



COMMONWEALTH of VIRGINIA

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Office of the Comptroller

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September 8, 2003

MEMORANDUM

TO: Fiscal Officers of State Agencies
And Institutions

FROM: Lewis R. McCabe, Jr., Manager
General Accounting

SUBJECT: Travel Processing Changes

As part of the Commonwealth's ongoing efforts to increase efficiency and reduce operating costs, the Department of Accounts (DOA) extended the electronic data interchange (EDI) disbursement process originally developed for vendor payments to include disbursements to state employees for travel reimbursement. Chapter 1042 of the 2003 Virginia Acts of Assembly (Appropriation Act) § 4-5.06 states that, "*State agencies shall identify all employees likely to travel on official business of state government more than twice per year and shall reimburse such employees for their travel costs using electronic data interchange.*" This section also states, "*The State Comptroller is hereby authorized to charge state agencies a per check fee of \$1 when, in his judgment, agencies have failed to comply with the provisions of the ...Electronic Data Interchange programs, thereby incurring unnecessary administrative costs for the printing and mailing of checks for small dollar amounts.*"

Although many agencies have taken aggressive action to enroll their employees in EDI, many others have not yet embraced this cost reduction effort. In fact, statewide participation is low at 41% and many agencies are at 0% participation. **Therefore, effective October 1, 2003, DOA will begin charging state agencies a per check fee of \$1 for those travel payments that produce a check but should have been processed through EDI.** Our goal is to encourage maximum use of proven cost reduction tools which are currently available but underutilized. I am hopeful that agencies will quickly take action to enroll their employees in EDI in conformance with state law, thus avoiding the fee altogether.

Although non-state employees, such as board or commission members, that are reimbursed for travel on a frequent basis should also enroll in the EDI program, such payments will not be included in the \$1

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charge. However, statistics on non-state employee travel will continue to be included in participation rates reported in future Comptroller's Quarterly Reports. The Comptroller's Quarterly Report may be viewed at DOA's website at <http://www.doa.virginia.gov>.

In order to distinguish state employee from non-state employee payments for purposes of the \$1 charge, DOA has established a new transaction code, **468**, that may be used on travel vouchers for payments to non-state employees. As stated in the current travel regulations, CAPP Topic 20335, a non-state employee is "any individual who is not employed by the State, but who is conducting State business, including a member of any board or commission." Vouchers will be audited to ensure that transactions are being processed with the correct transaction code. For travel vouchers processed for state employees, agencies must continue to use transaction code 332. Use of the new transaction code is not mandatory. However, travel reimbursements to non-state employees processed using transaction code 332 will be subject to the \$1 per check charge.

The Department of Accounts will collect the \$1 fee by DOA journal entry for each check written to an employee after two checks have been issued to that employee in the fiscal year. The fee will be charged as an expenditure to the agency's largest administrative program with an object code of 1546. The agency may move the expenditure via ATV to another fund and/or program but the object code may not be changed.

In addition, DOA, in coordination with the Department of the Treasury, plans to implement a change in the handling of travel reimbursement checks. Specifically, travel reimbursement checks currently mailed directly to employees will be returned to the issuing agency for distribution. This process will be similar to the distribution process now employed for batch type X checks. This change will be executed at a later date and more detailed information will be provided prior to implementation.

Questions regarding this process change should be directed to one of the following:

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Questions regarding enrolling your agency in the Employee EDI program should be directed to:

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