

**Receive Your
Money Sooner –
How to Reduce Errors
on Travel Documents**

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Introduction:

The South Carolina Department of Health and Human Services is the single state agency that is designated to administer and manage the Medicaid program within the state of South Carolina. The agency's mission is to manage the state's Medicaid program to provide the best healthcare value for the citizens of South Carolina. The Agency currently employs approximately 1300 employees state wide, with offices in every county.

The Division of Accounting Operations is tasked with providing the best possible administrative support to the program areas of the agency. One department within the division consists of the accounts payables staff. The Department of Accounts Payable is responsible for processing all administrative payments for the agency in a timely manner. We process everything from phone bills, copier leases, admin contracts, supply orders, and travel reimbursement to employees.

The agency has published the following characteristics by which we will do our jobs:

Service: We are dedicated to service; we will place others first.

Excellence: We are committed to constant improvements and will persevere in achieving quality with efficiency.

Responsive: We will be alert and react quickly to the needs of those we serve; we embrace opportunities to improve our processes.

Value: We will ensure that all of our decisions and actions will be measured by the value they return; we guarantee honest and open measurement of outcomes.

Everyone: We are a team; every employee is involved in our success; we believe in servant leadership and empowering employees to solve customer problems; as a team we will encourage and hold each other accountable.

The Department of Accounts Payable, as a department within the agency, abides by these characteristics as well. In doing so, we strive to perform our duties, giving the best possible value, at the highest level of excellence.

Problem Statement:

The Department of Accounts Payable is responsible for reimbursing agency employees for their business travel related expenses. Some employees travel once or twice a year, while others travel as an integral part of their job duties. We have some employees who travel multiple days per week, and may have travel reimbursements of \$500 - \$1,000 per month. These travel expenditures are paid out of pocket, and then the employee submits a travel reimbursement form (figure 1), completely filled out, along

with all applicable signatures, to the Department of Accounts Payable for reimbursement. Once the AP staff reviews, it is processed in our accounting system, and sent to the Comptroller General's Office for auditing, and then to the State Treasurer's Office for payment. Employees are eligible for reimbursement for any agency travel related expenditures, including mileage, hotels, meals, registrations, etc.

Over the past year, we have noticed that there are a number of errors being committed on the submission of travel reimbursement documents, which prevent the processing of these payments. Errors on the documents may include omission of codes needed for proper processing, missing signatures, mathematical errors, missing documents, or claiming incorrect amounts. These documents which contain errors, must be returned to the supervisor of the employee, for correction and re-submission. This can cause an undo delay in the employee receiving their reimbursement.

Generally, if everything is correct on the travel reimbursement document, the accounts payable staff reviews and processes the document within 3 days of receipt. It is then sent to the CG's Office and the Treasurer's Office, and the check or direct deposit should be made within 5-7 days. The employee should expect to see their reimbursement within approximately 2 weeks after it is received in the Department of Accounts Payable. However, when there are errors, they need to be corrected prior to processing. If an error is noticed on the front end, when the accounts payable staff is reviewing the document, it is returned to the employee's supervisor for correction at that time, via inter-office mail delivery system. Some areas of the agency have elected for their travel documents to be

returned to a single contact person, who will review, and return for correction. The average turn around time, from when a document is first received, until the corrected document is returned is about 3 weeks. This signifies a 3 week delay in time that an employee receives reimbursement for out of pocket travel expenses for agency related travel.

If the accounts payable staff does not catch the error, and it's not noticed until it's audited at the Comptroller General's Office, they will return the document to us. We will have to reverse the document out of the accounting system, and then send it back to the employee's supervisor for correction. Since it has already been sent to the CG's office, and they had to return it, this adds approximately another week to the total processing time. There will now be an approximate 4 week delay in the time that the employee receives their reimbursement.

Since this process is reimbursing employees for their out of pocket expenses, I feel that something should be done to minimize this delay, allowing employees to be able to continue traveling as their job duties dictate, without having to be concerned about when their travel reimbursement is going to reach them.

This also falls into our agency's mission and the SERVE characteristics which we follow as we do our jobs. We are trying to provide the best possible value, at the highest level of excellence. In order to do this, we need to strive to eliminate errors to the extent that we are able.

Data Collection:

The Department of Accounts Payable has been logging returns of travel documents for over a year to see if there are any trends in certain types of errors or errors coming from certain areas of the agency. Starting in September 2009 and continuing into January 2010, I spoke with the two individuals who process travel documents and asked them to provide me with any and all errors on travel documents. There were some errors that the accounts payable staff would recognize, and were able to correct on their own. These were not typically logged in the past. The staff member would handle the correction over email if possible, to get the required documents to attach, or add the correct codes.

I set up a separate Inbox on my desk specifically for travel related errors. The staff members would place the travel documents containing errors in this box, and I would either make a copy and return to them for their own corrections, or would log and return to the supervisor for corrections. I made sure everything in this box was processed either the same day or the next morning to avoid any delays in processing.

Since most of this information was already being collected and logged, there was just a small step added to collect the other data. This allowed us to gather the data needed to study all these errors while resulting in very limited impact on accounts payable staff.

Data Analysis:

Once this data collection was completed, I was able to combine it into a chart (figure 2) showing the various types of errors and the frequency of occurrence of each type of error. Between September 2009 and January 2010, we processed 918 travel documents. We ended up recording 65 errors, which is an error rate of 7%. After reviewing and studying each type of error, it became apparent that all of these errors appeared to have two common causes. The errors that were identified were determined to have derived from either a “Forms Issue” or a “Policy Issue”.

The Forms Issues are all related to filling out the travel reimbursement document. The form was not being filled out correctly or completely, or in some cases, an outdated form was being used. We have had an interactive travel reimbursement form located on our intranet for over a year and a half. The employee is able to fill in certain required data, while other fields are password protected, to protect formulas, rates, etc. Email notification was sent out when the forms were uploaded to the intranet, but some employees were using older forms, which allowed them to key in incorrect information.

The Policy Issues are related to employees not aware of, or not understanding the agency’s travel reimbursement policies. These issues ranged from not having the correct forms or receipts attached, to not following correct procedures and policies concerning hotel stays. The Travel Policy has been out on our intranet for over 2 years, updated as necessary, to reflect policy changes but in some instances, it was not being followed.

It was determined that a possible solution to the Forms Issue would be a two pronged approach. First, I am going to create a multi-media presentation to post on our intranet, emphasizing some of these most common mistakes in filling out the travel reimbursement document, and showing the correct way to fill out the document. I will attempt to have this included in the new employee training that the agency provides, and also will make sure that it is out on the intranet, for all employees to be able to review. The second phase of this plan will be to re-emphasize the availability of the travel forms on our intranet, and stress to employees that these forms are designed to reduce errors, by only allowing certain information, and protecting other fields.

The solution of the Policy Issue was determined to be an effort to make employees more aware of the availability of the agency's travel policy on the intranet. I will attempt to have an agency wide email sent which will emphasize the availability of the policy, and also the necessity to read and understand the policy to avoid mistakes on travel document, and their associated delays in reimbursement.

Implementation Plan:

The first step to the Forms Issue solution will be to schedule some time with our Training Department and discuss some possible multi-media solutions. I realize I have limited knowledge of what is available in this area, and our training staff will have more expertise of what is economical and effective. I will provide a "lesson plan" and the

knowledge of the subject matter that needs to be covered, and will coordinate with the appropriate training staff to develop an effective, economical solution.

This should be able to be accomplished within one to two months from start to finish. I plan to have a finished product ready to go by the end of March. The cost will basically be nothing, since I will be utilizing our in-house training staff and software that we already have. The only possible cost would be the cost of the training staff time, and my time associated with the development of this. Since all the research and data collection and analysis has already been accomplished, these costs would be minimal, most likely well under \$1,000.

One potential obstacle to implementing these plans would be scheduling of my time in coordination with the training staff time. Also, any solution will need to be approved by agency management, so I will need to coordinate their schedules to review a finished product before deployment. This can be resolved by shifting schedules and priorities as needed, especially on my part, as I dedicate time to this goal.

Another potential obstacle would be my lack of knowledge of the multi-media software, and its uses. This will be resolved by utilizing the "experts" in this field, in the training department.

Once the solution is prepared, we will disseminate it via agency wide email. If we convey it as a solution to allow employees to receive travel reimbursement sooner, by avoiding errors from the start, I think this should be received in a positive manner. Who

wouldn't want to get their money back sooner, if they can do so by just avoiding a few common mistakes?

Once this is released to the intranet and emailed to everyone, I will talk to the training department about showing this as a part of their New Employee Orientation training, and also at various refresher trainings that are done periodically.

The solution to the Policy Issue should be fairly straight forward. I will discuss with Agency management about sending an email, reminding employees of the availability of the travel policy on the intranet and also the requirement to follow this policy. I can also discuss with the training department the need to cover this policy in their New Employee Orientation training and also at refresher trainings that are done periodically. If this can successfully be integrated into our standard operating procedures, we should see a significant decrease in errors on travel documents, and a resulting decrease in the delay in receiving reimbursement.

Evaluation Method:

We will continue to log and review errors on travel reimbursement documents after we implement the proposed solutions. I plan to log and review these errors for a two month period after implementation. By the end of the two month period, we should see significant reduction in errors, and the associated delay in receiving reimbursement for travel related expenses.

Final Recommendation:

Based on the review of the data I've collected, I am going to recommend to agency management that the solutions I've proposed be implemented as standard operating procedure from this point forward. It may be necessary to remind staff periodically about the new proposed procedures due to complacency and staff turnover, but I believe these solutions will accomplish the goal of allowing employees to receive their reimbursement sooner.

Figure 2:

Policy Issues	Policy Issues	Forms Issues	Forms Issues	Forms Issues	Forms Issues	Forms Issues	Policy Issues	Forms Issues	Forms Issues	Forms Issues	Forms Issues	Policy Issues	Policy Issues	Forms Issues	Forms Issues	Forms Issues	Policy Issues	Policy Issues	Policy Issues	
CG's Travel Statements	State Car Avail	Purp of Trvl	Dates of Trvl	Inc Mileage Rate	Incorrect Date of Form	Sup Sign	Meals	Tenths of Miles	Inc Forms	Trvl Times	Dep & Dest	Rec Missing	Trng Req Form	HQ Missing	Date Missing	Codes Missing	Exceeds GSA Rate	Not Carpooling	Not Sharing rooms	
x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x			x			x	x		x	x	x	x	
x	x	x		x	x	x	x										x	x	x	
x	x	x				x											x			
x	x	x																		
x	x																			
x	x																			
x	x																			
Policy Issues		34																		
Forms Issues		31																		

Policy Issues Employees not understanding SCDHHS Agency travel reimbursement policy. Policy is listed on the Intranet, and supervisors should make sure that traveling employees read, understand, and follow travel policy.

Forms Issues Employees are not filling forms out correctly, completely, or are using an old, outdated form. We have placed interactive forms on the Intranet for the past couple years, where employees can fill in the blanks, the form will total dollar amounts, and employee can print form, sign and send in for reimbursement.

Avg turn around time for catching errors, and returning to employee is approximately 3 weeks. Can be longer, depending on Area requirements for approvals.

Avg turn around time when CG's catches an error, is approximately 4 weeks.