MEMORANDUM

DATE May 7, 2015
TO Deans, Directors and Financial Managers/Procurement Technicians/Travel Coordinators
FROM Raaj Kurapati, AVC Financial Services
John Hebard, Director Procurement & Contract Services
RE Travel Process Improvement: Procurement Updates for Increased Efficiency

We want to take this opportunity to formally thank the Travel Representatives Improving Processes (TRIP) Team and communicate the Phase 1 project implementation plan. This project began in Spring 2013. We understand that the travel expense management (TEM) implementation has been challenging, and are reviewing how we process travel at UAF.

TRIP Purpose: To provide UA travelers a streamlined, timely and positive travel experience through efficient, transparent and cost effective methods.

The TRIP Team provided recommendations that fall into three categories of issue:

1) Internal processes
2) Policies for use of university charge cards (procurement (ProCard) and travel cards)
3) Changes to the TEM software

Improvements in the last two categories will take more time to put in place. This memo outlines some of the quick process changes that can be implemented immediately. TRIP focused in particular on reducing the time it takes for employees to be reimbursed. Business related travel processing can occur in a much more standardized way and with a reduced burden on travelers and departments if the University pays for expenses directly using departmental cards. UA and UAF will be looking into a OneCard system to consolidate card operations in the future. In this budget climate, opportunities for reduced administration and/or increased rebate revenue are critical.

In general, if Procurement & Contract Services (P&CS) is able to reduce the number of requisitions that require processing and increase the options for use of university ProCards, efficiencies are gained both in the units and in the central offices. **The following changes will be implemented, effective July 1, 2015:**

1) **Allow travel expenses, including airfare, lodging and car rental charges on ProCards:** Currently, registration charges are allowable on a ProCard; however, travel charges (airfare/lodging/car rental) are only allowed by exception. Department Travel cards can only be used for charges related to transportation (airfare/bus/ferry). Neither option allows a cardholder to facilitate the transaction in one place. TRIP recommends that all travel related costs including airfare, lodging and employee car rental expenses are allowable on ProCards. This will:
   - Reduce the need for travelers to bear up-front costs of business travel, limiting out of pocket expenses primarily to per diem;
• Increase the activity and therefore the rebate the University receives based on the volume of ProCard purchases; this creates new annual revenue for UAF;
• Avoid unnecessary bed tax expenses in Alaska, this will save up to $40,000/year;
• Facilitate the negotiation of volume discounts for frequently used hotels;
• Reduce the administrative burden associated with processing requisitions for lodging and for administration of separate department cards (i.e. the Department Travel card);
• After implementation, travelers who elect to use personal credit cards for lodging expenses will not be reimbursed for bed taxes associated with in-state travel that the University would avoid by using University cards.

2) Increase Procurement Technician (P/T) and Travel Coordinator standard purchasing thresholds for ProCards from $5,000 to $10,000:
• Departmental P/Ts and travel coordinators should review the credit limit on their ProCards. If a higher limit is needed in order to accommodate airfare, lodging or registration charges, submit a change form to the ProCard Administrator at P&CS;
• Increasing the limit reduces the number of requisitions needed for routine purchases and allows travel coordinators to secure conference registration fees and other high dollar expenses (for groups) via one procurement action;
• UAF could save an estimated $40,000 in processing time and effort and generate close to $40,000 in additional rebates. This change could be worth $80,000 per year and would make the procurement processes decidedly more user-friendly;
• This change is also recommended by the Procurement Process Improvement Team (SUPER);
• If this is works well for the P/Ts and Travel Coordinators, it can be expanded to include other groups of cardholders; updated training material will be forthcoming.

3) Increase use of Direct Deposit for reimbursements:
• In order to increase efficiency in reimbursements, the TRIP team suggests that all business travelers should be enrolled in direct deposit. This eliminates the additional processing time for paper check printing/distribution. This will also reduce the problems that arise when checks are not cashed in a timely manner (stale-dated);
• Employees who need to receive checks, rather than direct deposit, can request them as an exception; however, this will no longer be a standard best practice. This service may also require in-person pick up for paper checks;
• To enroll in direct deposit, please visit UAOnline and access Direct Deposit Services under the Finance tab.

In addition to these early releases, many of the recommendations in the Business Case were accepted by the project Steering Committee. From this point forward, Administrative Services will explore each opportunity for these recommendations to become implemented solutions. Some of the team members may be called on from time-to-time to assist with the implementations, as will the process improvement facilitators. The full TRIP Business Case is posted online: http://www.uaf.edu/finserv/omb/process-improvement/current-projects/travel/

On behalf of Chancellor Rogers, Administrative Services and the TRIP Steering Committee, our thanks to the team for their dedicated efforts to improve the travel process. Your work is appreciated and is important to UAF. Thank you also to those of you who provided input to the team as they moved through the process.

CC: TRIP Team & Steering Committee, Chancellor Rogers, VCAS Burrell, Procurement & Contract Services, UAF Process Improvement & Training (PIT) Crew, UAF Office of Finance & Accounting