August 30, 2011

To: Federal Program Grantees

From: R. Michael Cortez
Deputy Secretary for Administration

As you may be aware, within the last two years DCED has established a fiscal Monitoring and Reporting Division within the Financial Management Center. The purpose of this division is to conduct fiscal monitoring reviews of federal program grantees and provide technical assistance in regards to fiscal issues. One of the major concerns that has been identified from the fiscal reviews to date is that there are inconsistencies in the federal policies. In order to begin standardizing our fiscal processes, attached is the initial fiscal policy for the 2011 state fiscal year. Fiscal policies will be issued by the Financial Management Center and applied consistently to all federal programs. New policies will be issued in time for proper planning and implementation by your organization. Please disregard any previous policies on the same subject once the new policies are issued by the Financial Management Center. I appreciate your cooperation and look forward to your input as we continue to improve the current policies and develop new fiscal policies in order to provide guidance in accountability and transparency of taxpayer funds.

Attachment
Commonwealth of Pennsylvania
Department of Community and Economic Development
August 30, 2011

Subject: Federal Travel and Subsistence Allowance Directive

Number: 2011 Fiscal Directive #1

Effective Date: October 1, 2011

TO: DCED Federal Grantees,

FROM: Chris Dwyer
Director
Financial Management Center

This directive establishes policy guidelines and responsibilities for travel expenditures utilizing federal funds awarded to sub-grantees, subcontractors, or vendors ("Grantee").

Policy

Whenever travel expenses are anticipated for a DCED federally funded program, the most economical means of transportation, lodging, and subsistence should be arranged unless warranted by special circumstances.

Reimbursement to the Grantee (based on actual receipts) for federal travel, lodging, or meals cannot exceed federal rates. The General Services Administration (GSA) established per diem rates for destinations within the Continental United States. Per diem is the allowance for lodging (excluding taxes), meals and incidental expenses. The maximum allowable Federal rate is identified on the (GSA) website at www.gsa.gov/perdiem. Expenses in excess of federal rates must be paid from private funding sources. Private funding sources may not include other state and federal funds.

Responsibilities

Documentation in support of federal travel, including justification for special circumstances, and per diem expenses is required. Lodging rates in excess of the federal rates may be warranted if lodging at the federal rate is not available. Supporting documentation must be retained to substantiate that the traveler obtained the best rate.
Conference room rates are not always the lowest rate or a government rate. The traveler is required to attempt to find lower cost lodging when the conference rate is higher than the maximum allowed rate. That effort shall consist of attempting to obtain a lower rate at the same property or obtaining a lower rate at three alternative properties within close proximity. Additional transportation cost, if not staying at the conference headquarters, should be considered in the evaluation.

For example, a traveler is attending a conference and the conference room rate is higher than the federal rate. The traveler must obtain three other hotel rates, with available rooms, and transportation rates to and from the conference in order to justify staying at the room, for the best rate, where the conference is being held.

Travelers must always obtain receipts. If a receipt for an insignificant amount is obtained that only identifies the total amount paid, travelers may write the item purchased on the receipt prior to submission for reimbursement. Credit card slips and statements are not acceptable in lieu of receipts. The detailed receipt showing each item purchased for the amount charged to a credit card is acceptable. Reimbursement will only be made for the lesser of the actual expense or the maximum allowable rate. The www.gsa.gov/perdlem website should be consulted for current acceptable federal travel and subsistence rates.

cc: DCED Federal Program Directors
R. Michael Cortez, Deputy Secretary for Administration
Ed Geiger, Acting Deputy Secretary for Community Affairs and Development
TRAVEL POLICY FREQUENTLY ASKED QUESTIONS & ANSWERS

Question: What is per diem?

Answer: Per diem is the allowance for lodging (excluding taxes), meals and incidental expenses. The General Services Administration (GSA) establishes per diem rates for destinations within the Continental United States (CONUS). The State Department establishes the foreign rates (for example, Russia, Aruba, Bahamas, Europe, etc.). The Department of Defense (DOD) establishes non-foreign rates such as Alaska, Hawaii, Puerto Rico, and Guam.

Question: How do I find the per diem rate for (city/county, state)?

Answer: Please visit www.gsa.gov/perdiem to find the rates. Click on the state you need to view that state's rates. Even though some cities are listed for your lookup convenience, not all cities can or will be listed, so look for the county where you will be staying.

Question: What does CONUS mean?

Answer: CONUS means travel within the continental United States.

Question: What if a city is not listed on the CONUS Per Diem website?

Answer: If a city is not listed, check to ensure that the county within which it is located is also not listed. Visit the National Association of Counties website at www.naco.org to determine the county a destination is located in. If the city is not listed, but the county is, then the per diem rate is the rate for that entire county. If the city and the county are not listed, then that area is considered to be a Standard CONUS location which is currently $77 for lodging and $46 for meals and incidental expenses.

Question: Are lodging taxes included in the CONUS per diem rate?

Answer: Lodging taxes are not included in the CONUS per diem rate.

Question: Are hotel taxes paid out of the incidental amounts given per day when traveling?

Answer: No, they are not paid out of the incidentals.

Question: What is included in incidental expenses?

Answer: Fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries.
Question: Are parking fees reimbursed with a receipt? What about parking fees at a meter with no receipt? Can they be taken out of the daily incidental amounts?

Answer: Yes, parking fees with a receipt are reimbursed. Travelers should always try to obtain a parking receipt. Parking fees without a receipt from a meter can be taken out of the incidental expenses.

Question: What do I do if there are no hotels available at per diem?

Answer: Travelers should obtain the rates from three hotels in the area along with associated travel costs. Justification should be retained and submitted along with actual receipts to substantiate the best rate.

Question: Can hotels refuse to honor the per diem rate to federal government employees?

Answer: Hotels are not required to honor the government's per diem rates. It is a business decision. Additionally, they may or may not extend the rate to other individuals such as government contractors.

Question: Do agencies need to break down each hotel bill and charge the room cost separate from taxes?

Answer: No, the invoice supplied by the hotel will show the detail of the charges and the total expenditure may be charged to lodging or travel.

Question: Does an agency have to produce itemized receipts for expenditures under $75?

Answer: Yes, ALL travel expenditures charged to a DCED grant must be supported with a receipt. DCED understands there will instances where a receipt will not be available i.e. street vendors. In the case of these very limited instances, DCED will accept a detailed account provided by the traveler outlining the items purchased as official receipt.

Question: If an employee stays at a hotel that has a restaurant in it, do you need to eat at that restaurant?

Answer: No, you may choose another location to dine.

Question: Is it easy to get an itemized receipt for reimbursement purposes?

Answer: Most restaurants are able to produce itemized receipts if you ask in advance. However, if you are at a small establishment that is not able to give you a receipt from the register, kindly ask them to write it down and total the costs.

Question: If staff require per diem up front due to lack of a corporate card or low income, do they get reimbursed if they forget to submit a receipt?

Answer: No, they must be informed before they travel that when cash advances are given, all receipts must accompany the reconciliation of the trip.
Question: Can someone skip breakfast and lunch, and be reimbursed for the cost of dinner (provided they have the receipts) as long as they do not exceed their daily allowance?

Answer: Yes, the rates provided by GSA for breakfast and lunch should only be utilized when a partial day of per diem has been given.

Question: If an employee is traveling and opts to stay with a friend or relative instead of a hotel, and gives an amount to cover for lodging and food, is this a reimbursable expense?

Answer: No, this is not an expenditure that can be charged to the federal grant, but the organization may reimburse the employee for these expenditures from private funds and in accordance with their policy.

Question: If meals are provided at the conference or by the hotel should those costs be deducted?

Answer: Yes. The amounts for each meal for the area of travel, is outlined on the GSA website with the per diem rates.