

## **Fiscal Rule 5-1 Comments As of April 13, 2009**

<b>Date Submitted</b>	<b>Individual</b>	<b>Department/Institution</b>	<b>Page</b>
3/5/09	Vicki McCafferty	University of Colorado	1
3/26/09	Jon Reitan	Agriculture	5
3/30/09	Jonathan Price	Transportation	7
4/2/09	Brent Voge	Revenue	11
4/8/09	Dave Grier	Education	13
4/8/09	Tom Jagow	Public Safety	17
4/8/09	Dianne Stump	Natural Resources	21
4/10/09	Don Rieck	Public Health and Environment	25
4/10/09	Roger Cusworth	University of Colorado	29
4/13/09	John Kane	Colorado School of Mines	31



**Jaros, Bob**

---

**From:** Kingston, Lenora  
**Sent:** Thursday, March 05, 2009 1:53 PM  
**To:** Jaros, Bob; McDermott, David  
**Subject:** FW: STATE CONTROLLER POLICY: MILEAGE REIMBURSEMENT

Gentlemen -

FYI below on feedback from the University of Colorado -

Regards,

*Lenora Kingston, C.T.E.*  
State Travel Manager  
Department of Personnel & Administration  
Division of Central Services, State Travel Management Program  
1001 East 62nd Avenue, Rm. A-31  
Denver, Colorado 80216  
Telephone: 303.866.3986  
Cell Phone: 303.598.9617  
Fax: 303.866.5302  
Email: [lenora.kingston@state.co.us](mailto:lenora.kingston@state.co.us)

**[www.colorado.gov/travel](http://www.colorado.gov/travel)**

*Good Government Travel Starts Here!*

**Please consider the environment before printing this e-mail**

---

**From:** Vicki McCafferty [<mailto:Vicki.McCafferty@cusys.edu>]  
**Sent:** Tuesday, March 03, 2009 3:16 PM  
**To:** Kingston, Lenora  
**Subject:** RE: STATE CONTROLLER POLICY: MILEAGE REIMBURSEMENT

Hello Lenora.

CU's mileage policy states:

Reimbursable when in travel status, using State rates:

- For reimbursable miles driven beginning January 1, 2009, the standard reimbursement rate is \$0.50/mile (if nature of trip and road conditions require four-wheel-drive vehicle, the 4WD rate is \$0.53/mile).
- For miles driven July 1-December 31, 2008, the standard reimbursement rate is \$0.53/mile (4WD rate is \$0.56/mile).

- For miles driven January 1-June 30, 2008, the standard reimbursement rate is \$0.46/mile (4WD rate is \$0.48/mile).

Reimbursable miles are those driven **in excess of** the normal round-trip commute to primary work location – regardless of type of transportation used for normal commute; see mileage calculation guidelines at [www.cu.edu/psc/payable/travel/downloads/ReimbursableMileage.pdf](http://www.cu.edu/psc/payable/travel/downloads/ReimbursableMileage.pdf).

The link leads to examples of how to calculate reimbursable mileage in several different scenarios. CU's policy seems to be more conservative than the State's draft.

Vicki

Vicki McCafferty  
Travel Manager  
PSC Payable Services  
University of Colorado  
Phone 303-315-2857  
Fax 303-315-2799

---

**From:** Kingston, Lenora [mailto:Lenora.Kingston@state.co.us]

**Sent:** Tuesday, March 03, 2009 10:36 AM

**Cc:** David McDermott; Bob Jaros; Wilson, Jessica; Taylor, William; Madsen, Scott; Clatterbuck, Ron; Hale, Art; Otero, Sonny

**Subject:** STATE CONTROLLER POLICY: MILEAGE REIMBURSEMENT

**Importance:** High

## STATE CONTROLLER POLICY

Page 1 of 2 DRAFT as of: 3/2/09

### MILEAGE REIMBURSEMENT

#### 1) DEFINITIONS

**a. Agency** – An executive department of the State and offices of the Governor or any subdivision thereof.

**b. Institution of Higher Education.** A public college, community college, or university established as a part of the State.

**c. Temporary Work Location** – Location where employment is expected to last, and does last, for one year or less.

**d. Traveler** – Employee or State official who receives appropriate approvals to travel on behalf of the State.

**e. Traveler's Regular Work Location** – Generally, the traveler's regular work location is the primary location where the traveler works, and includes the entire metropolitan area of the traveler's regular work location.

**f. Traveler's Residence** – The traveler's residence is the location where the traveler maintains his/her family home.

**2) POLICY.** When a Traveler uses his/her personal vehicle while on official state business, the Traveler shall be reimbursed for an amount equal to the prevailing mileage rate multiplied by either the allowable miles as outlined below or by the allowable miles in a mileage

## How to Calculate Reimbursable Mileage

The PSC Procedural Statement Travel Authorization and Expense limits reimbursable miles to the number driven *in excess of* the number of miles involved in the individual's daily commute (round trip) for work. This calculation applies even in cases where the individual does not normally drive to the primary work location: e.g., the individual typically uses public transit for the round-trip commute.

This calculation does *not* apply if the individual drives to a place other than the usual work site on a non-normal workday.

- ***Example A:*** Joe generally drives 11 miles to and from his usual work site in downtown Denver for a **normal round trip commute of 22 miles**. Today, however, Joe needs to drive from his home to the Boulder Campus to attend an early morning meeting. After the meeting, he continues to his primary work location where he completes his work day and then drives home. As a result, today Joe drives **53 miles** – from home to Boulder to his office and back to his home.  
***Joe can request reimbursement for 31 miles today. This represents the number of miles that he drove in excess of his usual round trip commute (53 – 22 = 31)***
- ***Example B:*** Lucille usually takes the bus to work in Aurora. If she were to drive, her daily roundtrip commute would be 8 miles. Today she needs to use her car since she is participating in a conference at an offsite location, 12 miles from her house. The conference lasts the full day and Lucille drives home upon its conclusion.  
***Lucille can request reimbursement for 16 miles today. This represents the number of miles she had to drive in excess of her usual round trip commute (24 – 8 = 16). This calculation applies even though Lucille does not normally drive her personal vehicle to her primary work location.***
- ***Example C:*** Vance drives to his Colorado Springs office on Monday morning, leaves to attend a required function in Pueblo, and returns to the office.  
***He can request reimbursement only for those miles driven in excess of his normal commute, in this case, the drive to Pueblo and back.***
- ***Example D:*** Marnie usually drives 14 miles round trip to her work site in Aurora. Her normal work schedule is Monday through Friday. On Sunday evening she drives 27 miles to Denver International Airport to catch her flight to an out-of-state conference. ***Marnie can request reimbursement for all 27 miles driven this day, since it is not a normal work day and she is not going to her normal work site. (If, however, she had needed to work in her office on that Sunday, her 14 mile round-trip commute would not have been reimbursable.)***



# STATE OF COLORADO

## Colorado Department of Agriculture

[www.ag.state.co.us](http://www.ag.state.co.us)

700 Kipling Street, Suite 4000  
Lakewood, CO 80215-8000  
(303) 239-4100  
(303) 239-4125 FAX



Bill Ritter, Governor  
John R. Stulp, Commissioner

March 26, 2009

Bob Jaros  
Deputy State Controller  
633 17<sup>th</sup> #1500  
Denver, CO 80213

Dear Bob:

This letter is the Department of Agriculture's, department, formal response to proposed fiscal rule changes to the state's travel policies.

The department appreciates the Controller's Office review and modifications made to the proposed travel rule policy changes from the November filing. Additionally, the department appreciates having this second opportunity for comment. As articulated in the department's response to the first draft of proposed travel rule changes, the department has established approval procedures for all out-of-state travel and has been successful in balancing the department business needs within the Central Travel Card guidelines. We appreciate the recognition of this useful tool for the department by the State Controller's Office.

The proposed rule modifications have provided the department the impetus to internally question our travel policies. This process has led the department to reduce the liability on most of the central travel cards to \$2,000 monthly, with a few established exceptions that will have a \$5,000 limit.

The only concern or questions that the department has with the current proposal is with section 10.2.2.3, "Establishes personal liability of the Approving Authority for any losses related to a Central Travel Card issued to an individual employee/official for their personal travel." The rule defines "Approving Authority" as "An individual who has authority to approve matters related to official travel." My concern is there is significant travel within the state that does not have any documented approval.

This section of the rule articulates that the Approving Authority has a potential liability "for any losses." This rule does not define loss. I'm assuming loss would be any state funds expensed on the travel card that were not appropriate state expenditures and determined that they could not be recovered from the employee. If this section is in the final rule, it would be helpful to have this defined.

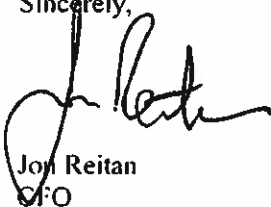
Secondly, as mentioned in previous correspondence, the department is primarily a regulatory agency with out-based inspectors that are responsible for program inspections within their territory. Periodically, this responsibility requires a hotel stay, due to an inspection going longer than anticipated or to realize efficiencies and inspect all the relevant businesses or entities in a particular region when in travel status. In the event there is an issue with credit card use in one of these instances, I'm concerned with how any

liability beyond the card holder can be established, as there is neither documentation of pre approval for these expenses nor is there any documentation of approval for travel status.

I recognize that the precautions currently articulated in this section are to help agencies that use central travel cards, to maintain diligence and to ensure those that are being issued these types of cards are trustworthy. However, I'm generally concerned that stating that the "Approving Authority" has defined liability is defensible in most cases, as articulated above, or is it administratively feasible to establish and enforce. As such, including this language establishes a false and unenforceable expectation and I would request reconsideration of this language in the final draft.

I appreciate your attention to this matter.

Sincerely,



Jon Reitan  
CFO

Colorado Department of Agriculture  
700 Kipling #4000  
Lakewood, CO 80215  
303-239-4128 office  
Jon.reitan@ag.state.co.us

**Jaros, Bob**


---

**From:** Price, Jonathan [Jonathan.Price@dot.state.co.us]  
**Sent:** Monday, March 30, 2009 10:40 AM  
**To:** Jaros, Bob  
**Cc:** Lujan, Angela; Bunkers, Joyce; Westbrook, Thomas; Bjorge, Mat  
**Subject:** FW: STMP: Fiscal Rule Hearing: Travel 5-1  
**Importance:** High  
**Attachments:** FR\_5-1(02-27-09).pdf

Hello Bob,

The following is CDOT's feedback and questions in regards to changes to Travel Fiscal Rule (Hearing April 13, 2009).

**2.22 Definition, Traveling Away from Home** – The stipulations put forth in this definition contain a certain amount of vagueness. Who is designated to make a determination of whether stipulations A & B are met, and what guidelines are used to make that determination? Further information is sought in regards to a determination of the following items:

- o How to determine when the employee is required to be away “substantially longer than an ordinary days work” (stipulation A).
- o How to determine when the “Traveler needs to sleep or rest” (stipulation B).
- o We found the defined term containing the word “home” misleading as the individual's home has no impact on anything determined by this definition. We feel the defined term used in this section would be less confusing by replacing the word “home” with a reference to the individual's work location.

**6.1 Traveling Away from Home, Lodging** – The use of the term “may be required” in the first sentence should be expanded on. Is the determination of whether use of STMP approved lodging is required determined by a particular authority (ie, STMP, Agency, Approving Authority, individual)? The rule reads that “STMP payment mechanisms, if available to a traveler, shall be used to pay for all lodging expenses.” Could a further definition of “available to a traveler” be made with respect to situations where employees (through no fault of the agency) create a scenario where the payment mechanism is not “available to a traveler”? An example would be an employee leaving their individual travel card at home so that they can pay with their personal credit card (to accrue bonus points) and then seek reimbursement.

**6.3 Meals for days traveler departs and returns** – Further clarification is sought as to who will determine which method to use and whether the method will need to be applied universally. Will the choice of which method is used be determined by the agency, the approving authority, or the traveler? Once a decision on which method to use is put into place, will that method need to be applied to all travelers in all situations?

**9.1 Reimbursement Requirements, Timing** – If the agency meets the stipulation of having their

own policy regarding the timing of reimbursements, does it render the “60 days” rule listed in this section null? We would like to verify that the rule listed in this section only applies to agencies that don’t have a policy in place regarding the timing of reimbursements.

- **10.2.1.2 Central Travel System Account (ghost card)** – The first sentence reads, “The Central Travel System Account has corporate liability . . .” It would initially seem that the word “state” or “agency” should be used as opposed to “corporate”. Does the word “corporate” have any special significance? Is “corporate liability” the same as “state liability”, “agency liability”, or does it have different meaning altogether?

- **10.2.2.2 Use of travel cards** – What is the basis for applying the \$5,000 limit for an individual’s personal travel. Would the \$5,000 limit be applied on per purchase, per trip, or per month basis (or is there a different basis to be used than what is listed here)? The event card is used for purchases other than travel such as official functions. Does the \$5,000 limit only apply to travel or all purchases made on this card (if all, then this needs to be clarified within the rule)? Additionally, we are seeking a definition of “personal travel” as listed in this section.

- **10.2.2.3 Use of travel cards** – Further clarification is needed as to “personal liability” referred to in this section. Does “personal liability” include financial responsibility in regards to the approving authority for any losses (Approving Authority is defined as an “individual” within this fiscal rule)? If so, how will this be determined as several individuals may fit the definition of “Approving Authority” for any single transaction? Would the personal liability be determined upon the individual who approved the transaction in question or would this be determined by different factors? What is the purpose of shifting liability from the individual that is assigned the card (as in the case of the Individual Travel Card) to the approving authority (as in the case of the Central Travel Card)?

- The proposed fiscal rule changes refer to State Controller’s Technical Guidance entitled “Taxability of State Travel” on numerous occasions. Within stated guidance there is a chart showing travel expense, reimbursement type and whether the reimbursement is taxable income or not (page 6 of document). We would like to request a column stating exceptions for single day travel to be added to this chart. At a minimum, can we request a modifiable version of this chart so we can add this guidance (if it can’t be added by the State Controllers’ Office)?

- We would like further clarification on the effective date of this rule change. Will these changes be effective for travel on (and after) July 1, or travel “reimbursed” on (and after) July 1?

Thank you in advance for any further clarification that can be provided on the comments listed above. Please let me know if you have any questions.

Jonathan Price

Accountant II

4/13/2009

Colorado Department of Transportation

(P) 303-757-9996

(F) 303-757-9559

jonathan.price@dot.state.co.us

**From:** Kingston, Lenora [mailto:Lenora.Kingston@state.co.us]  
**Sent:** Monday, March 02, 2009 11:11 AM  
**Cc:** Wilson, Jessica; Madsen, Scott; Taylor, William; Jaros, Bob; McDermott, David  
**Subject:** STMP: Fiscal Rule Hearing: Travel 5-1  
**Importance:** High

### **Fiscal Rule Hearing: Travel 5-1**

**The Fiscal Rule hearing is scheduled for April 13, 2009 starting at 9:00 am. This Fiscal Rule reflects comments received at the last hearing on FR 5-1. Any comments you have should be directed to Bob Jaros at [Bob.Jaros@state.co.us](mailto:Bob.Jaros@state.co.us).**

A public hearing will be held under the authority of Part 2, Title 24, Article 30, CRS, at 9:00 a.m. on April 13, 2009 in the Colorado Department of Labor and Employment's exam room on the second floor, 633 17th Street, Denver, Colorado, to consider adoption of changes to the State of Colorado Fiscal Rules. Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public hearing, please notify Lea Ann Baker at 303 866-3765 by April 1, 2009.

### **Summary of Changes to 1 CCR 101-1 – State Fiscal Rules**

#### **Chapter 5 Rule 5-1 Travel**

Updates per diem rates for meals and incidental expenses, and provides for later updates of these rates. Includes 12 sections in the rule for different topics. Adds definition for metropolitan area, temporary work location, and traveling away from home to be consistent with definitions provided by the Internal Revenue Service regarding travel. Clarifies the rule for reimbursement, the traveler's responsibilities and the approving authority's responsibilities. Clarifies reimbursement requirement and methods of payment for travel expenses. Copies of the text of the proposed rule changes are available for inspection at the Office of the State Controller, 633 17th Street, Suite #1500, Denver, Colorado, 80202, during normal business hours. The proposed changes to the fiscal rules are also available on the State Controller's website, <http://www.colorado.gov/DPA/DFP/SCO> under "Proposed Rule Changes". See attached document for proposed changes.

Regards,

***Lenora Kingston, C.T.E.***

State Travel Manager

Department of Personnel & Administration

Division of Central Services, State Travel Management Program

1001 East 62nd Avenue, Rm. A-31

Denver, Colorado 80216

Telephone: 303.866.3986

Cell Phone: 303.598.9617

Fax: 303.866.5302

Email: [lenora.kingston@state.co.us](mailto:lenora.kingston@state.co.us)

**[www.colorado.gov/travel](http://www.colorado.gov/travel)**

***Good Government Travel Starts Here!***

**Please consider the environment before printing this e-mail**

**Jaros, Bob**

---

**From:** Voge, Brent [bvoge@spike.dor.state.co.us]  
**Sent:** Thursday, April 02, 2009 12:41 PM  
**To:** Jaros, Bob  
**Cc:** Floyd, Victoria; Aggson, Barbara; Dickinson, Elisabeth (Beth)  
**Subject:** Comments on Fiscal Rule 5

These comments and questions are from Vickie Floyd, Controller in our Gaming Division:

1. We see that personal phone calls are no longer being included in the incidental expenses. It is not even included under 6.9 Tips where it states "Tips paid by a traveler for porters, baggage carriers, bellhops, hotel maids, and skycaps for airport check-in are included in incidental expenses." Our reading of the rules is that personal phone call reimbursements will no longer be allowed. Was that the intent? If it was not the intent, and we can still reimburse for personal phone calls, we would like to see a dollar amount per night. If we are forced to reimburse actual personal phone call costs, this is problematic as we have been down that road before. The amount of time and paperwork needed and the waiting to receive proper back up documentation is simply an unnecessary waste of time and dollars.

1.a. What about international calls? We cannot find where this is addressed.

2. Under 6.5 Transportation, it states "A traveler shall submit receipts for transportation expenses."

Under 6.10 Other Allowable Travel Expenses, 6.10.1 states "Commercial transportation such as taxi and shuttle expenses, including tips, paid by the traveler. A receipt shall be required for each individual ride in a commercial vehicle, if over \$25." The one rule reads "receipts shall be submitted for transportation" and the other rule states "receipts shall be submitted if over \$25." We would suggest adding "if over \$25." to the end of 6.5 to alleviate confusion.

3. 10.1 Electronic Reimbursement. We have numerous infrequent travelers. Although they previously had EFT set up, when they do travel and EFT is requested, it is discovered that their EFT has been inactivated. They would have to fill out the EFT form again, send it in, and wait for it to be set up again. In order to alleviate this problem, we propose extending the expiration time for EFT to three years. In other words, if EFT is not used within three years, then it can be de-activated. We have found that whatever the time limit is now, it is definitely too short. We also propose adding the following to the end of 10.1: "unless the EFT is not set up yet for new employees or has expired." so travelers do not have to wait for EFT to be set up before they can receive their reimbursement.

4. Travel Rewards Programs. We agree that this program would be too difficult to track and enforce and would not be cost beneficial.

5. In the Taxability of State Travel Reimbursements, 5 d.ii, Distance Requirements, page 5, it states, "A Traveler may be reimbursed as an IRS qualified reimbursable nontaxable travel expense

for travel to a conference, meeting, or training session that is held in the **same city** in a different city as the Traveler's regular work location." Our question is, in the same city as what?

In addition, I have concerns with the Travel Reward Program policy, specifically, the "b. Property of the State" section. This will be nearly impossible to enforce or manage due to the numerous ways in which rewards can be earned and redeemed. The State would likely need personal employee information to comply with this policy. We are then placed in a non-compliance situation.

## ***Brent Voge***

Director of Accounting and Financial Services

Colorado Dept. of Revenue

1375 Sherman St., Room 443

Denver, CO 80203

303-866-3276 Office

303-866-2990 Fax

[bvoge@spike.dor.state.co.us](mailto:bvoge@spike.dor.state.co.us)

**Jaros, Bob**

---

**From:** Grier, Dave [Grier\_D@cde.state.co.us]  
**Sent:** Wednesday, April 08, 2009 3:03 PM  
**To:** Jaros, Bob; Meade, Susan; McDermott, David  
**Cc:** Burrows, Denise  
**Subject:** Comments for proposed changes to fiscal rule 5-1

Please consider this e-mail as our response to the proposed changes to fiscal rule 5-1.

The Colorado Department of Education (CDE) has reviewed the proposed changes to fiscal rule 5-1 and the associated policies and we have the following comments:

1. The proposed fiscal rule references State Controller's office policies. This is problematic for a variety of reasons. First of all, if the topic of the policy is important enough to be referenced in the fiscal rule then it should be part of the rule. It is not clear why a separate policy is necessary. If the reason for having a separate policy is that the policy may be changed without going through the statutory rule making process then the policy cannot have the same force of law as the rule. Also, there will need to be a formal mechanism for tracking all changes to the policies similar to the tracking that is required for rule making. This will be necessary to demonstrate to auditors what policy is in place during specific time frames. The existing rule making process does a good job of documenting all changes to the fiscal rules.
2. The proposed definition for incidental expenses omitted the word "personal" for telephone calls. This should clearly state that personal calls are included in the per diem. Business calls should all be reimbursable expenses separate from the \$3 incidental per diem.
3. Proposed rule 4.4 Travel at no cost to the State has added two requirements that do not exist under current fiscal rule. One is that the travel compliance designee will have to approve the employee travel. This is unnecessary because the travel compliance designee does not have any basis to approve or deny travel. Approval by the approving authority is sufficient. Also, the addition of the following agency responsibility is unnecessary "a traveler shall submit a reimbursement request to an Agency or Institution of Higher Education, who will then submit an invoice to the non-state organization for the amount of expenses reimbursed to the traveler." This puts the agency (and more than likely the accounting personnel) in the position of collecting another type of receivable from other organizations. If the receivable is based on a word of mouth promise to reimburse costs then the state is in the difficult position of assessing the validity of the receivable. If the employee has made arrangements to be reimbursed by a non state organization then it should be the employee's responsibility to be reimbursed by the non state organization. With the addition of this language agencies are suddenly functioning like personal collection agencies for employees.

The following comments are related to the Policies referenced in Fiscal Rule 5-1.

### **Mileage Reimbursement policy**

The usual method of commuting is irrelevant and extremely difficult to enforce. With this guidance we will need to have a system for identifying each employee's usual method of commuting and regularly maintain that system. This is unnecessary because the IRS regulations do not care about the method of transportation. Generally the IRS does not like to pay for commuting miles regardless of mode of transportation. Therefore a simple fiscal rule that only reimburses mileage in excess of the normal commute would be sufficient to address all situations.

### **Travel Reward policy**

1. This policy presumes that the cost of the travel to the state would be less if the traveler did not use a credit card that has a reward program which is not an accurate assumption. The cost is the same to the state regardless of the credit card used to make the purchase.

2. This policy is totally unenforceable. There is no way to determine what rewards programs employees have associated with their credit card or the value of the rewards program. The value of the rewards program changes because there are instances where the value of earned airplane mile varies depending on the situation. For example, there are some credit cards that give double airline miles for staying at a certain hotel chain or using a certain airline. This makes it impossible to assign a value to the rewards program.

3. The policy on accepting a travel coupon presumes that the traveler voluntarily switched to a different flight. There are instances where a traveler involuntarily has to change flights. In this instance it is not the fault of the traveler and any additional costs should be paid by the State.

### **Taxability of state travel reimbursements technical guidance**

1. This policy may mislead many agencies to conclude that as long as the agency has complied with the IRS reporting requirements then the reimbursement is allowable. This is in direct conflict with the "Miscellaneous Compensation and Other Benefits (Perquisites)" fiscal rule 2-8. The reason this is in conflict is, if a reimbursement is reportable as income to the IRS then it is considered part of the compensation package (or as a perquisite) to the employee. According to fiscal rule 2-8 "An employee of the state shall not receive any type of benefit by virtue of their position unless such benefit is provided by state statutes or state fiscal rule". This means that if the reimbursement is required to be reported to the IRS and not specifically authorized by fiscal rule or statute then it is unallowable. We do have two instances where reimbursement is reportable as income and specifically authorized by fiscal rule. One instance is breakfast and dinner for single day travel (current fiscal rule 5-1) and the other is authorized commuting with state owned vehicles (current fiscal rule 2-8). Any other reimbursement that requires reporting income to the IRS is unallowable.

This policy is also a problem because of potential abuse. For example, if an employee who normally works near the State Capital happens to work late and get a hotel room at the Adams mark (two blocks away from the normal work location and within the tax home) then this is clearly reportable income to the IRS. However, this should not be an allowable reimbursement because it is not specifically allowed per fiscal rule or statute as required by fiscal rule 2-8.

This will allow agencies or programs that have more funding to begin to offer these perquisites to employees. This will cause disparity in reimbursement or in this case compensation packages between departments and even programs within a department which is exactly what the fiscal rules are designed to prevent. We will have situations where every time it snows employees from a certain part of the department will be reimbursed for lodging near work and others without adequate funding will not be reimbursed for the same circumstance. Unfortunately I am not confident that fiscal rule 2-1 requiring that all expenditures will be "necessary and reasonable given the circumstances" will be uniformly applied to prevent this situation.

2. Although the State Controller may feel the need to provide IRS reporting guidance to State Agencies, this guidance cannot adequately address every situation at every state agency and therefore may be misleading. The Controller at each State Agency should be responsible to applying IRS reporting requirements individually because they have better information on the circumstances of the specific transaction. Also, employees should be responsible for determining their own tax liability and should not rely on guidance from the State.

3. Adding the definition of metropolitan area is a great idea and necessary to consistently determine tax home for IRS reporting purposes. However, this definition should be included in the fiscal rule. Also, it should state that to be eligible for reimbursement for meals and lodging the employee must be greater than 35 miles from work AND 35 miles from home to be considered outside the tax home.

Please keep in mind that our department probably incurs the highest amount of employee travel expenses (on a per FTE basis) than any other Department in the State of Colorado. Therefore these fiscal rule changes will have a significant effect on the operations for our Department.

Please let me know if you have any questions and thank you for considering our comments.

Dave Grier, CPA

Controller

Colorado Department of Education

201 E. Colfax Avenue, Room 412

4/13/2009

Denver, CO 80203

Tel: 303-866-6801 Fax: 303-866-6638

E-mail: [grier\\_d@cde.state.co.us](mailto:grier_d@cde.state.co.us)

**Jaros, Bob**

---

**From:** Tom.Jagow@cdps.state.co.us  
**Sent:** Wednesday, April 08, 2009 4:11 PM  
**To:** Jaros, Bob  
**Cc:** Scheminske, Erick  
**Subject:** Comments to Proposed Change in Fiscal Rule 5-1  
**Attachments:** Fiscal Rule 5-1 Comment\_4-8-09s.doc

Bob,

Attached are our department's comments to the proposed change in Fiscal Rule 5-1.

Tom Jagow, Controller  
Colorado Department of Public Safety



## FISCAL RULE 5-1 FILING DATED FEBRUARY 27, 2009 COMMENTS

The Colorado Department of Public Safety appreciates the opportunity to provide feedback to the Colorado State Controller regarding the above referenced travel fiscal rule. The following are our comments on the proposed rule listed in rule section order:

**Rule Section 2.19 Traveler:** This section is new in the proposed rule and defines the term "traveler". We believe the definition should be expanded to include consultants and contractors. In addition, we would recommend that board and commission members have the option of being included as a traveler.

The department has many contractors, trainers and consultants that travel on behalf of various programs and are currently reimbursed in accordance with Fiscal Rule 5-1. While board and commission members who provide technical advice to department staff understand they are statutorily entitled to receive reimbursement for their actual expenses, many of them prefer to follow the fiscal rule. Board and commission members like the structure provided by the fiscal rule and know that following this guidance assists them in being good stewards of public funds. We feel this recommended enhancement to the definition will provide some consistency as the department transitions from the current fiscal rule.

**Rule Section 9.3.1 Receipts Required:** This section states that "Receipts shall be original, detailed vendor receipts rather than non-specific charge card transaction slips." We would recommend that original detail vendor receipts be required, when available. An explanation by the traveler should be attached to the travel expense report in those instances when an original detailed receipt is not possible.

In general, most credit card receipts issued by vendors currently detail each item being purchased along with the amount charged. There are instances when the vendors may not issue a detailed receipt or a traveler and their networking partner may be sharing a travel cost, which will require one of them to make a copy. We believe this clarification will cover anticipated exceptions that may be encountered.

**Rule Section 9.3.2 Waiver:** This section allows the executive director to waive the requirement of a receipt in extenuating circumstances. The rule as currently proposed does not allow a delegate of the executive director to issue the waiver. We feel that the rule should give agency heads the opportunity to delegate this decision.

In many cases, the division director or approving authority are closer to the specific circumstances and may have more information available to determine an appropriate alternative. This change would allow executive directors to retain this authority or delegate it as they feel is appropriate.



**Jaros, Bob**

---

**From:** Stump, Dianne [Dianne.Stump@state.co.us]  
**Sent:** Wednesday, April 08, 2009 3:54 PM  
**To:** Jaros, Bob  
**Subject:** Proposed Changed FR 5-1  
**Attachments:** Proposed Changese FR 5-1.DOC

Hi Bob,

Attached are the comments on the proposed changes to fiscal rule 5-1 from the Department of Natural Resources.

Dianne Stump

Controller

Colorado Department of Natural Resources

1313 Sherman St., Suite 423

Denver, CO 80203

Phone: 303-866-3292 ext 8639

Fax: 303-866-3415

E-Mail: [dianne.stump@state.co.us](mailto:dianne.stump@state.co.us)



# STATE OF COLORADO

## OFFICE OF THE EXECUTIVE DIRECTOR

Department of Natural Resources  
1313 Sherman Street, Room 423  
Denver, Colorado 80203  
Phone: (303) 866-3311  
FAX: (303) 866-3415



DEPARTMENT OF  
NATURAL  
RESOURCES

Bill Owens  
Governor

Harris D Sherman  
Executive Director

TO: Bob Jaros, Deputy State Controller  
State Controller's Office

From: Dianne Stump, Controller  
Department of Natural Resources

Date: March 30, 2009

SUBJECT: Comments on Proposed Changes to Fiscal Rule 5-1 Travel

On behalf of the Department of Natural Resources, the following comments are provided regarding the proposed changes to fiscal rule 5-1, Travel:

3.2 Reimbursement - Department's have had the ability in the past to adopt policies that can be more restrictive than the fiscal rules. Why does the revised fiscal rule address Department policies? The rule should define the basis for reimbursement only, Departments must adjust their polices to meet the fiscal rule. Section 3.2.6 is redundant.

5 Travel advance form - Is this form necessary when the advance is obtained using the individual travel card, or only when a cash advance is granted? What should the agency travel advance form contain, any certification required as per the existing rule? The statutory cite regarding limits on advances should be added to section 5.1.

6.1 Lodging - By what authority will an employee be required to use STMP approved or designated lodging facilities, Department policy? Wouldn't the mandatory price agreement procedure be better suited for this requirement?

Should the limitation in the existing fiscal rule, "Reimbursement shall be limited to the actual cost of *commercial* lodging" be added? Should a requirement be added to the lodging/meals reimbursement that meals, i.e. continental breakfast, provided with the cost of the lodging would preclude the employee from receiving the meal per diem for that meal, similar to the meals provided with a conference registration?

6.2 Meals - See above for non-reimbursement of meals provided with lodging.

6.4 Incidental expenses - We have various employees that travel and find the incidental rate insufficient to pay tips to maids, bellmen, porters, etc. This also occurs when a tip is paid to the shuttle driver for a free shuttle between

the hotel and airport, or the parking lot and the airport terminal. There is no other expense to attach the tip to. Can this type of tip be reimbursed in addition to the tips included in meals, defined incidental expenses, and transportation tips?

6.6 Rental Vehicles - By what authority will an employee be required to use STMP approved or designated rental companies, Department policy? Wouldn't the mandatory price agreement procedure be better suited for this requirement?

6.8 Airfare - By what authority will an employee be required to use STMP approved or designated airlines, Department policy? Wouldn't the mandatory price agreement procedure be better suited for this requirement?

In our Department the Travel Compliance Designee is a technical position that manages the Department credit cards, with no authoritative powers. We would not expect this person to have such authority. If mandatory price agreements are in place, or use of internet fares as provided in the executive order, this approval is unnecessary.

6.11 Summary Table - Mileage for personal vehicles, the reimbursement column should read miles x 90% prevailing **federal** mileage rate.

8.1 Certification - The inclusion of the last sentence of the certification statement, authorization of deduction from pay has caused some concern from our employees. They feel some notification and collection effort should be allowed prior to a payroll deduction.

10.1 Electronic Reimbursement - This requirement to pay travel expenses by EFT applies only to this rule. How do miscellaneous expense reimbursements effect the EFT requirement?

10.2.1 Types of Cards - While the state is exempt from paying state sales tax, we are charged sales tax when using the individual travel card, and the ghost card. Should Departments develop a process to request reimbursement from the Department of Revenue for these taxes paid, or consider purchases made with these two cards not to be tax exempt?

10.2.2.3 Use of travel cards - Personal liability of the approving authority seems unfair. Why not make the card work for our purposes? Possibilities include raising the encumbrance amount, sending the employee debt to central collections for personal travel expenditures, or similar to section 8.1, inclusion in the cardholder agreement a provision that personal use of the card will be deducted from the employees pay.

Travel Reward Programs - Implementation of this policy seems impossible.

Thank you for your consideration of these comments.

**Jaros, Bob**

---

**From:** Don Rieck [drrieck@smtpgate.dphe.state.co.us]  
**Sent:** Friday, April 10, 2009 3:08 PM  
**To:** Jaros, Bob  
**Cc:** Baker, Lea Ann  
**Subject:** CDPHE response to proposed Travel Fiscal Rule  
**Attachments:** CDPHE April 2009 response.pdf

See attached.

25

4/13/2009



# STATE OF COLORADO

Bill Ritter, Jr., Governor  
James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.      Laboratory Services Division  
Denver, Colorado 80246-1530      8100 Lowry Blvd.  
Phone (303) 692-2000      Denver, Colorado 80230-6928  
TDD Line (303) 691-7700      (303) 692-3090  
Located in Glendale, Colorado  
<http://www.cdphs.state.co.us>



Colorado Department  
of Public Health  
and Environment

April 6, 2009

Mr. Bob Jaros, Deputy State Controller  
Office of the State Controller (OSC)  
633 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80203

Dear Bob:

The Department is submitting the following comments on the proposed changes to Fiscal Rule 5-1, Travel. These comments encompass the proposed fiscal rule as well as the proposed policies related to the proposed rule.

### **Travel Reward Programs Policy**

We recommend this policy be dropped from any further consideration because it is impractical, unworkable, and virtually unenforceable from any practical perspective or cost-benefit basis. It places an onerous burden on employees to keep a supplemental record, from that already provided by the reward program sponsor (i.e., an airline) to track this component of their reward status. Also, what happens to an employees reward accumulation (mileage) when they retire or otherwise terminate their State employment? Try to get the miles transferred to another employee (Who?) or require the terminating employee to pay the State for the value of the mileage retained by them? Airline mileage rewards have a monetary value of somewhere around 1-2 cents per mile, meaning a trip requiring 25,000 award miles has a monetary value of less than \$500. The private sector dropped trying to "capture" the benefits of these reward programs from their traveling employees many years ago, and the IRS dropped its efforts to tax them, both for many of the same reasons including those cited as examples above.

### **Authorities**

We believe the STMP rules should be referenced here also.

**Paragraph 5 Travel Advance**

Consider moving these three paragraphs to incorporate them into paragraph 10 which discusses payment of travel expenses.

**Paragraph 6.6 Rental Vehicles**

Add the following phrase (see underlined and bolded text) in the first sentence: "A traveler shall be required to use to use STMP approved or designated rental companies, **unless an exception is granted by the Travel Compliance Designee**, to assist an Agency or Institution of Higher Education in controlling travel cost and providing adequate insurance."

**Paragraph 6.8 Airfare**

Add the following phrase (see underlined and bolded text) in the first sentence in the: "A traveler may be required to use STMP approved or designated airlines, **unless an exception is granted by the Travel Compliance Designee**, to assist an Agency or Institution of Higher Education in controlling travel costs."

**Paragraph 11.1 Summary of Allowable Travel Expenses**

For "Airfare" consider changing this to read: "Airfare **including checked baggage fees**."

**Paragraph 7.6 Certain Insurance Coverage**

Clarify the language to say this insurance is only provided when the travel card is used.

**Paragraph 9.3.2 Waiver**

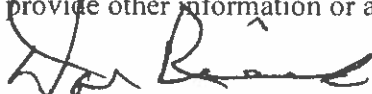
Change "Executive Director" to "Approving Authority."

**Paragraph 10.2.2.1 Agency policy related to travel cards**

Add the following phrase (see underlined and boded text): "Is consistent with the allowable charges for each type of card **and STMP rules**."

\* \* \* \* \*

We appreciate this opportunity to offer our comments on the proposed rules and would be pleased to provide other information or assistance as you may request of the Department.



Donald R. Rieck  
Controller



## Office of University Controller

---

1800 Grant Street, Suite 600  
436 UCA  
Denver, Colorado 80203  
(303) 837-2110  
Fax: (303) 837-2122

April 10, 2009

David J. McDermott  
State Controller  
State Controller's Office  
State of Colorado  
633 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

### **RE: Comments on Proposed State Fiscal Rules**

Dear David:

The system and campus administration offices of the University of Colorado system have reviewed the proposed changes to the State Fiscal Rules. This letter details the things that we believe still need to be addressed and we thank you in advance for considering them:

#### **Rule 5**

Section 6.4 - We feel that this section needs to include language that is in the current rule at Section 3.6.2:

The chief executive officer, or a delegate, of an agency or institution of higher education may approve a higher incidental expense per diem rate for international travel based on the traveler's destination. Under no circumstance shall the higher incidental per diem rate exceed \$15.00 per overnight stay.

As discussed in the previous rule hearing, the University travels internationally. This rule needs to acknowledge that the allowance for these cities is higher than domestic cities. In addition, this rule is also delivered by the Concur Expense System and therefore, the University needs the fiscal rule to reflect the delivered rules.

Section 9.3.1 – The University's new expense reporting system, Concur, provides for receipts to be scanned and e-mail or faxed into the expense system. Once the receipts are received by the Expense System, the imaged receipts become the official record for the University and the original receipts are not maintained. As a result, the University will no longer know if original receipts are being submitted. This is delivered functionality that can not be changed. Therefore the University needs the fiscal rule to reflect the delivered functionality or the University will need a waiver from the requirement to maintain original receipts.

April 13, 2009  
Comments on Proposed State Fiscal Rules  
Page 2 of 2

Section 10.1 - The University currently reimburses the majority of its employees through direct deposit. However, not all of the University's employees receive their pay by way of direct deposit and, therefore, not all of them can receive reimbursements by direct deposit. The fiscal rule must provide the institution the same delegated authority to waive participation in reimbursement direct deposit that the institution has to waive payroll direct deposits.

We would be please to clarify any of our concerns with yourself or your staff. Unfortunately, we will not be in attendance at the fiscal rule hearing on April 13, 2009. Feel free to contact me at 303-837-2114.

Sincerely,

Roger A Cusworth  
*Deputy University Controller*

CC: Bob Jaros, Deputy State Controller  
Trinka Mullin, FAST  
Judy Ganschaw, CU  
Julie Brewster, UCCS  
Sandy Hicks, CU  
Kim Huber, UC Denver  
Jeremy Hueth, CU  
Jeff Parker, UC Denver  
Steve McNally, CU Boulder  
Laura Ragin, CU Boulder

**Jaros, Bob**

---

**From:** John Kane [John.Kane@is.mines.edu]  
**Sent:** Monday, April 13, 2009 8:38 AM  
**To:** Jaros, Bob  
**Subject:** Travel Fiscal Rule Hearing - Monday, April 13, 2009 - 9 AM  
**Importance:** High  
**Attachments:** FR\_5-1(02-27-09).pdf; Travel\_Reward\_Programs.pdf; Mileage\_Reimbursement\_Policy.pdf; Taxability\_of\_State\_Travel\_Reimbursements.pdf

Fiscal Rule hearing comments for this morning.

Section 5.2, Section 6.1 and Section 6.8: All of these sections require the use of the STMP payment mechanisms (Meaning State Travel Card or State Ghost Card). For institutions of higher education there are a large number of travelers that will only travel once for the institution (Students and a large number of grad students). This means they would not obtain a State travel card and a travel advance would not be able to be paid as required by section 5.2 using the travel card. Yet for higher ed, it is exactly this group that would most require an advance. Section 6.1 requires the use of the State card payment for hotels. First off, the use of the word may for requiring the use of a specific motel indicates that the required hotel stay location should be a policy and not a fiscal rule. Second the use of the card as a payment mechanism may again be problematic for the reasons listed above for section 5.2. Finally in section 6.8 the use of the STMP designated airlines, travel agencies and cards. CSM has discovered that a large percentage of the time booking airfare through the authorized airlines or travel agencies is more expensive than booking on a site such as Expedia, Orbitz or Travelocity. Requiring the use of the STMP payment mechanism if they are available means that a traveler must pick a more expensive booking for their trip (Since all airline transactions are supposed to be booked on the Ghost card). Since higher educations cost for travel far exceeds that of the rest of the State, this rule only serves to cost the State money. Obtaining a waiver from the State Controller's office each and every time a booking is less expensive via a retail site than on a State approved program is in-efficient and cumbersome at best (CSM tracks this and over 40% of bookings for CSM are less expensive on retail sites). I believe this makes it clear that the requirement to use a card program does not belong in fiscal rule and instead belongs in policy only and that the policy should give each agency the ability to internally approve exceptions. Further, the first statement in Section 6.8 stating that a traveler MAY be required to use an STMP approved or designated airline should be a policy and not a rule. Rules should not be half measures or possibilities. In section 10. the State gives two options for paying for expenses. EFT or State Card. Obviously paying for retail travel, that saves the State money isn't going to occur on the State Ghost card. Simply put, direct payment to the travel site or direct reimbursement to the traveler should be allowed to save the State money.

Thanks

*John C. Kane*

Director of Procurement Services

Colorado School of Mines

1500 Illinois Street

Golden, CO 80401

(303)273-3972 Fax:(303)273-3971

---

**From:** Kingston, Lenora [mailto:Lenora.Kingston@state.co.us]

**Sent:** Friday, April 10, 2009 4:16 PM

**Cc:** Wilson, Jessica; Madsen, Scott; Utterback, John; Sealy, Jana; Jaros, Bob; Haugh, Judy; McDermott, David; FAST; Taylor, William; Okes, Jennifer

**Subject:** URGENT REMINDER: Travel Fiscal Rule Hearing - Monday, April 13, 2009 - 9 AM

**Importance:** High

**The Fiscal Rule hearing is scheduled for April 13, 2009 starting at 9:00 am. This Fiscal Rule reflects comments received at the last hearing on FR 5-1. Any comments you have should be directed to Bob Jaros at [Bob.Jaros@state.co.us](mailto:Bob.Jaros@state.co.us).**

A public hearing will be held under the authority of Part 2, Title 24, Article 30, CRS, at 9:00 a.m. on April 13, 2009 in the Colorado Department of Labor and Employment's exam room on the second floor, 633 17<sup>th</sup> Street, Denver, Colorado, to consider adoption of changes to the State of Colorado Fiscal Rules. Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public hearing, please notify Lea Ann Baker at 303 866-3765 by April 1, 2009.

Opportunity to share comments on the **NEW** proposed **OSC Travel Policies** will be provided at this hearing.

---

**ATTACHED: Draft Fiscal Rule 5-1; OSC Travel Reward Programs Policy; OSC Mileage Reimbursement Policy; OSC Taxability of State Travel Reimbursements Policy**

---

**Summary of Changes to 1 CCR 101-1 – State Fiscal Rules**

**Chapter 5 Rule 5-1 Travel**

Updates per diem rates for meals and incidental expenses, and provides for later updates of these rates. Includes 12 sections in the rule for different topics. Adds definition for metropolitan area, temporary work location, and traveling away from home to be consistent with definitions provided by the Internal Revenue Service regarding travel. Clarifies the rule for reimbursement, the traveler's responsibilities and the approving authority's responsibilities. Clarifies reimbursement requirement and methods of payment for travel expenses. Copies of the text of the proposed rule changes are available for inspection at the Office of the State Controller, 633 17<sup>th</sup> Street, Suite #1500, Denver, Colorado, 80202, during normal business hours. The proposed changes to the fiscal rules are also available on the State Controller's website, <http://www.colorado.gov/DPA/DFP/SCO> under "Proposed Rule Changes". See attached document for proposed changes.

Regards,

*Lenora Kingston, C.T.E.*

State Travel Manager  
Department of Personnel & Administration  
Division of Central Services, State Travel Management Program  
1001 East 62nd Avenue, Rm. A-31  
Denver, Colorado 80216  
Telephone: 303.866.3986  
Cell Phone: 303.598.9617  
Fax: 303.866.5302  
Email: [lenora.kingston@state.co.us](mailto:lenora.kingston@state.co.us)

**[www.colorado.gov/travel](http://www.colorado.gov/travel)**

*Good Government Travel Starts Here!*

**Please consider the environment before printing this e-mail**

