeting with both the Manager of the Division of Accounting Operations and the area supervisor to determine if a decision was made to either hire additional staff to perform the travel function, cross-train existing staff, or redistribute the function's workload as these changes should significantly increase the productivity of the travel function. Additionally, I propose scheduling a combination of in-person and telephone interviews of both program office administrative staff as well as agency travelers to determine if they have experienced any noticeable improvements in locating, gathering, coordinating and submitting travel documents for processing. Finally, in order to determine whether travel documents received are processed timely, it would be necessary to

review the processing time/rate of travel reimbursement documents to see if they are consistently processed within 3 to 5 business days of receipt.

References:

General Appropriations Bill for fiscal year 2014-15

SC HealthViz – South Carolina eHealth Medical Statistics

SC Health and Human Services Fiscal Year 2013-14 Accountability Report

Office of the Comptroller General Travel Report - FY 2013-14, dated October 30, 2014

Comptroller General's Disbursement Regulations dated July 1, 2014

STATE OF SOUTH CAROLINA  
**COMPTROLLER'S GENERAL OFFICE**  
**TRAVEL SUPPORT DOCUMENT**

FAC CODE:

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## Cost Center

## Functional Area

AGENCY NUMBER

J02

NAME

SOCIAL SECURITY NUMBER (Last 4 digits Only):

DATE:

**RESIDENCE:**

**OFFICIAL HEADQUARTERS:**

**PURPOSE OF TRIP:**

\*\*MEALS & SUBSISTENCE ARE REPORTABLE AS INCOME IF THERE WAS NO OVERNIGHT STAY INVOLVED

|                                 |   |      |      |      |      |      |      |      |      |      |       |
|---------------------------------|---|------|------|------|------|------|------|------|------|------|-------|
| **REPORTABLE IN OR OUT OF STATE |   |      |      | 0520 |      |      |      |      | 0509 |      | 0237* |
| NON-REPORTABLE --- IN STATE     | 1 | 0504 | 0172 | 0501 | 0502 | 0503 | 0505 | 0506 | 0508 | 0507 | 0232* |
| NON-REPORTABLE --- OUT OF STATE | 2 | 0514 | 0172 | 0511 | 0512 | 0513 | 0515 | 0516 | 0518 | 0517 | 0232* |

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REDUCED MILEAGE RATE (53.5 CENTS PER MILE) IS LISTED IN THE "PER DIEM" COLUMN.

SIGNATURE

## **SUPERVISOR**

FORM 62 3-96